



**Connecting the Nation.
And Beyond.**



CONNECTING THE NATION. AND BEYOND

This year's annual report represents our theme of "Connecting the Nation. And Beyond". From the new Eastern Dispersal Link (EDL) in Johor Bahru to rail infrastructure projects, we add value in the form of convenience, less travel time and state-of-the-art facilities. EDL will assist to fast track the nation to new levels of connectivity and convergence, to realise both economic and social benefits for all.

MENGHUBUNG NEGARA MERENTASI KE LUAR SEMPADANNYA

Laporan tahunan ini menggambarkan tema "Menghubung Negara Merentasi Ke Luar Sempadannya". Dari Lebuhraya Penyuraian Timur (EDL) di Johor Bahru ke projek infrastruktur rel, kami memberi nilai dalam bentuk keselesaan, penjimatan masa perjalanan dan kemudahan cangguh. EDL akan membantu melonjakkan sambungtara antara negeri menjadi lebih baik di samping merealisasikan manfaat ekonomi dan sosial untuk semua.

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The Sentral Residences – Sky Pool





VISION VISI

Our Vision is to be a leading Malaysian organisation, recognised for the delivery of world-class services in each of our core businesses, with a corporate presence in strategically selected countries and markets. In doing so, we will strive to be an organisation differentiated globally for its dedication to the delivery of the critical resources for growth in the interest of our country, employees, stakeholders, and the various communities within the countries which we operate.

Visi kami adalah untuk menjadi sebuah organisasi Malaysia terkemuka yang diiktiraf sebagai penyedia perkhidmatan bertaraf dunia dalam setiap perniagaan teras kami, serta memainkan peranan di negara-negara dan pasaran yang strategik. Dalam mencapai visi ini, kami berusaha menjadi organisasi unik di peringkat global yang bertekad untuk menggunakan sumber pembangunan kritikal demi kepentingan negara, warga kerja, pemegang kepentingan dan pelbagai komuniti di setiap negara di mana kami beroperasi.

MISSION MISI

In achieving our Mission, we are firmly committed to the following:

- Supporting Malaysia's economic growth and its pursuit of developed nation status by developing and delivering critical resources for the present and future knowledge and IT-driven economies.
- Building and sustaining a leadership position in the delivery of excellent services in each of our core businesses through the creative efforts and dedication of our skilled employees.
- Enhancing the quality of life of the communities within which we operate through projects and activities that are socially, culturally and environmentally responsible.
- Creating shareholder value not only through the development of viable business strategies with partners and investors, but upholding the principles of good corporate governance, integrity and honesty.
- Nurturing a corporate culture that places an emphasis on learning, knowledge sharing, creativity and speed of delivery in its pursuit of excellence, through effective training and career development programmes; underscoring the value we place in our employees as enablers in achieving our Vision and fulfilling our Mission.

Kami berpegang teguh dengan perkara-perkara berikut demi merealisasikan misi kami:

- Menyokong pertumbuhan ekonomi Malaysia dan membantu negara mencapai status negara maju, dengan membangun dan menawarkan sumber kritikal untuk ekonomi berasaskan Pengetahuan (K-Ekonomi) dan Teknologi Maklumat (IT) masa kini dan yang akan datang.
- Membina dan mengekalkan kedudukan terulung di dalam memberikan perkhidmatan cemerlang dalam setiap perniagaan teras kami melalui usaha kreatif dan semangat dedikasi para kakitangan kami.
- Meningkatkan kualiti hidup masyarakat di mana kami beroperasi melalui pelbagai projek dan aktiviti yang menjurus kepada perkembangan sosial, budaya dan pemeliharaan alam sekitar.
- Membina nilai pemegang saham melalui perkembangan strategi perniagaan yang berdaya maju bersama rakan niaga dan para pelabur serta mengamalkan prinsip pentadbiran korporat yang mementingkan integriti dan kejujuran.
- Memupuk budaya korporat yang memberi penekanan kepada pembelajaran, perkongsian pengetahuan, kreativiti dan juga kepantasan dalam mengejar kecemerlangan, melalui program latihan dan pembangunan kerjaya yang berkesan; sejajar dengan kebolehan kakitangan kami demi mencapai visi dan misi kami.

CORPORATE INFORMATION

MAKLUMAT KORPORAT

BOARD OF DIRECTORS LEMBAGA PENGARAH

Tan Sri Azlan Zainol
Non-Independent
Non-Executive Chairman
Pengerusi Bukan Bebas
Bukan Eksekutif

**Datuk Mohamed Razeek Md
Hussain Maricar**
Chief Executive Officer
Ketua Pegawai Eksekutif

Dato' Shahril Ridza Ridzuan
Non-Independent
Non-Executive Director
Pengarah Bukan Bebas
Bukan Eksekutif

Dato' Abdul Rahman Ahmad
Independent Director
Pengarah Bebas

Dato' Ahmad Ibnihajar
Independent Director
Pengarah Bebas

Che King Tow
Independent Director
Pengarah Bebas

Dato' Chong Pah Aung
Independent Director
Pengarah Bebas

Jamaludin Zakaria
Independent Director
Pengarah Bebas

COMPANY SECRETARY SETIAUSAHA SYARIKAT

Mohd Noor Rahim Yahaya
(MAICSA 0866820)

AUDIT COMMITTEE JAWATANKUASA AUDIT

Dato' Ahmad Ibnihajar
Chairman
Pengerusi

Dato' Abdul Rahman Ahmad

Che King Tow

Jamaludin Zakaria

REGISTERED OFFICE PEJABAT BERDAFTAR

Level 21, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 03-2786 8080
Fax: 03-2780 7668

SHARE REGISTRAR PENDAFTAR SAHAM

Symphony Share
Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000
Fax: 03-7841 8151

**AUDITORS
JURUAUDIT**
PricewaterhouseCoopers

Principal Bankers Bank-Bank Utama

Affin Bank Berhad
RHB Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING PENYENARAIAAN BURSA SAHAM

Listed on Main Market of
Bursa Malaysia Securities
Berhad
Tersenarai di Pasaran Utama
Bursa Malaysia Securities
Berhad

DATE OF LISTING TARIKH PENYENARAIAAN

22 March 1971
22 Mac 1971





EDUCATING YOUTH

Preparing our youth for life's long road is to mould both minds and hearts for their future, while retaining our core cultural heritage and values.

CORPORATE SOCIAL RESPONSIBILITY

At Malaysian Resources Corporation Berhad (MRCB), we are committed to supporting Government initiatives for social and national development. We place a greater emphasis on all material issues including social and environmental impacts arising from our operations and assessing their importance to stakeholders.

We strive to build a better tomorrow by continuously enhancing the relationships with our stakeholders, particularly our local communities, customers, investors, employees and suppliers. We ensure that this commitment is in line with the "Silver Book – Achieving Value through Social Responsibility", which has been developed by the Putrajaya Committee on GLC Transformation in 2007.

Our CSR activities continued to receive local and international recognition this year. In the international arena, MRCB was awarded with two Distinguished Honorees for two programmes organised by the US-based International Business Stevie Awards. The MRCB PINTAR programme was recognised as Corporate Social Responsibility Programme of the Year in Asia (Subcontinent, Australia and New Zealand) and its Green Building Initiative also received Distinguished Honoree of the Environmental Responsibility Programme of the Year in Asia (Subcontinent, Australia and New Zealand). Nationally, MRCB was awarded the Conglomerate Award by the BrandLaureate Award while it repeatedly gain recognition as a finalist by the ACCA MaSRA award panel.

MRCB is a committee member of the Malaysian chapter of the United Nations Global Compact (UNGC) in keeping with our aim of adopting international standards for our CSR programmes and vision. We are committed to incorporating all the 10 UNGC principles on human rights, labour rights, environmental sustainability and anti-corruption into our business operations and strategies, and report our progress.

COMMITMENT TO BETTER DISCLOSURE AND TRANSPARENT REPORTING

We continue to provide excellent reporting disclosure in accordance with the Global Reporting Initiative (GRI-G3) framework for Sustainability Reporting. The independent assessment by GRI in Amsterdam ensures MRCB has disclosed all required core indicators under GRI-G3 which measures disclosure and transparent business practices.

In this reporting period, we continue to improve our reporting process by providing additional information wherever possible particularly in previously under reported areas. Our Sustainability Report this year highlights MRCB's CSR contributions more holistically and comprehensively. We have also engaged with an independent third-party assurer, SIRIM QAS International Sdn Bhd, to verify the content of our Report to further enhance its credibility.



ENVIRONMENTAL INITIATIVES

As a leader in the field of environmental engineering in Malaysia, MRCB has been involved in several beach, river and coastline restoration projects. We work with the Government to help avert social and environmental crises by constructing and developing flood mitigating projects, performing coastal rehabilitation works, managing drainage and combating other environmental issues.

MRCB's environmental rehabilitation projects include the rehabilitation of the Sungai Perai river, Kuala Pahang river mouth improvement project and the Sg. Kuantan river rehabilitation project.

Our commitment to sustainable development is integrated into each business division which includes construction management projects as part of our Key Performance Indicators.

GREEN BUILDING INITIATIVES

At MRCB, we are committed to contributing to Malaysia's Green Objectives. We are proud to lead Malaysia's own Green Building Index for existing and future development projects through several green building initiatives and best practices such as the Leadership in Energy and Environment Design (LEED) certification issued by the US Green Building Council; Building and Construction Authority (BCA) Green Mark of Singapore and the Green Building Index (GBI) of Malaysia. This strategy has been integrated into all new projects in our iconic landmark



Kuala Lumpur Sentral development; 348 Sentral, Lot G and Lot E- KL Sentral Park.

Our green strategy has so far been progressively implemented at 348 Sentral, Lot G and Lot E developments. MRCB adopts the US-based LEED certification managed by the US Green Building Council; Singapore's BCA Green Mark and Malaysia's GBI.

As one of the leading proponents of green development, we will continue to pursue sustainable development in our core property business. We have consciously initiated the adoption of a green development strategy for all future developments in Kuala Lumpur Sentral. As a contractor, we are also advocating green development strategy for our clients as well.

CORPORATE SOCIAL RESPONSIBILITY

CLIMATE CHANGE

Our support in preserving the earth continues when we pledge our support for 'Earth Hour' every year. Earth Hour has increased internal awareness in our workforce of the importance of preserving our earth resources when non-essential lights and other electrical appliances are switched-off at selected operations within the Group. Awareness campaign posters were displayed by WWF Malaysia to encourage tenants in our buildings to support this event. During 2011, 1 Sentral, Sooka Sentral, Plaza Sentral, Stesen Sentral and Plaza Alam Sentral participated in this event.

In 2011, we continued to conduct a Greenhouse Gas (GHG) study to develop a GHG reduction strategy based on our current carbon emissions. The results of this study are used as benchmark for our GHG management programme which is reported separately in our Sustainability Report 2011.

OUR CHILDREN OUR TOMORROW

MRCB's continued commitment to creating shared value is reflected in its PINTAR programme with one new school adopted in 2011. The school is SK Iskandar Perdana, Perak. Schools

adopted in 2010 are SK Indera Shahbandar, SK Serandu and SJK (C) Yoke Hwa, all in Pahang and one school on Pulau Pinang, SJK (T) Ladang Mayfield. In addition, contributions to the other schools which were adopted in 2008 & 2009 are still on-going, namely SK La Salle 1 and SK La Salle 2, in Brickfields, Kuala Lumpur, SK Tebrau Bakar Batu in Johor Bahru and SK Bagan Jermal in Penang.

We are pleased to see the encouraging improvements shown by students of these schools when 18 students received recognition including Tokoh Cemerlang MRCB and Tokoh Ko-Kurikulum 2011. From 519 students that sat for their UPSR, 169 students achieved 5As to 3As results from all our adopted schools.

COMMUNITY AND NATION BUILDING

The work on the pedestrian crossing linking Jalan Tun Sambanthan and the Nu Sentral Retail Mall began in October 2011 and will be completed in July 2012. This pedestrian crossing will connect the Monorail Station with SSKL.





As the construction project is in the Brickfields area, a stakeholder communications session was held with the Malaysian Association for the Blind (MAB) on 2 March 2011 at the MAB building, located on Jalan Tebing to discuss ways to help the blind navigate Brickfields with the upgrading works in progress. This was followed by another dialogue session on 29 June 2011 where the Kuala Lumpur Mayor Tan Sri Ahmad Fuad Ismail together with MRCB, discussed possible solutions to the traffic issues in Brickfields with the local community.

In addition, MRCB adopted the Little India Fountain for three years, beginning 2010, and agreed to take full responsibility to maintain and clean the fountain as a part of the Group's contribution to the Brickfields community.

LISTENING TO OUR STAKEHOLDERS

MRCB continues to hold dialogues with the community, business operators, analysts, media and local authorities. Dialogues were held with the community in Johor Bahru and the highway authorities on our Eastern Dispersal Link (EDL) Expressway project.

MRCB also contributed generously to a religious complex, several organisations within its area of operations as well as the City of Kuala Lumpur to green Kuala Lumpur City. A total of 44 Investor Relations sessions were held in 2011 both locally and internationally. This has resulted in an overall positive positioning for MRCB with its brand being recognised at the BrandLaureate Awards in 2011.

RESPONSIBLE MARKETPLACE PRACTICES

MRCB continues to execute responsible practices in the marketplace which respect the values of Malaysians. MRCB has introduced a systematic procurement and marketing line where the Company practices its quality and sustainability

responsibility at each stage. During 2011, the same customer satisfaction survey was conducted to map MRCB's improvement against its customers' expectation.

BEING AN EMPLOYER OF CHOICE

MRCB strives to achieve the highest levels of employee satisfaction by providing a detailed career development programme for its employees. Due to the nature of its business, health and safety at work is never compromised. Two-way communications are encouraged within the Company to understand employees' expectations and help both parties act as one cohesive organisation for the best interests of all.

CONCLUSION

We are in full support of the Government's effort to promote ethical standards within companies. We strive to improve our sustainability initiatives to complement these efforts. The challenges of addressing increasing demand in emerging markets and the forces of convergence across global environmental concerns, such as climate change, are all significant issues for our business. We are committed to engaging with our direct and indirect stakeholders proactively through our Corporate Communications team which is the champion in upholding CSR issues with support from Senior Management and respective division heads.

As part of our future agenda, we will place more attention to position MRCB strategically as not only a sustainable organisation but a model corporate citizen in the country.

MEDIA MILESTONES

Construction work in exchange for land

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) has signed a privatisation deal with the government and Syarikat Tanah dan Harta Sdn Bhd to carry out government construction work in



at RM128.7 million, MRCB said in a filing to Bursa Malaysia. The projects are Little India up-works in Brickfields, the

three-storey building consisting of office space and 28 units of stalls and Ang Seng Development which involves the construction of 212 units of new government Class F quarters to replace the government quarters at Jalan Rozario, Kuala Lumpur. In return, CASB will receive two pieces of land at the intersection of

Tun Sambanthan, measuring 14,297 square metres and 5,642.71 sqm.

The land is valued at some RM601 per square feet. CASB will have the opportunity to develop the exchange land into a mixed property development.

The estimated gross develop-

ment on that land is some RM1 billion.

CASB is a 70:30 special purpose vehicle between MRCB and DMIA Sdn Bhd to construct the projects. DMIA is principally engaged in construction and property development activities.

It did not say who the owners of (Tanah) were.

Ekovest, MRCB in JV for river job

PETALING JAYA: Ekovest Bhd has signed a joint-venture and shareholders' agreement with Malaysian Resources Corp Bhd (MRCB) Bund Sdn Bhd in relation to the Life project.

In a filing with Bursa M Ekovest said the agreement the parties to regulate their and obligations inter-se as holders of KL Bund, currently

Malaysia vying for India projects worth billions

MUMBAI: Malaysia is vying for at least five mega projects in India worth billions of ringgit. Special Envoy to India and South Asia on Infrastructure Datuk Seri S. Samy Vellu said.

He said the projects included the building of a new city centre, for City Centre, day visit, which will also include New Delhi and Chennai



IN INDIA
JOSEPH RAJ

was interested in building a city centre, like KLCC, in Gujarat.

"A site between Ahmedabad and Gandhinagar has been identified for this," he added. He said the highway projects were in Gujarat and Andhra Pradesh states.

Samy Vellu said that another big opportunity for Malaysian companies was in slum resettlement.

"We are proposing to build five-storey low-

MRCB mulakan pembinaan Penang Sentral awal 2012

MALAYSIAN Resources Corp Bhd (MRCB) mengumumkan bahawa pembinaan Penang Sentral akan bermula pada awal 2012.

MRCB eyes projects in Johor and Selangor

By ZAZALI MUSA

JOHOR BARU: Malaysian Resources Corp Bhd (MRCB) is eyeing to land and construction-related projects in Johor and Selangor. Chief executive officer Datuk Mohamed Razeek Hussain said the states would remain the focus centres in the country, offering many business opportunities.

"We are interested in bid for the 10-billion ringgit Baru City Centre redevelopment project," he said during a briefing in Kuala Lumpur last week.

Expressway project yesterday. It was reported earlier that the Johor government would award the MRCB Johor Baru City Centre Transformation Plan (JCCTP) in the second half of the year. Tender for the first component of the JCCTP - to open, clean up and beautify Sungai Segang which flows along Jalan Wong Ah Fook - costing RM200mil, would open in the next two months.

"We also want to get involved in the new infrastructure projects in Malacca and other flagship development zones in Iskandar Malaysia," he said.

Razeek said work on the RM500mil Mental Hospital in Krangas was progressing well and the hospital would be handed over to the Health Ministry by the end of next month.

He said the hospital encompassed a unique rehabilitation environment, which included indoor and outdoor recuperating and various stages of rehabilitation processes, for mentally-disturbed patients.

To a question he said MRCB would not close its doors in post-merger although the proposed merger between the company and (M) Land Bhd did not materialise.

"When asked whether there should be a 'pre-nuptial' agreement before the company and its potential partner signed on the dotted line, Razeek quipped it may be part of the agreement.

"Well, we are a solvent little and we don't expect much from the groom. As long as the marriage enhances our value, we are ready to be a part of it," he said.

In brief

MRCB bags RM40m coastal rehab project

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) has been awarded a RM40.33 million job to carry out coastal protection works in Bagan Ajam, Penang.

In a filing with Bursa Malaysia yesterday, MRCB said it had

MRCB profit boosted by property

PETALING JAYA: Malaysian Resources Corporation Berhad (MRCB) posted a 55.4% year-on-year jump in net profit to RM19mil for the second quarter ended June 30, 2011.

In a Bursa Malaysia filing yesterday, MRCB said the higher profit for the quarter under review was mainly contributed by recognition of progress profit from the ongoing property development projects at Kuala Lumpur Sentral, including the recent sales launch of its Q Sentral strata office.

Profit was also boosted by its construction activities in Johor Eastern Dispersal and Marlborough City. The group's net profit for the year to RM156mil in a statement.

Chief executive officer Datuk Mohamed Razeek Hussain said more than 50% of the Q Sentral office block had been sold at record prices averaging RM1,200 per sq ft.

"Also, Kuala Lumpur Sentral, known as KL Sentral Park, which is due to be completed in the second half of the year, continues to attract strong rental interest with occupancy reaching 80%. A condominium development within Kuala Lumpur Sentral, known as The Sentral Residences, is due to be launched within the immediate month."

MRCB jangka catat perolehan RM1.3 bilion

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) mengumumkan bahawa perolehan catat akan dicapai pada tahun ini.

Keuntungan sebelum cukai Malaysian Resources Corp Bhd (MRCB) meningkat kepada RM16.48 juta pada suku ketiga berakhir 30 September 2011, berbanding RM15.01 juta yang dicatatkan pada suku yang sama tahun lalu.

Pendapatan meningkat kepada RM286.35 juta daripada RM270.91

Untung MRCB RM16.48j

Keuntungan sebelum cukai Malaysian Resources Corp Bhd (MRCB) meningkat kepada RM16.48 juta pada suku ketiga berakhir 30 September 2011, berbanding RM15.01 juta yang dicatatkan pada suku yang sama tahun lalu.

Pendapatan meningkat kepada RM286.35 juta daripada RM270.91

kontrak dalam faktor hartanah kini RM1 bilion, manakala bagi sektor yang akan kekal hingga tiga tahun, projek.

Program Ekonomi (ETP) bukan membantu MRCB peserta yang ada projek ini," katanya.

Menurutnya, merupakan inisiatif peribadi untuk kan bekas tapak yang disusunkan Bhd.

Lumpur, Sentral dan projek pembangunan Sungai Gombak.

"Pada masa ini, kami bekerjasama dengan kerajaan untuk membangunkan skop kerja (operasi)," katanya.

Mohamed Razeek menjelaskan, MRCB mengemukakan tender hampir RM2 bilion nilai pembinaan awam seperti pengamungan, transit aliran ringkas dan projek-projek pembinaan.

Menurutnya, merupakan inisiatif peribadi untuk kan bekas tapak yang disusunkan Bhd.

MRCB plans RM300m upscale homes at Jalan Kia Peng

MRCB pilih Australia

MELBOURNE 31 Julai – Syarikat pembinaan Malaysia, Malaysian Resources Corporation Bhd (MRCB), telah memilih sub bandar Burwood di sini sebagai tapak untuk pembangunan pertamanya di Australia, Burwood Rise dan Burwood View.

MRCB ialah antara pemaju terbesar Malaysia, bertanggungjawab untuk banyak projek yang telah

Malaysian Resources Corp Bhd) plans to develop a residential project with value of RM300 million in Kuala Lumpur. It is the one-acre leasehold development centre on Jan 7, it said. It mentioned the price of the project had claimed that it was 50 psf in a research note

MRCB profit boosted by property

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Profit was also boosted by its construction

Chief executive officer Datuk Mohamed Razeek Hussain said more than 50% of the Q Sentral office block had been sold at record prices averaging RM1,200 per sq ft.

"Also, Kuala Lumpur Sentral, known as KL Sentral Park, which is due to be completed in the second half of the year, continues to attract strong rental interest with occupancy reaching 80%. A condominium development within Kuala Lumpur Sentral, known as The Sentral Residences, is due to be launched within the immediate month."

MRCB enters into MoU with Korean union

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) has signed a strategic alliance memorandum of understanding (MoU) with the Korean Teachers Credit Union (KTCU) to collaborate on potential future property projects.

fare and livelihood of teachers and employees in the country's education system. The KTCU currently invests in two real estate funds for two projects in MRCB's KL Sentral development, namely Tower 2 Lot G and Q Sentral, with a total investment value of RM660 million.

The K ment gu with the

MRCB bina menara mewah RM300j

Projek kediaman mahal berservis dibangun berhampiran KLCC.

MALAYSIA Resources Corp Bhd (MRCB) telah menandatangani memorandum of understanding (MoU) dengan KTCU Korea untuk bekerjasama membangunkan projek pembangunan perumahan mewah di kawasan KL Sentral.

MRCB gets coastal protection job

PETALING JAYA: Malaysian Resources Corp Bhd (MRCB) has secured a RM40.30mil Government contract to carry out coastal protection works at the river mouth of Sungai Perai and nearby coastal areas in Penang. The company told Bursa Malaysia

akan membangunkan menara dengan nilai RM300 juta berhampiran KLCC. Projek ini akan melibatkan pembinaan infrastruktur yang akan dikecualikan seperti Menara Berkecuali Peringkat, Menara Telekomunikasi dan Menara High-Rise.

"Mentor pembangunan di kawasan ini adalah MRCB dan KTCU. Projek ini akan melibatkan pembinaan infrastruktur yang akan dikecualikan seperti Menara Berkecuali Peringkat, Menara Telekomunikasi dan Menara High-Rise. MRCB akan bertindak sebagai kontraktor utama bagi projek ini," kata MRCB.

MRCB lands good deal

It gets prime land in return for building infrastructure projects

By **BOH KANG**
@TheStar.com.my

PETALING JAYA: Malaysian Resources Corp Bhd (MRCB) struck a good deal, getting two plots of land in return for constructing several public infrastructure projects in Brickfields.

OSK Research in a new press release said that it was not entirely surprised by the news given that MRCB had previously indicated that it had targeted several parcels of prime land in Klang Valley, including Brickfields, for potential land acquisition.

"We view the agreement positively as it's in line with MRCB's strategy to invest in land and gain the exchange land in return for its infrastructure projects in KL Sentral," it said.

It believes that the latest development will enable the group to expand its KL Sentral development projects.

In a move on July 5, Country Associates Ltd (CAL) a 70:30 subsidiary of MRCB, secured two plots of prime land in Klang Valley, including Brickfields, for potential land acquisition.

MRCB said that Malaysia Resources Corp Bhd (MRCB) had entered into a pre-agreement with the Government and Ignatius Tan and Hui Kah Hin for the construction of three projects in Brickfields.

The projects consist of Little India (a 100-unit residential development), The Suncor (a 100-unit residential development) and The Suncor (a 100-unit residential development).



Workers at a site near the KL Sentral in Kuala Lumpur. MRCB has secured two plots of prime land in Klang Valley, including Brickfields, for potential land acquisition.

We view the agreement positively as it's in line with MRCB's strategy to boost its land bank.

The 21A300 sq ft land is valued at RM100 million.

The 21A300 sq ft land is valued at RM100 million.

MRCB cadang bina projek rumah mampu milik

KUALA LUMPUR: Malaysian Resources Corporation Bhd (MRCB) menjangka projek pembangunan perumahan mampu milik di salah satu bahagian projek pembangunan perumahan di kawasan KL Sentral.

MRCB bina projek rumah mampu milik di kawasan KL Sentral.

MRCB bina projek rumah mampu milik di kawasan KL Sentral.

MRCB bina projek rumah mampu milik di kawasan KL Sentral.

MRCB bina projek rumah mampu milik di kawasan KL Sentral.

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MRCB bina projek rumah mampu milik di kawasan KL Sentral.

MRCB Corporation Bhd

PADA 4 Julai lalu, Malaysian Resources Corporation Bhd (MRCB) mengumumkan maklumat mengenai projek pembangunan perumahan mampu milik di kawasan KL Sentral. Projek ini akan melibatkan pembinaan infrastruktur yang akan dikecualikan seperti Menara Berkecuali Peringkat, Menara Telekomunikasi dan Menara High-Rise.



MRCB bina projek rumah mampu milik di kawasan KL Sentral. Projek ini akan melibatkan pembinaan infrastruktur yang akan dikecualikan seperti Menara Berkecuali Peringkat, Menara Telekomunikasi dan Menara High-Rise.

Ekovest-MRCB JV gets River of Life project

Source: Can bid for job under Swiss Challenge
Kanamar Ashar



weekly recently, Datuk Bandar Kuala Lumpur Datuk Seri Ahmad Huzaffa bin Yusoff, said as the PDP of the River of Life project, the party appointed (Ekovest-MRCB JV) should not bid for the project, there is no reason why bids by Ekovest-MRCB JV should be disqualified or the company itself should be disqualified only because it is the PDP.

The JV has obtained the letter of intent from the government for the job back in February. According to the announcement,

As an artist's impression of the River of Life project, the project will involve the construction of a large-scale urban development project, including residential and commercial buildings, along the River of Life.

Ekovest-MRCB JV has been shortlisted as one of the bidders for the project. The project is expected to be completed by 2015.

MEDIA MILESTONES

MRCB unit gets KL land

Deal made for undertaking 3 projects in Brickfields

PETALING JAYA: Country Assets Sdn Bhd (CASB), a 70% subsidiary of Malaysian Resources Corp Bhd (MRCB), will be given land in Kuala Lumpur with a potential RM1bn gross development value in an area zoned for projects in Brickfields.

dan Harta Sdn Bhd for the construction of three projects in Kuala Lumpur. The projects consist of Uluu Uluu upgrading and beautification of

DMA Sdn Bhd owns the remaining 30% stake in CASB, which was set up as a special purpose vehicle to develop the projects in return for two pieces of land at the intersection

opportunities to further strengthen the future income of the group. To recap, in June last year, the RM1.6bn Little India project was jointly awarded to MRCB and DMA

KL Sentral development to see more public transport use

By MARTIN CARVALHO
mart3@thestar.com.my

KUALA LUMPUR: Improvements to KL Sentral's integrated transportation hub may see a 10% increase in commuters using public trans-

Perolehan MRCB cecah RM1.06b

MALAYSIAN Resources Corporation Bhd (MRCB) buat pertama kalinya berjaya mencatatkan perolehan melebihi RM1.06 bilion bagi tahun kewangan berakhir 31 Disember 2010.

Ketua Pegawai Eksekutif MRCB, Datuk Mohamed Razeek Hussain, dalam satu kenyataan berkata, perolehan yang dicatatkan itu adalah peningkatan seba-

MRCB seeks to expand landbank

Targeting prime (J) land to replenish dwindling landbank

By Melody Song

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) is looking to expand its landbank given that it has only 13 acres left in its Kuala Lumpur development, according to analysts, which largely explains the company's interest in acquiring prime land.



MRCB Q4 net profit surges to RM41.5m

MALAYSIAN Resources Corp Bhd (MRCB) has more than tripled its fourth-quarter net profit, helped by improved margins and cost-saving initiatives. The property development, engineering and construction group recorded a RM41.5 million net profit for the quarter compared with RM12.4 million recorded in the same period in 2009.

For the full year ended December 31 2010, MRCB's net profit almost doubled to RM167.27 million, up from RM84.62 million in 2009. "The group's proactive moves to improve operational margins by leveraging on economies of scale



MRCB HQ flies the Jalur Gemilang

Malaysian Resources Corp Bhd (MRCB) has raised the Jalur Gemilang at its corporate headquarters at 1 Sentral Office Tower, Kuala Lumpur, prior to the nation's Independence Day celebration. The 27-ft wide and 267-ft long Jalur Gemilang, highly visible from Jalan Travers and Jalan Bangsar, is displayed on one side of the tower, enveloping a portion of it to allow for a prominent view of the flag.



By Natasha Ryan

KUALA LUMPUR: Stesen Sentral Kuala Lumpur, the country's premier transit and transport hub, is celebrating its 10th anniversary this year. In conjunction with the celebration, the hub will hold a month-long series of events. Stesen Sentral started as an integrated transit and transport hub that has evolved over the years, becoming a lifestyle centre, home to popular restaurants, retail outlets, travel agencies, business centres, banks, foreign exchange outlets and more.

Stesen Sentral marks 10th anniversary



Tan Sri Muhyiddin Yassin ringing the train bell to launch the celebration. With him are Datuk Mohamed Razeek Hussain (left), Deputy Minister of Transport Datuk Abdul Rahim Bakri (second from left) and KL mayor Datuk Seri Ahmad Fuad Ismail (right). — Picture by Ehsany Asad

River of Life beautification works valued at RM1bil

By DANIEL KHOO
danielk@thestar.com.my

KUALA LUMPUR: The River of Life (RoL) project beautification works portion, of which the Ekovest-MRCB joint venture (JV) is said to be ultimately owning, is worth RM1bil, analysts said. It is understood that the entire RM2.2bil project, which was announced on Tuesday for the RoL project includes the total cost of land development and sales adjoining the Klang and Gombak rivers with a total stretch of 10.7km.

successful in attaining the project. Ekovest Bhd which holds a 60% stake in the JV would be getting RM600mil worth of jobs while RM400mil worth will go to Malaysian Resources Corp Bhd (MRCB). The Ekovest-MRCB JV was on Tuesday appointed the project delivery partner for the first phase of the RM2.2bil RoL project to transform the rivers running through the heart of Kuala Lumpur through river rehabilitation, beautification of riverbank and river corridor developments.

ture were to eventually secure it, it is expected to see Ekovest taking a front lead's role given its majority stake in the JV.

lent by 1% of the project value over the project period of three years, which is an insignificant amount of RM2.2bil per year to MRCB over the

MRCB wins RM1.33b LRT job

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) has won a RM1.33 billion contract from Syarikat Prasarana Negara Bhd for the Ampang light rail transit (LRT) project. This confirms a Business Times report on June 15 that MRCB was poised to win the job. In a statement to Bursa Malaysia yesterday, MRCB said its subsidiary, MRCB Engineering Sdn Bhd (MESB), won the job for the construction and completion of facilities works, including fabrication

and delivery of segmental box girders. The lump-sum contract worth about RM1.33 billion is for a construction period of 30 months from the date of possession of site," MRCB said. Additionally, MRCB also said that MESB won a sub-contract worth RM67.2 million from Sunway Construction Sdn Bhd. The sub-contract is for the fabrication and delivery of segmental box girders for the Kelana Jaya LRT extension project.

station remains as the nation's main transport hub and continues to serve the needs of all travelling locally and overseas," said Muhyiddin. Guests were entertained by a

MRCB JV is PDP for The River of Life project

Malaysian Resources Corp Bhd (July 4, RM2.22) Maintain trading buy at RM2.58: Last Friday Prime Minister Datuk Seri Najib Razak launched the much anticipated River of Life (RoL) project, which aims to revitalise and transform Kuala Lumpur's dirty rivers. The RM4 billion project is divided into three parts — river cleaning, beautification and land development along the river.

River job valued at RM2.2b

Ekovest-MRCB JV will earn RM22mil fee from the River of Life project

PETALING JAYA: Ekovest-MRCB JV Sdn Bhd (EMJV), a 50:50 joint venture between Ekovest Bhd and Malaysian Resources Corp Bhd (MRCB), has been appointed the project delivery partner (PDP) by the Government to assist in the implementation and delivery of the River of Life (ROL) project.

Ekovest said Bursa Malaysia yesterday

project works to be delivered over the three-year period. The PDP will also enjoy monetary incentives with respect to the river rehabilitation and beautification works," it said.

It did not elaborate on the monetary incentives.

The ROL is an Entry Point Project identified in the Greater Kuala Lumpur National Key Economic Area

The ROL project entails the rehabilitation of the Klang and Gombak Rivers, and the beautification works on an initial 10.7km stretch.

Ekovest said the PDP project would not have an immediate effect on the company's earnings per share and net tangible assets for the current financial year ending June 30, 2012, but it was expected to contribute

The following month, MRCB and Ekovest signed an agreement to set up a joint-venture company known as KL River Sdn Bhd to undertake the ROL project.

Kuala Lumpur Mayor Tan Sri Ahmad Fuzi Ismail was reported to assist in saying said the PDP would not be allowed to bid for government land near the Klang River as joint-venture company 'Government's partner' of the river.

www.dstar.com.my

Rail deal a timely boost for MRCB

By Sharon Kaur
sharon@stp.com.my



KUALA LUMPUR: The RM1.23-billion Ampang rail contract won by the Malaysian Resources Corp Bhd (MRCB) has come in the nick of time to save its order book and earnings from falling, analysts said.

As at June 30 this year, MRCB's order book is worth RM1.24 billion and mostly comprises property development activities at its Kuala Lumpur Sentral project in Brickfields.

External contracts worth RM12 million include construction jobs to build a highway, hospital and college in Johor. These projects are due to be completed by early next year.

"It is a good time to replenish to give MRCB longer visibility and a good jump in construction earnings," Maybank Investment Bank head of research Wong Chew Huan said Business Times.

Wong expects the recognition from construction activities to be more meaningful from next year, led by the rail project.

MRCB on Tuesday announced that its unit, MRCB Engineering Sdn Bhd, won the Ampang light rail transit (LRT) contract from Syarikat Prasarana Negara Bhd, and also a sub-contract worth RM67.2 million from Stansway Construction Sdn Bhd, for the fabrication of steel for the LRT extension project.

An analyst with OSK Investment Bank said it is crucial for MRCB to get the contract to strengthen its financial position.

OSK has a "buy" call on the stock with a target price of RM3.30.

MDH Research expects significant contribution from the contract in kick in next year and has raised its earnings forecast for fiscal 2012 by 25 per cent.

It has also upgraded its recommendation to "buy" with a target price of RM2.66.

MDH analyst Sean Long Fat believes MRCB is in the right for the mass rapid transit project.

Jenathan Lal, an equity analyst at UOB KayHian, said on a per cent margin, it expects a profit contribution of RM20 million per year for 2012 and 2013.

"Buy" call on MRCB with a target price of RM3.32.

"Our positive conviction on MRCB is reinforced after the recent award. We continue to believe in its imminent growth going forward, largely stemming from the strong performance in KL Sentral, potential development in BRT land, Sg Buloh, 'River of Life' project and more prime land acquisitions in the pipeline," he said Business Times.

Konanza Research estimates

Recurring income seen from Nu Sentral

KUALA LUMPUR: Nu Sentral, a retail mall under construction at Kuala Lumpur (KL) Sentral, is expected to generate RM70mil recurring income annually from 2013.

It is a joint venture between Malaysian Resources Corp Bhd (MRCB) and Pralaburan Hartanah Bhd (PHB).

MRCB chief executive officer Datuk Mohamed Razeek Hussain (pic) said the group planned to increase recurring income contribution to B

"We are acquiring the mall after the Sentral is the mall

MRCB to acquire property firm

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) has proposed to acquire the entire stake in 59INC Sdn Bhd for RM110 million cash, which effectively enables the group to own 27.4 acres (10.96ha) of land in Setapak, Kuala Lumpur.

MRCB told Bursa Malaysia yesterday that the land would be developed from 2012 over a period of eight years into a mixed development with an estimated gross development value (GDV) of about RM1.5 billion, and expected profits of RM300 million.

MRCB had yesterday entered into

Perolehan MRCB RM1 bilion

KUALA LUMPUR 9 Feb. - Malaysian Resources Corporation Bhd. (MRCB) buat pertama kalinya mencatatkan perolehan melepasi paras RM1 bilion.

Syarikat itu telah mencatatkan perolehan berjumlah RM1.067 bilion bagi tahun kewangan berakhir pada 31 Disember 2010.

MRCB dalam kenyataannya di sini berkata, syarikat itu juga mencatat

Final LRT packages go to Sunway, MRCB

Construction sector
Maintain overweight: Sunway Holdings Bhd's RM569 million win is a pleasant surprise after press reports the Kelana Jaya Line Package B would go to TRC Synergy Bhd. Malaysian Resources Corp Bhd's (MRCB) RM1.33 billion win is also above the RM800 million to RM900 million estimates for the Ampang Line Package B. The LRT chapter, in terms of awards for the civil works contracting portion, we estimate RM79 million per km cost for the 8.1km Kelana Jaya route and RM129 million per km for the estimated 10.3km Ampang route (sources: Sunway and MRCB announcements, Prasarana's website). The huge cost disparity between the two lines, we understand, is due to design and traffic management which is more complex for the Ampang line.

expected in September with a 29-month construction period. Assuming a 5% net margin, we estimate RM28 million net profit (2.2 sen earnings per share (EPS)) contribution into 2014.

Besides RM1.33 billion for the Ampang line, MRCB has also won the RM67 million sub-contract for the fabrication and delivery of segmental box girders for the Kelana Jaya line awarded to Sunway.

MRCB wins RM46.5m job in Pahang

PETALING JAYA: Malaysia Resources Corp Bhd (MRCB) has won a contract worth RM46.5mil from the Department of Irrigation and Drainage for a project in Pahang.

It told Bursa Malaysia yesterday that it had received a letter of award to carry out "Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang." The contract was for a period of 17 months.

MRCB, Ekovest in ETP project

PETALING JAYA: Malaysian Resources Corp Bhd (MRCB) and its joint-venture (JV) partner Ekovest Bhd have been appointed the project delivery partner for the River of Life project.

The project has been identified as an entry-point project identified in the Greater Kuala Lumpur/Klang Valley National Key Economic Area under the Economic Transformation Programme, MRCB and Ekovest said in a joint statement to Bursa Malaysia yesterday.

It said the Ekovest Bhd-MRCB JV had received a letter of intent from the Government via the Kuala Lumpur mayor.

"This intention is subject to further negotiation between Ekovest Bhd-MRCB JV and the River of Life Joint Development Committee which was set up to govern the project on behalf of the Government in relation to the scope and cost of services of the project," MRCB said.

MRCB to develop project with estimated GDV of RM300m

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) is set to develop a luxurious high rise project with an estimated gross development value of RM300mil in Jalan Kia Peng, Kuala Lumpur.

MRCB acquired the 0.4 ha (one acre) tract of land for the project on Jan 7.

The planned project will be alongside established, luxurious service residences, within the general neighbourhood of the Kuala Lumpur City Centre.

MRCB chief executive officer Datuk Mohamed Razeek Hussain said although the status was leasehold, the prime location and scarcity of land in this posh area, as well as its proximity to numerous world class facilities and amenities, made the new development ideal for luxury residences. — Bernama

CORPORATE EVENTS 2011 PERISTIWA KORPORAT 2011

27 Jan

MRCB Wins Honour at
NACRA 2010
MRCB Raih Anugerah di
NACRA 2010



MRCB was presented with the Silver Award, Best Corporate Social Responsibility (CSR) category, at the National Annual Corporate Report Awards (NACRA) 2010. This was the third year running that MRCB has garnered NACRA recognition. Pn. Mohaini Mohd Yusof, General Manager and Head of Corporate Communications Department received the award on behalf of MRCB.

MRCB telah menerima Anugerah Perak, dalam kategori Tanggungjawab Sosial Korporat Terbaik di Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA) 2010. Ini merupakan kali ketiga berturut-turut MRCB menerima pengiktirafan tersebut. Pn. Mohaini Mohd Yusof, Pengurus Besar dan Ketua Jabatan Komunikasi Korporat telah menerima anugerah tersebut bagi pihak MRCB.

22 Feb

Shell Malaysia Chairman
Visits 348 Sentral
Pengerusi Shell Malaysia
Melawat 348 Sentral



Shell Malaysia Chairman, En. Mohd Anuar Taib, visited MRCB's Kuala Lumpur Sentral development to inspect the progress of 348 Sentral where the Shell corporate headquarters will be relocated in 2012. Mohd Anuar Taib was accompanied by MRCB's CEO, Datuk Mohamed Razeek Hussain and Gapurna's Group Managing Director Datuk Mohamad Salim Fateh Din.

Pengerusi Shell Malaysia, En. Mohd Anuar Taib, telah melawat pembangunan Kuala Lumpur Sentral untuk meninjau bangunan 348 Sentral di mana ibu pejabat Shell akan berpindah pada tahun 2012. Kunjungan Mohd Anuar diiringi oleh Ketua Pegawai Eksekutif MRCB, Datuk Mohamed Razeek Hussain dan Pengarah Urusan Kumpulan Gapurna, Datuk Mohamad Salim Fateh Din.

29 Jan

MRCB Participates in
Federal Territory Day
Parade
MRCB Mengambil
Bahagian dalam Perarakan
Hari Wilayah



MRCB contingent took part in the Federal Territory Day Parade held at Dataran Merdeka. The theme of the parade was '1 Wilayah Persekutuan Menjuarai Transformasi'. Reflecting the theme, the MRCB contingent wore reversible sarongs and demonstrated a literal transformation by reversing their sarongs in mid-parade.

Kontinjen MRCB telah mengambil bahagian dalam Perarakan Hari Wilayah yang diadakan di Dataran Merdeka. Tema perarakan tersebut adalah '1 Wilayah Persekutuan Menjuarai Transformasi'. Bersempena tema tersebut, kontinjen MRCB telah memakai kain sarung dua warna sebagai tanda simbolik kepada transformasi dengan memusingkan kain sarung mereka semasa perarakan.

11 Feb

MRCB Contributes
RM30,000 to Flood Victims
in Pagoh, Johor
MRCB Sumbang RM30,000
kepada Mangsa Banjir
di Pagoh, Johor



Project Director for the Eastern Dispersal Link (EDL), En. Shaharuddin Mohamed, handed over 1,000 cartons of mineral water worth RM20,000 plus RM10,000 in cash in aid of flood victims in Pagoh, Johor.

Pengarah Projek bagi Lebuhraya Penyuraian Timur (EDL), En. Shaharuddin Mohamed, menyerahkan lebih 1,000 karton air mineral bernilai RM20,000 berserta RM10,000 wang tunai bagi membantu mangsa banjir di Pagoh, Johor.

23 Mar

MRCB receives
BrandLaureate Awards
MRCB terima
Anugerah BrandLaureate



At the 2010-2011 BrandLaureate Award Night, MRCB garnered a Conglomerate Award recognising the Group as a successful brand. MRCB's CEO, Datuk Mohamed Razeek Hussain received the award from Bank Negara Governor, Tan Sri Dr. Zeti Akhtar Aziz, accompanied by BrandLaureate President, Dr K K Johan.

Pada Malam Anugerah BrandLaureate 2010-2011, MRCB telah menggondol Anugerah Konglomerat yang mengiktirafnya sebagai sebuah Kumpulan yang mempunyai Jenama yang terkemuka. Ketua Pegawai Eksekutif MRCB, Datuk Mohamed Razeek Hussain menerima anugerah tersebut daripada Gabenor Bank Negara, Tan Sri Dr. Zeti Akhtar Aziz, diiringi oleh Presiden Anugerah BrandLaureate, Dr K K Johan.

26 Mar

MRCB Switches out the
Lights for Earth Hour
MRCB Memadamkan
Lampu sempena Earth
Hour



For the third year running, MRCB supported the global Earth Hour movement by switching off all non-essential lights for one hour in all the properties it manages – including the iconic Kuala Lumpur Sentral development and Plaza Alam Sentral in Shah Alam. Earth Hour is organised by the World Wildlife Fund to boost awareness of the need for action to counter global warming and climate change.

Untuk tahun ketiga berturut-turut, MRCB menyokong kempen Earth Hour global dengan memadamkan semua lampu yang kurang penting selama sejam di semua hartanah kendaliannya – termasuk pembangunan ikonik Kuala Lumpur Sentral dan Plaza Alam Sentral di Shah Alam. Earth Hour dianjurkan oleh World Wildlife Fund untuk meningkatkan kesedaran terhadap perlunya usaha membendung gejala pemanasan global dan perubahan iklim dunia.

25-27 Mar

MRCB participates in 2
Career Day events
MRCB turut Serta dalam
Hari Kerjaya



MRCB participated in two Career Day Events in March and April, in support of the Government's efforts to enhance job opportunities for Malaysian youth. An estimated 400,000 to 500,000 job-seekers attended the fair, which was launched by Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. The second job fair was held on 23 April in Penang.

Sebagai menyokong usaha kerajaan mempertingkatkan peluang kerja bagi golongan belia Malaysia, MRCB telah turut serta dalam dua acara Hari Kerjaya pada bulan Mac dan April. Seramai kira-kira 400,000 hingga 500,000 yang mencari kerja menghadiri pameran yang dilancarkan oleh Perdana Menteri, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. Pameran kerjaya kedua diadakan pada 23 April di Pulau Pinang.

29 Mar

MRCB is Runner Up at
2010 StarBiz ICRM
MRCB Menang Tempat
Kedua dalam StarBiz ICRM
2010



MRCB was once again a finalist at the StarBiz ICR Malaysian Awards, to recognise companies that demonstrate outstanding Corporate Responsibility practices. This year, MRCB was amongst the runners-up for the market category. Pn. Mohaini Mohd Yusof, General Manager and Head of Corporate Communications was on hand to receive the award on behalf of MRCB. MRCB has been a finalist every year since the inaugural launch of the Awards in 2008.

MRCB sekali lagi berjaya dipilih ke peringkat akhir Anugerah StarBiz ICR Malaysia bagi mengiktiraf syarikat-syarikat yang menampilkan amalan Tanggungjawab Korporat unggul. Pada tahun ini, MRCB adalah antara finalis bagi kategori pasaran. Pn. Mohaini Mohd Yusof, Pengurus Besar dan Ketua Komunikasi Korporat telah hadir untuk menerima anugerah bagi pihak MRCB. MRCB telah terpilih ke peringkat akhir setiap tahun sejak pelancaran suling anugerah tersebut pada tahun 2008.

CORPORATE EVENTS 2011 PERISTIWA KORPORAT 2011

4 Apr

MRCB Holds 40th AGM
MRCB Mengadakan
Mesyuarat Agung Tahunan
ke-40



MRCB held its 40th Annual General Meeting (AGM) at Hotel Istana, Kuala Lumpur. More than 2,000 shareholders attended the meeting.

MRCB mengadakan Mesyuarat Agung Tahunan ke-40 (AGM) pada 4 April di Hotel Istana, Kuala Lumpur. Mesyuarat tersebut telah dihadiri oleh lebih 2,000 orang pemegang saham.

5 Apr

Transport Minister
Visits SSKL
Menteri Pengangkutan
Melawat SSKL



Transport Minister YB Dato' Seri Kong Cho Ha toured Stesen Sentral Kuala Lumpur (SSKL) to inspect the status of the integration work between the LRT and monorail. The Minister was accompanied by MRCB's CEO Datuk Mohamed Razeek Hussain and officers from Syarikat Prasarana Negara Berhad (Prasarana).

Menteri Pengangkutan, YB Dato' Seri Kong Cho Ha telah melawat SSKL untuk memeriksa status kerja-kerja penyepaduan LRT dan monorail. Yang Berhormat Menteri Pengangkutan telah diiringi oleh Ketua Pegawai Eksekutif MRCB, Datuk Mohamed Razeek Hussain dan para pegawai daripada Syarikat Prasarana.

25 Apr

SSKL Celebrates Ten Years
of Service
SSKL Sambut Ulang Tahun
Perkhidmatan Ke-10



SSKL, Malaysia's premier transit and transportation hub, celebrated its tenth Anniversary this year by holding a month-long series of public events starting on 25 April with an official launching ceremony by Deputy Prime Minister, YAB Tan Sri Dato' Haji Muhyiddin Haji Mohd Yassin. During the launch, Datuk Mohamed Razeek Hussain, reaffirmed the Group's commitment to continue providing outstanding service to the public.

SSKL, hab transit dan pengangkutan utama Malaysia, menyambut Ulang Tahun ke-10 pada tahun ini dengan mengadakan pelbagai acara yang dibuka kepada orang ramai selama sebulan bermula pada 25 April. Acara berkenaan dilancarkan dengan rasminya oleh Timbalan Perdana Menteri, YAB Tan Sri Dato' Haji Muhyiddin Haji Mohd Yassin. Pada majlis pelancaran tersebut, Datuk Mohamed Razeek Hussain, mengukuhkan komitmen Kumpulan untuk terus menyediakan perkhidmatan cemerlang kepada orang ramai.

26 May

Nu Sentral Welcomes
28 New Tenants
Nu Sentral Menyambut
Kemasukan 28 Penyewa
Baru



Nu Sentral Retail Mall, Malaysia's first fully integrated green lifestyle retail mall, welcomed 28 new tenants to its much sought-after retail spaces at a signing ceremony. The new tenants, including many renowned brand names, will take up approximately 156,000 sq. ft. of floor space. This is in addition to the main anchor tenants Parkson Corporation and Golden Screen Cinemas, which took up space in 2010.

Nu Sentral sebuah kompleks membeli-belah gaya hidup berkonsep hijau yang pertama di Malaysia mengalu-alukan 28 penyewa baru di majlis menandatangani pada 26 Mei 2011. Para penyewa baru yang terdiri daripada pelbagai jenama terkemuka itu bakal memenuhi ruang lantai seluas kira-kira 156,000 kaki persegi. Ia adalah tambahan kepada penyewa utama iaitu Parkson Corporation dan Golden Screen Cinemas yang telah pun mengesahkan sewaan di pusat membeli-belah tersebut sejak tahun 2010.

19-21 Jun

MRCB Participates in Langkawi International Dialogue

MRCB Mengambil Bahagian dalam Dialog Antarabangsa Langkawi



MRCB showcased its capability as a property developer and master planner by taking part in the 9th Langkawi International Dialogue (LID). LID promotes the 'Smart Partnership' approach between Government and other sectors.

MRCB sebagai pemaju hartanah telah mengambil bahagian dalam LID ke-9. LID menggalakkan pendekatan 'Perkongsian Pintar' antara kerajaan dan sektor-sektor lain.

21 Jun

MRCB Makes Excellence Staff Award 2010

MRCB Menyampaikan Anugerah Kakitangan Cemerlang 2010



In appreciation of the excellent services extended by frontline staff to the public, and to further inspire its staff, Building Services Division presented its 2010 Excellence Staff Award to Corporal Hasnizam Haron from the Auxiliary Police unit. The award was presented by MRCB's CEO, Datuk Mohamed Razeek Hussain.

Untuk menghargai perkhidmatan cemerlang yang disumbangkan oleh kakitangan barisan hadapan kepada orang ramai dan untuk meniupkan semangat para kakitangan lain; Bahagian Perkhidmatan Bangunan telah menyampaikan Anugerah Kakitangan Cemerlang 2010 kepada Koperal Hasnizam Haron daripada unit Polis Bantuan. Anugerah tersebut telah disampaikan oleh Ketua Pegawai Eksekutif MRCB, Datuk Mohamed Razeek Hussain.

24 Jun

MRCB Signs MoU with KTCU

MRCB Tandatangani MoU dengan KTCU



MRCB signed a Memorandum of Understanding (MoU) forming a strategic alliance with the Korean Teachers' Credit Union (KTCU), the second largest pension fund in South Korea. The MoU sets out mutually beneficial plans for investment partnerships and business and services projects, and reinforces MRCB's efforts to attract direct investment into Malaysia.

MRCB menandatangani (MoU) yang membentuk sebuah persepakatan strategik dengan Korean Teachers' Credit Union (KTCU), tabung pencen kedua terbesar di Korea Selatan. MoU tersebut memberi manfaat kepada kedua-dua pihak untuk bekerjasama. Ini telah mengukuhkan lagi usaha MRCB untuk menarik pelaburan langsung ke dalam negara.

24 Jun

MRCB Conducts Ex-Sentral 2011 Emergency Training

MRCB Mengadakan Latihan Kecemasan Ex-Sentral 2011



Stesen Sentral Kuala Lumpur conducted its annual Ex-Sentral exercise to train staff and tenants in the event of any emergency at the station. This year the training focused on an armed robbery scenario at the Transit Concourse.

Stesen Sentral Kuala Lumpur telah mengadakan latihan Ex-Sentral untuk melatih para kakitangan dan penyewa agar bersedia untuk menghadapi sebarang kecemasan. Tumpuan latihan pada tahun ini adalah senario rompakan bersenjata di Ruang Legar stesen.

CORPORATE EVENTS 2011 PERISTIWA KORPORAT 2011

24-26 Jun

MRCB Showcases its Contribution at GLC Open Day
MRCB Pamer Sumbangannya pada Hari Terbuka GLC



MRCB showcased its products and services at the GLC Open Day. The event aimed to create awareness and increase public understanding of the nation-building roles played by Government-Linked Companies (GLCs). MRCB's contribution focused on its development of the nation's largest transportation hub, SSKL and other core activities.

MRCB mempamerkan produk dan perkhidmatannya di Hari Terbuka GLC. Pameran tersebut bertujuan untuk mewujudkan kesedaran dan meningkatkan pemahaman terhadap peranan Syarikat-Syarikat Berkaitan Kerajaan (GLC). Sumbangan MRCB tertumpu kepada pembangunan hab pengangkutan terbesar negara, SSKL dan perniagaan teras lain.

28 Jun

MRCB Contributes RM1 Million to Green KL
MRCB Sumbang RM1 Juta kepada KL 'Hijau'



MRCB participated in the green initiatives of the Greater Kuala Lumpur development plan by contributing RM1 million towards establishing Taman Botani Perdana (formerly known as Taman Tasik Perdana) as a world class botanical garden.

MRCB telah mengambil bahagian dalam inisiatif hijau bagi rancangan pembangunan Greater Kuala Lumpur dengan menyumbang RM1 juta ke arah membangun Taman Botani Perdana (dahulu dikenali menjadi Taman Tasik Perdana) menjadi sebuah taman botani bertaraf dunia.

4 Jul

MRCB Participates in PR1MA Scheme
MRCB Mengambil Bahagian dalam Skim PR1MA



MRCB participated in the official launch of the 1Malaysia Housing Programme PR1MA by Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. PR1MA aims to help Malaysians, especially from the middle income group, to own their own homes. MRCB plans to develop PR1MA homes in Seremban.

MRCB mengambil bahagian dalam pelancaran rasmi Program Perumahan 1Malaysia PR1MA oleh Perdana Menteri, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. PR1MA bertujuan untuk membantu rakyat Malaysia, khususnya daripada kumpulan berpendapatan sederhana, untuk memiliki kediaman mereka sendiri. MRCB merancang untuk membangunkan kediaman PR1MA di Seremban.

23 Aug

MRCB Contributes RM3 Million to Upgrade Mosque Quarters
MRCB Sumbang RM3 Juta untuk Menaik Taraf Quarters Masjid



MRCB spent some RM3 million on reconstructing the workers' quarters and other facilities at Masjid Jamek Pasir Pelangi, Johor. The completed quarters were handed over to the Imam of the mosque on 23 August.

MRCB membelanjakan sebanyak RM3 juta dalam pembinaan semula quaters kakitangan dan kemudahan lain di Masjid Jamek Pasir Pelangi, Johor. Quaters kakitangan yang telah siap diserahkan kepada Imam masjid tersebut pada 23 Ogos.

15 Sept

MRCB Presents Key to SME Corp Malaysia
MRCB Menyerahkan Kunci kepada SME Corp Malaysia



At SME Corp Malaysia's first Hari Raya Aidil Fitri celebration held at Kuala Lumpur Sentral, MRCB presented the company with the key to its new office building at Block B of KL Sentral Park.

MRCB menyerahkan kunci pejabat baru kepada SME Corp Malaysia bertempat di Blok B, KL Sentral Park pada majlis sambutan Hari Raya Aidil Fitri yang pertama kali diadakan oleh SME Corp.

27 Sept

Stesen Sentral Kuala Lumpur Wins Jalur Gemilang Raising Competition
Stesen Sentral Kuala Lumpur Juara Pertandingan Mengibarkan Jalur Gemilang



Stesen Sentral Kuala Lumpur won the First Prize in the private sector category at the Jalur Gemilang flag-raising competition. The competition aims to promote patriotism amongst Malaysians by encouraging the public, private and Government sectors to fly the Jalur Gemilang at their premises.

Stesen Sentral Kuala Lumpur memenangi Hadiah Pertama kategori sektor swasta dalam pertandingan mengibarkan Jalur Gemilang. Pertandingan tersebut bertujuan untuk memupuk semangat patriotik di kalangan rakyat Malaysia dengan menggalakkan orang ramai, sektor swasta dan pihak kerajaan mengibarkan Jalur Gemilang di premis masing-masing.

4 Oct

MRCB is Finalist at MaSRA Awards
MRCB Ke Peringkat Akhir dalam Anugerah MaSRA



MRCB was one of 20 finalists recognised for excellent corporate sustainability performance by the Association of Chartered Certified Accountants (ACCA) at the prize giving ceremony of the Malaysia Sustainability Reporting Awards (MaSRA).

MRCB muncul sebagai salah satu daripada 20 calon peringkat akhir yang diberi pengiktirafan bagi prestasi kemampuan korporat cemerlang oleh Association of Chartered Certified Accountants (ACCA) di majlis penyampaian hadiah Anugerah Laporan Kemampuan Malaysia (MaSRA).

4 Oct

MRCB Commits RM200,000 at MCPF Fund Raising Dinner
MRCB Menyumbang RM200,000 di Majlis Makan Malam Kutipan Dana MCPF



MRCB undertook to donate RM200,000 over five years to the Malaysian Crime Prevention Foundation (MCPF), a non-governmental and not-for-profit organization under the patronage of Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. The MCPF aims to enhance measures for crime prevention and the rehabilitation of offenders and to raise public participation in crime prevention efforts.

MRCB telah menyumbang sebanyak RM200,000 untuk tempoh lima tahun kepada Yayasan Pencegahan Jenayah Malaysia (MCPF), sebuah organisasi bukan kerajaan dan tidak berasaskan keuntungan di bawah naungan Perdana Menteri, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. MCPF bertujuan untuk mempertingkatkan langkah-langkah pencegahan jenayah, pemulihan penjenayah dan penyertaan orang ramai dalam usaha mencegah jenayah.

CORPORATE EVENTS 2011 PERISTIWA KORPORAT 2011

12-15 Oct

MRCB Sponsors FIABCI Asia Pacific Real Estate Congress 2011
MRCB Taja FIABCI Asia Pacific Real Estate Congress 2011



MRCB was a Gold Sponsor of the FIABCI Asia Pacific Real Estate Congress 2011. Among the topics presented were 'Asia Pacific Economic and Real Estate Outlook for 2012', 'Cross Border Investment in Real Estate' and 'Going Green: Morally Sustainable and Financially Viable'.

MRCB merupakan Penaja Emas bagi FIABCI Asia Pacific Real Estate Congress 2011. Antara tajuk yang dibentangkan adalah 'Asia Pacific Economic and Real Estate Outlook for 2012', 'Cross Border Investment in Real Estate' dan 'Going Green: Morally Sustainable and Financially Viable'.

13 Oct

MRCB Wins Double Stevie Honours
MRCB Menggondol Dua Pingat 'Stevie'



MRCB earned a Distinguished Honoree medal at the International Business Awards in two categories at an award ceremony in Abu Dhabi, UAE. MRCB's winning entries were for its contributions to PINTAR programme and the Green Building Initiative. The International Business Awards, nicknamed Stevie® from the Greek word 'crowned', are the only global, all-encompassing awards honouring great business performances.

MRCB telah menerima pingat 'Distinguished Honoree' di International Business Awards bagi dua kategori dalam satu majlis yang diadakan di Abu Dhabi, Emiriah Arab Bersatu. Penyertaan yang membawa kemenangan kepada MRCB adalah sumbangannya kepada program PINTAR dan Inisiatif Bangunan Hijau. International Business Award yang diberi nama jolokan Stevie® yang berasal daripada perkataan Greek bermaksud 'mahkota', adalah satu-satunya anugerah global yang memberi pengiktirafan kepada prestasi perniagaan terbaik.

15-23 Nov

MRCB Donates School Supplies to Underprivileged Students
MRCB Sumbang Kelengkapan Sekolah kepada Pelajar Kurang Berkemampuan



MRCB contributed 500 sets of school supplies to under privileged students on yearly basis under its PINTAR programme. The donations were made at ceremonies in Pahang, Federal Territories, Perak and Johor States.

MRCB telah menyumbang 500 set kelengkapan sekolah kepada pelajar kurang berkemampuan di bawah program PINTARnya setiap tahun. Sumbangan tersebut dibuat dalam majlis yang diadakan di negeri Pahang, Wilayah Persekutuan, Perak dan Johor.

26 Nov

MRCB Donates RM1 Million to Yayasan Peneraju Pendidikan Bumiputera
MRCB Sumbang RM1 juta kepada Yayasan Peneraju Pendidikan Bumiputera



MRCB pledged to donate RM1 million to Yayasan Peneraju Pendidikan Bumiputera (YPPB) at its official launch by Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. The main objective of the YPPB is to broaden Bumiputera access to specialised fields education as to enable more Bumiputera achieve high-income employment.

MRCB telah menyumbang RM1 juta kepada Yayasan Peneraju Pendidikan Bumiputera (YPPB) di majlis pelancaran rasminya oleh Perdana Menteri, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak. Objektif utama YPPB adalah untuk memberi peluang Bumiputera menyertai khusus kepakaran yang membolehkan mereka mendapat pekerjaan berpendapatan tinggi.

6 Dec

MRCB Holds EDL Briefing
MRCB Mengadakan
Taklimat EDL



MRCB conducted three briefing sessions on the impending opening of the Eastern Dispersal Link (EDL) for the media and the Singapore Consulate-General as well as Chambers of Commerce and transport operators. The aim of the sessions was to gauge responses to the EDL.

MRCB telah menjalankan tiga sesi taklimat kepada pihak media, Pesuruhjaya Tinggi Singapura, Dewan Perniagaan dan pengendali pengangkutan mengenai Lebuhraya Penyuraian Timur (EDL) yang bakal dibuka. Tujuan sesi tersebut adalah untuk mendapat maklum balas mengenai EDL.

14 Dec

MRCB Contributes
RM50,000 to Help the
Blind
MRCB Sumbang RM50,000
bagi Membantu Orang
Cacat Penglihatan



MRCB contributed RM50,000 to the Malaysian Association of the Blind (MAB) to support the blind in their activities.

MRCB telah menyumbang RM50,000 kepada Persatuan Orang Buta Malaysia (MAB) bagi menyokong aktiviti mereka.

NOTICE OF 41ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 41st Annual General Meeting of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will be held at Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Tuesday, 3 April 2012 at 11.00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive and adopt the Statutory Financial Statements of the Company for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon.
2. To approve a first and final dividend of 2% or 2 sen per ordinary share less 25% income tax for the financial year ended 31 December 2011.
3. To re-elect the following Directors who will retire pursuant to Article 106 of the Company’s Articles of Association, and being eligible have offered themselves for re-election:
 - i) Dato’ Chong Pah Aung
 - ii) Jamaludin Zakaria
4. To re-elect the following Directors who will retire pursuant to Articles 101 and 102 of the Company’s Articles of Association, and being eligible have offered themselves for re-election:
 - i) Dato’ Ahmad Ibnihajar
 - ii) Dato’ Shahril Ridza Ridzuan
5. To approve the Directors’ Fees of RM398,713 for the financial year ended 31 December 2011. (2010: RM438,493)
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.
7. To transact any other ordinary business for which due notice has been received.

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

Resolution 8

Notes :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited at the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, SymphonyHouse, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend the 41st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 27 March 2012. Only a depositor whose name appears on the Record of Depositors as at 27 March 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 41st Annual General Meeting, a first and final dividend of 2% or 2 sen per ordinary share less income tax of 25% for the financial year ended 31 December 2011 will be paid on 4 May 2012 to Depositors whose names appear in the Record of Depositors on 9 April 2012.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 9 April 2012 in respect of transfers;
- b. Shares deposited into the Depositor's Securities Account before 12.30 p.m on 5 April 2012 in respect of shares exempted from mandatory deposit; and
- c. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Mohd Noor Rahim Yahaya
(MAICSA 0866820)
Company Secretary

Kuala Lumpur
12 March 2011

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the 41st Annual General Meeting of the Company:

- a. Pursuant to Article 106 of the Articles of Association:
 - i) Dato' Chong Pah Aung
 - ii) Jamaludin Zakaria
- b. Pursuant to Articles 101 and 102 of the Articles of Association:
 - i) Dato' Ahmad Ibnihajar
 - ii) Dato' Shahril Ridza Ridzuan

The profiles of Directors including those seeking re-election at the 41st Annual General Meeting are set out on pages 32 to 39. Their shareholdings in the Company are set out on page 140.

NOTIS MESYUARAT AGUNG TAHUNAN KE-41

DENGAN INI DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Malaysian Resources Corporation Berhad (“MRCB” atau “Syarikat”) yang Ke-41 akan diadakan di Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia pada hari Selasa, 3 April 2012 pada pukul 11.00 pagi untuk melaksanakan urusan-urusan berikut:

AGENDA

Urusan Biasa

1. Untuk menerima dan meluluskan Penyata Kewangan Syarikat bagi tahun kewangan berakhir 31 Disember 2011 bersama Laporan Lembaga Pengarah dan Juruaudit.
2. Untuk meluluskan bayaran dividen pertama dan terakhir sebanyak 2% atau 2 sen sesaham biasa yang ditolak cukai pendapatan sebanyak 25% bagi tahun kewangan berakhir 31 Disember 2011.
3. Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 106 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk perlantikan semula:
 - i) Dato’ Chong Pah Aung
 - ii) Jamaludin Zakaria
4. Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk perlantikan semula:
 - i) Dato’ Ahmad Ibnihajar
 - ii) Dato’ Shahril Ridza Ridzuan
5. Untuk meluluskan yuran Pengarah-Pengarah sebanyak RM398,713 bagi tahun kewangan berakhir 31 Disember 2011. (2010: RM438,493)
6. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan ganjaran mereka.
7. Untuk melaksanakan sebarang urusan biasa lain di mana notis yang sewajarnya telah diterima.

Resolusi 1

Resolusi 2

Resolusi 3 Resolusi 4

Resolusi 5 Resolusi 6

Resolusi 7

Resolusi 8

Nota-nota:

1. Ahli Syarikat yang berhak menghadiri dan mengundi di mesyuarat ini, berhak melantik seorang atau lebih proksi (atau melantik seorang wakil, bagi syarikat yang diperbadankan) untuk menghadiri dan mengundi bagi pihaknya. Seorang proksi tidak semestinya seorang ahli Syarikat ini.
2. Borang Proksi mestilah ditandatangani oleh orang yang melantiknya atau wakilnya yang diberi kuasa secara bertulis. Bagi syarikat yang diperbadankan, ia hendaklah dilaksanakan dengan menggunakan Cop Mohor atau ditandatangani oleh wakilnya yang diberi kuasa secara bertulis atau oleh pegawainya, bagi pihak syarikat tersebut.
3. Surat perlantikan seorang proksi hendaklah dikemukakan ke Pendaftaran Saham, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia tidak kurang dari 48 jam sebelum waktu yang telah ditetapkan bagi mesyuarat tersebut atau sebarang penangguhannya.

Rekod Depositori Mesyuarat Agung

Bagi tujuan menentukan sama ada seseorang ahli layak untuk menghadiri Mesyuarat Agung Tahunan ke-41, Syarikat akan meminta Bursa Malaysia Depository Sdn Bhd mengeluarkan satu Rekod Pendeposit Mesyuarat Agung pada tarikh 27 Mac 2012. Hanya pendeposit yang namanya tersenarai di dalam Rekod Pendeposit pada 27 Mac 2012 sahaja layak menghadiri mesyuarat tersebut atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihak beliau.

NOTIS PEMBAYARAN DIVIDEN

DENGAN INI JUGA DIMAKLUMKAN BAHAWA tertakluk kepada kelulusan daripada pemegang-pemegang saham di Mesyuarat Agung Tahunan yang Ke-41, dividen pertama dan terakhir sebanyak 2% atau 2 sen sesaham biasa yang ditolak cukai sebanyak 25% bagi tahun kewangan berakhir 31 Disember 2011, akan dibayar pada 4 Mei 2012 kepada Pendeposit yang tersenarai dalam Rekod Pendeposit pada 9 April 2012.

Seorang Pendeposit akan layak untuk menerima dividen hanya bagi:

- a. Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum 4.00 petang pada 9 April 2012, bagi pindahan biasa;
- b. Saham-saham yang didepositkan ke Akaun Sekuriti Pendeposit sebelum 12.30 petang pada 5 April 2012, bagi saham-saham yang dikecualikan dari deposit mandatori; dan
- c. Saham-saham yang dibeli di Bursa Malaysia Securities Berhad atas dasar kelayakan mengikut peraturan-peraturan Bursa Malaysia Securities Berhad.

Dengan Perintah Lembaga Pengarah

Mohd Noor Rahim Yahaya
(MAICSA 0866820)
Setiausaha Syarikat

Kuala Lumpur
12 Mac 2011

PENYATA BERSAMA NOTIS MESYUARAT AGUNG TAHUNAN

Para pengarah yang menawarkan diri untuk perlantikan semula di Mesyuarat Agung Tahunan yang Ke-41:

- a. Menurut Artikel 106 adalah:
 - i) Dato' Chong Pah Aung
 - ii) Jamaludin Zakaria
- b. menurut Artikel 101 dan 102 adalah:
 - i) Dato' Ahmad Ibnihajar
 - ii) Dato' Shahril Ridza Ridzuan

Profil para Pengarah termasuk yang menawarkan diri untuk dipilih semula di Mesyuarat Agung Tahunan Syarikat yang Ke-41 terdapat di muka surat 32 hingga 39. Butiran mengenai pegangan saham para Pengarah di dalam Syarikat terdapat di muka surat 141.

CREATING A CBD

Kuala Lumpur Sentral is Kuala Lumpur's vibrant new Central Business District and the country's premier integrated business, commercial and transportation hub. Offering global connectivity, with minutes-away proximity and with several landmark buildings coming on stream including 348 Sentral, KL Sentral Park, O Sentral, The Sentral Residences and Nu Sentral Retail Mall.





Terminal Udara KL • KL City Air Terminal

Datar Muka Bagasi 19

Datar Muka Bagasi 20

KLIA

ECONOMY CLASS
KELAS EKONOMI

BOARD OF DIRECTORS



Seated
Tan Sri Azlan Zainol
Non-Independent,
Non-Executive
Chairman

Standing
**Datuk Mohamed Razeek
Md Hussain Maricar**
Chief Executive Officer



Seated
Dato' Abdul Rahman Ahmad
Independent Director

Standing
Dato' Shahril Ridza Ridzuan
Non-Independent,
Non-Executive Director



Seated
Che King Tow
Independent Director

Standing
Dato' Ahmad Ibnihajar
Independent Director



Left
Dato' Chong Pah Aung
Independent Director

Right
Jamaludin Zakaria
Independent Director

DIRECTORS' PROFILE

PROFIL PENGARAH

Tan Sri Azlan Zainol

Non-Independent Non-Executive Chairman
Pengerusi Bukan Bebas Bukan Eksekutif



Tan Sri Azlan Zainol, 62, a Malaysian, was appointed to the Board of MRCB on 12 January 2005. He is a Fellow of the Institute of Chartered Accountants (England & Wales), Certified Public Accountants Malaysia and a member of the Malaysian Institute of Accountants.

Tan Sri Azlan is currently the Chief Executive Officer of Employees Provident Fund (EPF), a position he holds since April 2001. Prior to joining EPF, he was the Managing Director of AmBank Berhad from 1994 to 2001, AmFinance Berhad from 1982 to 1994, and director for several subsidiaries of AmBank Group from 1996 to 2001. Prior to that, he was a partner with Messrs BDO Binder.

He is the Chairman of RHB Bank Berhad, member of the Board of RHB Capital Berhad, RHB Investment Bank Berhad, Jardine Cycle & Carriage Limited, Vice Chairman of Technical Committee of International Social Security Association (ISSA) and Board Member of ASEAN Social Security Association.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Tan Sri Azlan Zainol, 62, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 12 Januari 2005. Beliau merupakan seorang Felo di Institute of Chartered Accountants (England & Wales), Akauntan Awam Bertauliah Malaysia dan ahli Institut Akauntan Malaysia.

Tan Sri Azlan kini merupakan Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja (KWSP) sejak bulan April 2001. Sebelum menyertai KWSP, beliau memegang jawatan sebagai Pengarah Urusan AmBank Berhad dari tahun 1994 hingga 2001, AmFinance Berhad dari tahun 1982 hingga 1994 dan pengarah beberapa syarikat subsidiari Kumpulan AmBank dari tahun 1996 hingga 2001. Sebelum itu, beliau juga merupakan rakan kongsi Tetuan BDO Binder.

Beliau adalah Pengerusi RHB Bank Berhad, ahli Lembaga Pengarah RHB Capital Berhad, RHB Investment Bank Berhad, Jardine Cycle & Carriage Limited, Naib Pengerusi Jawatankuasa Teknikal International Social Security Association (ISSA) dan ahli Lembaga Pengarah ASEAN Social Security Association.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas

**Datuk Mohamed Razeek
Md Hussain Maricar**
Chief Executive Officer
Ketua Pegawai Eksekutif



Datuk Mohamed Razeek Md Hussain Maricar, 54, a Malaysian, was appointed to the Board of MRCB on 1 December 2009. He is also a member of Executive Committee and ESOS Committee.

He holds a Bachelor of Science (Civil Engineering) from University of The South Bank, United Kingdom and is a member of the Institute of Engineers Malaysia.

Datuk Mohamed Razeek began his career in an engineering consulting firm in London in the late 1970s and later in 1980s upon returning to Kuala Lumpur, he joined a local engineering consulting firm and was involved with the construction of the UBN Towers, a development by Peremba-Kuok Brothers.

In 1985, he joined Sime UEP Berhad, before moving on to Land & General Group of Companies in 1991. His achievements at Land & General saw his appointment as an Executive Director of Land & General Berhad in 1999. He joined Eastern & Oriental Property Development Berhad as a Project Director in September 2003 and joined Damac Properties Co, Dubai as the Senior Vice President from August 2008 to June 2009.

Datuk Mohamed Razeek joined MRCB as the Chief Operating Officer in June 2009 and was promoted to the post of Chief Executive Officer on 1 December 2009.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Datuk Mohamed Razeek Md Hussain Maricar, 54, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 1 Disember 2009. Beliau adalah ahli Jawatankuasa Eksekutif dan juga Jawatankuasa ESOS.

Beliau berkelulusan Ijazah Sarjana Muda Sains (Kejuruteraan Awam) dari Universiti South Bank, United Kingdom dan ahli Institut Jurutera Malaysia.

Datuk Mohamed Razeek memulakan kerjaya beliau di sebuah firma perunding kejuruteraan di London pada penghujung 1970-an dan apabila kembali ke Kuala Lumpur pada tahun 1980-an, beliau menyertai firma perunding kejuruteraan tempatan dan pernah terlibat dalam projek pembinaan Menara UBN, sebuah pembangunan yang dilaksanakan oleh Peremba-Kuok Brothers.

Pada tahun 1985, beliau menyertai Sime UEP Berhad sebelum berpindah ke Kumpulan Land & General pada tahun 1991. Pencapaian cemerlang beliau di Land & General membolehkan beliau dilantik sebagai Pengarah Eksekutif Land & General Berhad pada tahun 1999. Kemudian, beliau menyertai Eastern & Oriental Property Development Berhad sebagai Pengarah Projek pada bulan September 2003 dan seterusnya Damac Properties Co, Dubai sebagai Naib Presiden Kanan dari bulan Ogos 2008 hingga Jun 2009.

Datuk Mohamed Razeek menyertai MRCB pada Jun 2009 sebagai Ketua Pegawai Operasi dan telah dinaikkan pangkat sebagai Ketua Pegawai Eksekutif pada 1 Disember 2009.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

DIRECTORS' PROFILE PROFIL PENGARAH

Dato' Shahril Ridza Ridzuan
Non-Independent,
Non-Executive Director
Pengarah Bukan Bebas,
Bukan Eksekutif



Dato' Shahril Ridza Ridzuan, 42, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Executive Committee and also a member of the ESOS Committee.

He holds a Bachelor of Civil Law (1st Class) from University of Oxford, United Kingdom, a Master of Arts (1st Class) from University of Cambridge, United Kingdom and has been called to the Malaysian Bar and the Bar of England and Wales.

Dato' Shahril was a Legal Assistant at Zain & Co from 1994 to 1996. From 1997 to 1998, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad from 1998 to 1999. From 1999 to August 2001, he was an Executive Director of SSR Associates Sdn Bhd.

He was the Group Managing Director of the Company from 1 September 2003 to 1 December 2009 and is currently the Deputy Chief Executive Officer (Investment) of the Employees Provident Fund.

Dato' Shahril also sits on the Boards of Media Prima Berhad, Pengurusan Danaharta Nasional Berhad, Malaysia Building Society Berhad and Felda Global Ventures Holdings Berhad.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Shahril Ridza Ridzuan, 42, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau adalah Pengerusi Jawatankuasa Eksekutif dan juga ahli Jawatankuasa ESOS.

Beliau berkelulusan Ijazah Sarjana Muda Undang- Undang Sivill (Kelas Pertama) dari Universiti Oxford, United Kingdom, Ijazah Sarjana Sastera (Kelas Pertama) dari Universiti Cambridge, United Kingdom dan diterima masuk ke Badan Peguam Malaysia dan Bar of England and Wales.

Dato' Shahril merupakan seorang Pembantu Guaman di Zain & Co dari tahun 1994 hingga 1996. Beliau menjadi Pembantu Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd dari tahun 1997 hingga 1998. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad dari tahun 1998 hingga 1999. Beliau menjadi Pengarah Eksekutif SSR Associates Sdn Bhd dari tahun 1999 hingga bulan Ogos 2001.

Beliau adalah Pengarah Urusan Kumpulan Syarikat dari 1 September 2003 hingga 1 Disember 2009 dan kini beliau merupakan Timbalan Ketua Pegawai Eksekutif (Pelaburan), Kumpulan Wang Simpanan Pekerja. Dato' Shahril turut menganggotai Lembaga Pengarah Media Prima Berhad, Pengurusan Danaharta Nasional Berhad, Malaysia Building Society Berhad dan Felda Global Ventures Holdings Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

Dato' Abdul Rahman Ahmad
Independent Director
Pengaruh Bebas



Dato' Abdul Rahman, 43, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Remuneration Committee and member of Audit Committee and Nomination Committee.

He holds a Master in Economics from University of Cambridge, United Kingdom and is a member of the Institute of Chartered Accountants, England & Wales.

Dato' Abdul Rahman began his career at Arthur Andersen, London and later served as Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad, the country's national asset management company, as Unit Head and later went to become an Executive Director of SSR Associates Sdn Bhd.

Dato' Abdul Rahman was the Group Managing Director/Chief Executive Officer of MRCB and subsequently Media Prima Berhad, a leading integrated media investment group in Malaysia. He is currently a Director and the Chief Executive Officer of Ekuiti Nasional Berhad and also sits on the Board of Tanjung Offshore Berhad and Felda Global Ventures Holdings Berhad.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Abdul Rahman Ahmad, 43, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau adalah Pengerusi Jawatankuasa Imbuan dan ahli Jawatankuasa Audit dan Jawatankuasa Pencalonan.

Beliau berkelulusan Ijazah Sarjana Ekonomi dari Universiti Cambridge, United Kingdom dan ahli Institute of Chartered Accountants, England & Wales.

Dato' Abdul Rahman memulakan kerjaya di Arthur Andersen, London sebelum berkhidmat sebagai Pembantu Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad, syarikat pengurusan aset negara, sebagai Ketua Unit dan kemudian menyandang jawatan Pengarah Eksekutif SSR Associates Sdn Bhd.

Dato' Abdul Rahman merupakan Pengarah Urusan/Ketua Pegawai Eksekutif MRCB dan selepas itu, Media Prima Berhad, sebuah kumpulan pelaburan media bersepadu yang terkemuka di Malaysia. Kini, beliau merupakan Pengarah dan Ketua Pegawai Eksekutif Ekuiti Nasional Berhad dan menganggotai Lembaga Pengarah Tanjung Offshore Berhad dan Felda Global Ventures Holdings Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

DIRECTORS' PROFILE PROFIL PENGARAH



Dato' Ahmad Ibnihajar
Independent Director
Pengarah Bebas

Dato' Ahmad Ibnihajar, 62, a Malaysian, was appointed to the Board of MRCB on 27 September 2000. He is the Chairman of Audit Committee and ESOS Committee and member of Remuneration Committee and Nomination Committee.

He holds a Bachelor of Economics (Business Administration) from University of Malaya in 1975 and is a member of The Chartered Institute of Logistic & Transport, Malaysia.

Dato' Ahmad was a Forex Dealer and Portfolio Manager of Malayan Banking Berhad, London from 1976 to 1979. From 1980 to 1984, he was a Manager of Malayan Banking Berhad, Genting Highlands Branch and Balik Pulau Branch. He was a Director of United Traders Securities Sdn Bhd from 1984 to 1991 and was an Executive Director of WM Svene-Nor JV Sdn Bhd from 1991 to 1993 and Managing Director of Taiping Securities Sdn Bhd from 1995 to 1998.

Dato' Ahmad is currently the Managing Director of Penang Port Sdn Bhd and Chairman of D'Nonce Technology Berhad.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Ahmad Ibnihajar, 62, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 27 September 2000. Beliau adalah Pengerusi Jawatankuasa Audit dan Jawatankuasa ESOS dan ahli Jawatankuasa Imbuan dan Jawatankuasa Pencalonan.

Beliau berkelulusan Ijazah Sarjana Muda Ekonomi (Pentadbiran Perniagaan) dari Universiti Malaya pada tahun 1975 dan ahli The Chartered Institute of Logistic & Transport, Malaysia.

Dato' Ahmad pernah berkhidmat sebagai Wakil Penjual Forex dan Pengurus Portfolio Malayan Banking Berhad, London dari tahun 1976 hingga 1979. Mulai 1980 hingga 1984, beliau bertugas sebagai Pengurus Malayan Banking Berhad, cawangan Genting Highlands dan Balik Pulau. Beliau juga pernah menyandang jawatan sebagai Pengarah di United Traders Securities Sdn Bhd dari 1984 hingga 1991 dan Pengarah Eksekutif WM Svene-Nor JV Sdn Bhd dari 1991 hingga 1993 dan Pengarah Urusan Taiping Securities Sdn Bhd dari 1995 hingga 1998.

Dato' Ahmad pada masa ini merupakan Pengarah Urusan Penang Port Sdn Bhd dan Pengerusi D'nonce Technology Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

Che King Tow
Independent Director
Pengarah Bebas



Che King Tow, 58, a Malaysian, was appointed to the Board of MRCB on 24 June 2009. He is the Chairman of Nomination Committee and also a member of the Audit Committee, Executive Committee and Remuneration Committee.

He is a Registered Real Estate Agent (Board of Valuers and Real Estate Agents) and is the Deputy Chairman of Real Estate and Housing Developers' Association of Malaysia of the Selangor Branch.

Che King Tow was the Managing Director and major shareholder of Bukit Rimau Development Sdn Bhd, the Developer for the premier mixed housing project in Bukit Rimau, Shah Alam until he disposed off his interest to Malton Berhad in 2002. He remained a director of Bukit Rimau Development Sdn Bhd until 2004.

He is currently the Managing Director of Tecna Resources Sdn Bhd, Plaza 33 Sdn Bhd, Jaya 33 Sdn Bhd and the Principal of Tecna Properties Sdn Bhd. Cumulatively, he has 32 years of experience in nearly all spectrum of the Real Estate industry ranging from marketing, project management, development, investment and rehabilitation of abandoned housing projects.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Che King Tow, 58, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 24 Jun 2009. Beliau adalah Pengerusi Jawatankuasa Pencalonan dan juga ahli Jawatankuasa Audit, Jawatankuasa Eksekutif dan Jawatankuasa Imbuan.

Beliau adalah Ejen Hartanah Berdaftar (Lembaga Jurunilai dan Ejen Hartanah) dan merupakan Naib Pengerusi Persatuan Pemaju Hartanah dan Perumahan Malaysia, cawangan Selangor.

Che King Tow adalah Pengarah Urusan dan pemegang saham utama Bukit Rimau Development Sdn Bhd, pemaju terkemuka projek perumahan campuran di Bukit Rimau, Shah Alam sehingga beliau melupuskan kepentingan beliau kepada Malton Berhad pada tahun 2002. Beliau kekal sebagai pengarah Bukit Rimau Development Sdn Bhd sehingga 2004.

Pada masa ini, beliau merupakan Pengarah Urusan Tecna Resources Sdn Bhd, Plaza 33 Sdn Bhd, Jaya 33 Sdn Bhd dan Prinsipal Tecna Properties Sdn Bhd. Secara keseluruhan, beliau mempunyai 32 tahun pengalaman dalam industri Hartanah daripada pemasaran, pengurusan projek, pembangunan, pelaburan dan pemulihan semula projek perumahan yang terbengkalai.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

DIRECTORS' PROFILE PROFIL PENGARAH

Dato' Chong Pah Aung
Independent Director
Pengarah Bebas



Dato' Chong Pah Aung, 58, a Malaysian, was appointed to the Board of MRCB on 21 June 2011. He is a member Executive Committee, Nomination Committee and Remuneration Committee.

He holds a Bachelor of Science in Estate Management and is a Fellow of The Royal Institution of Chartered Surveyors and Royal Institution of Surveyors Malaysia respectively. He is also a Registered Valuer and Estate Agent.

Dato' Chong is currently a Consultant with C H Williams Talhar & Wong ("C H Williams"). He joined C H Williams in 1981 and was appointed as Partner and Director in June 1989. In January 2004, he was appointed as Senior Executive Director until his retirement in April 2009. Dato' Chong sits on the Board of Tasek Corporation Berhad as an independent non-executive director since 28 April 2009.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Chong Pah Aung, 58, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 21 Jun 2011. Beliau merupakan ahli Jawatankuasa Eksekutif, Jawatankuasa Pencalonan dan Jawatankuasa Imbuhan.

Beliau berkelulusan Ijazah Sarjana Muda Sains Pengurusan Hartanah dan merupakan Felo Royal Institution of Chartered Surveyors dan Institut Jurukur DiRaja Malaysia. Beliau juga adalah Jurunilai dan Ejen Hartanah berdaftar.

Pada masa ini, Dato' Chong berkhidmat sebagai Juruperunding dengan C H Williams Talhar & Wong ("C H Williams"). Beliau menyertai C H Williams pada tahun 1981 dan dilantik sebagai Rakan Kongsi dan Pengarah pada Jun 1989. Pada Januari 2004, beliau dilantik sebagai Pengarah Eksekutif Kanan dan kekal menyandang jawatan tersebut sehingga beliau bersara pada 4 April 2009. Dato' Chong juga menganggotai Lembaga Pengarah Tasek Corporation Berhad sebagai pengarah bebas bukan eksekutif sejak 28 April 2009.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

Jamaludin Zakaria
Independent Director
Pengarah Bebas



Jamaludin Zakaria, 46, a Malaysian, was appointed to the Board of MRCB on 24 August 2011 and also a member of the Audit Committee.

He holds a Bachelor of Science in Accounting with a minor in Real Estates and Insurance from Arkansas State University.

He has more than 15 years experience in investment banking and corporate finance, having been attached with domestic and international investment banks. He is currently the Managing Director of Macquarie Capital.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Jamaludin Zakaria, 46, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 24 Ogos 2011 dan juga ahli Jawatankuasa Audit.

Beliau berkelulusan Ijazah Sarjana Muda Perakaunan (minor Hartanah dan Insurans) dari Arkansas State University.

Jamaludin memiliki pengalaman lebih daripada 15 tahun di dalam perbankan pelaburan dan kewangan korporat melalui perkhidmatan beliau di beberapa bank pelaburan tempatan dan antarabangsa. Beliau kini merupakan Pengarah Urusan Macquarie Capital.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

AWARDS & RECOGNITIONS

ANUGERAH & PENGIKTIRAFAN

As one of the leading property and engineering & construction players in the country, MRCB advocates the highest level of excellence in developing all of its projects, which in turn will benefit its clients, purchasers and business partners.

MRCB's depth of technical and technological expertise, which underpins the Group's array of credentials is further strengthened by the attainment of quality certifications; recognised by highly renowned local and international quality certification authorities.

Sebagai salah satu daripada peneraju hartanah dan kejuruteraan & pembinaan utama negara, MRCB menekankan kepentingan piawaian tertinggi untuk semua projek yang dilaksanakannya, yang mana akan memanfaatkan para pelanggan, para pembeli dan rakan-rakan niaganya.

Kepakaran MRCB dalam bidang teknikal dan teknologi jelas menunjukkan keupayaan Kumpulan; diperteguhkan lagi dengan pencapaian sijil pengiktirafan piawaian kualiti yang diiktiraf oleh badan-badan piawaian kualiti negara dan juga di peringkat antarabangsa.

MRCB GROUP KUMPULAN MRCB

BrandLaureate Awards 2011

- Conglomerate Awards

ACCA Masra 2011

- Shortlist

Stevie International Business Awards 2011

- Distinguished Honoree for Best Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand) for PINTAR programme

The Edge Billion Ringgit Club 2011

- Member

NACRA Award 2010

- Best Corporate Social Responsibility Reporting Award – Silver Award

ACCA MaSRA 2010

- Shortlist

Asean Business Awards (Innovation) 2010

- 1st Runner Up

Stevie International Business Awards 2010

- Distinguished Honoree for Best Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand) for the MRCB Arts Awards 2008/2009

PM CSR Award 2009

- Honourable Mention – Culture & Heritage

ACCA MaSRA 2009

- Winner – Environmental Performance Report

ACCA MaSRA 2009

- Special Mention - Assurance Approach

NACRA Award 2009

- Best Corporate Social Responsibility Reporting Award – Silver Award



Member

- The Edge Billion Ringgit Club 2010

StarBIZ ICR Malaysia Corporate Responsibility Awards 2009

- Finalist – Marketplace Category

NACRA Award 2008

- Best Corporate Social Responsibility Reporting Award – Platinum Award

StarBIZ – ICR Malaysia Corporate Responsibility Awards 2008

- Finalist – Community Category

**PROPERTY
HARTANAHAH**



KUALA LUMPUR SENTRAL SDN BHD

Stevie International Business Awards 2011

- Distinguished Honoree for the Environmental Responsibility Programme of the year in Asia (subcontinent, Australia and New Zealand) for the Green Building Initiative

FIABCI International Prix d'Excellence Awards for Purpose-Built Development Category 2010

- 1st Runner-up – Sooka Sentral Lifestyle Centre

FIABCI Malaysia Chapter Property Awards for Purpose-Built Development Category 2009

- Winner – Sooka Sentral Lifestyle Centre

2009 FIABCI Malaysia Property CEO of the Year Award

- Dato' Shahril Ridza Ridzuan Formerly Group Managing Director of MRCB

FIABCI International Prix d'Excellence Awards 2009 for Office Development Category

- 1st Runner-up – 1 Sentral

FIABCI Malaysia Chapter Property Awards for Office Development 2008

- Winner – 1 Sentral

Islamic Finance News Award Musyarakah Deal of the Year 2007

- Kuala Lumpur Sentral development

Malaysia's First MSC Cybercentre in 2006

- Kuala Lumpur Sentral development

FIABCI International Prix d'Excellence Awards for Specialised and Public Sector Category 2003

- Finalist – Stesen Sentral Kuala Lumpur

Best Steel Roof Design and Honorary Mention for Excellence in Architecture (PAM) for 2002 & 2003

- Stesen Sentral Kuala Lumpur

FIABCI Malaysia Chapter Property Award for Specialised and Public Sector Category 2002

- Stesen Sentral Kuala Lumpur

PAM 2002 Awards for Excellence in Architecture

- Stesen Sentral Kuala Lumpur

MRCB Sentral Properties Sdn Bhd

- MS ISO 9001:2000



AWARDS & RECOGNITIONS ANUGERAH & PENGIKTIRAFAN

INFRASTRUCTURE, CONCESSION & ENVIRONMENT

INFRASTRUKTUR, KONSESI & ALAM SEKITAR

MRCB Lingkaran Selatan Sdn Bhd

- The Asset Asian Awards 2008, Triple A under the Best Project Finance for RM1.26 Billion Sukuk & Syndicated loan

MRCB Prasarana Sdn Bhd

License

- CIDB G7
- Quality Management System SIRIM ISO 9001 : 2008

MRCB Environment Sdn Bhd

- Stevie International Business Awards 2010 Distinguished Honoree for Best Environmental Responsibility Programme of the Year for the River and Beach Rehabilitation Project at Teluk Bay, Tioman Island 2008/2009

License

- CIDB G7
- Quality Management System SIRIM ISO 9001 : 2008

BUILDING SERVICES

PERKHIDMATAN PENGURUSAN BANGUNAN

- Certification to ISO 9001:2000 under the provision of corporate service covering corporate affair and business development, finance, legal affairs and human resource, administration and quality on 16 November 2007

Semasa Sentral Sdn Bhd

- Building Gemilang Decoration Competition – 1st place
- “Best Facilities Management Company in Asia Pacific”: Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- “Best Operation Driver of The Year”: Mohamed Roslan Mohamed Shariff, Chief Operating Officer, SSSB - Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- Human Resource Development Award 2008; Medium and Small Service Industry by the Human Resource Development in October 2008
- Re-certification to MS ISO 9001:2000 QMS in March 2006

- Transportation Project Award by Eastern Asia Society of Transportation Studies
- Public Toilet Cleanliness Competition organised by Dewan Bandaraya Kuala Lumpur (DBKL) – 1st prize for Year 2004 and 2005
- Shortlist for QMEA 2004 Award for Category 1 (Local Company With Annual Sales Not Exceeding RM10 Million) organised by Ministry of International Trade & Industry (MITI)
- Special Award for Quality Management Excellence 2005 organised by MITI

Semasa Services Sdn Bhd

- Certification to MS ISO 9001:2000 QMS in March 2006
- 1st Runner up in the ASEAN Energy Management Best Practice Competition for Building Category on 23 August 2007

Semasa Security Sdn Bhd

- SIRIM ISO 9001 : 2000 Provision of Static Security Services for Sooka Sentral and KWSP Building Damansara Fairway 1



ENGINEERING & CONSTRUCTION KEJURUTERAAN & PEMBINAAN



Transmission Technology Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

- PKK Class 1 - Electrical
- PKK Class 1 - Bumiputera Status
- CIDB G7
- Petronas, TNB, SESB
- Ministry of Finance, Malaysia

MRCB Technologies Sdn Bhd Accreditation

- MS ISO 9001:2000
- MSC Status Incubator

Licenses

- MOF (Bumiputera Status)
- CIDB G7
- PKK Class A
- Tabung Haji
- Telekom, Celcom, Maxis, TT dotcom
- Ministry of Defence, Malaysia
- TNB, SESB, KTMB, SPNB
- MCMC - ASP (C)
- Boustead Naval Shipyard

MILMIX Sdn Bhd Accreditation

- MS ISO 9001:2000 License
- CIDB G7

MRCB Engineering Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

- PKK Class A
- CIDB G7
- JPP Class D
- Bank Negara Malaysia

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

Malaysian Resources Corporation Berhad (MRCB) continues on its growth path by registering another year of improved results. For the financial year ended 31 December 2011, the Group posted revenue of RM1,213.1 million, up 13.6% on the RM1,067.6 million recorded the previous year. Meanwhile, profit before taxation rose 9.9% to RM107.3 million as compared to the RM97.6 million reported for the financial year ended 31 December 2010.

The Group's strong performance in 2011 was chiefly due to the strong sales performance and active work progress on our property development projects at Kuala Lumpur Sentral (KL Sentral). Except for a small loss of about RM1.4 million recorded by the Infrastructure, Concession & Environment division due to completion of various environmental projects with late award of new contracts, the Group's remaining business divisions posted growth in revenue and remained profitable.

Given these encouraging results, the Board recommends the payment of a first and final dividend of 2.0 sen per ordinary share less income tax of 25%.

CORPORATE HIGHLIGHTS

As a show of confidence in the Group's capabilities, besides being one of the major corporate investors in KL Sentral projects, the Korean Teachers' Credit Union (KTCU) signed a Memorandum of Understanding (MoU) with MRCB in June 2011 to form a strategic alliance to pursue new investments. KTCU is the second largest pension fund in South Korea with a total of over US\$17 billion in assets under its management. The MoU sets out plans for mutually beneficial investment partnerships focused on projects in Malaysia and South Korea. Extending beyond pure investment, the partnership will also include business and services opportunities such as equity participation, joint property acquisitions, and provision of services in projects in which KTCU is investing, as well as the setting up of joint investment vehicles.

This strategic investment partnership is an important milestone in our effort to attract direct investment into Malaysia while simultaneously pursuing opportunities in South Korea.

2011 marked another new milestone for KL Sentral with the completion of the Group's first Green Office known as KL Sentral Park. Equipped with Energy Efficient Building features, state-of-the-art seamless connectivity and best-in-class office solutions, KL Sentral Park has set a new record high for rental rates with encouraging occupancy.

Broadening the Group's property development horizons beyond KL Sentral, MRCB acquired two parcels of land within Kuala Lumpur. The first is about an acre in the KLCC vicinity which is designated for high-end condominiums. The second investment comprised a mixed development over 27.41 acres of land in Setapak.

In August, the award of the Ampang LRT extension line project, worth over RM1.33 billion and secured under competitive open tender bidding, provided a major boost to the Group's construction order book.

Meanwhile, the Eastern Dispersal Link (EDL) highway project in Johor, which is the Group's second investment in toll expressways, is scheduled to open for traffic soon. Completed in January 2012, this 34-year concession investment will disperse traffic in downtown Johor Bahru, as well as linking the Sultan Iskandar Customs, Immigration & Quarantine (CIQ) complex at Bukit Cagar with the North-South Expressway at the Pandan Interchange.

CHAIRMAN'S STATEMENT

2011 was also marked by a series of awards. In March, the Group garnered a BrandLaureate Conglomerate Award in recognition of the strength of the various brands that flourish under the MRCB banner. Later, in October, the Group won two medals at the International Business Awards (the Stevie Awards) for its contributions to the Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme and the Green Building Initiative.

OPERATIONAL REVIEW

MRCB has a well-balanced portfolio of four independently-managed divisions: Property; Engineering & Construction; Infrastructure, Concession & Environment; and Building Services. During the year, all four divisions continued to expand in accordance with their respective growth strategies, and it gives me pleasure to provide an overview of their progress.

Property Division

MRCB's Kuala Lumpur Sentral development forms the city's new Central Business District and is the address of choice for many companies seeking a global business equalizer that offers MSC status, international connectivity, excellent investment returns, unparalleled business convenience and an unrivalled international lifestyle. It now houses a significant number of Fortune 500 companies as well as other leading local and global brand names.

In April 2011, Q Sentral, Kuala Lumpur Sentral's Grade A freehold strata office was launched for sales. A distinctive 45-storey office suite development, Q Sentral is inspired by the Qi concept and provides a perfectly-balanced work environment combining coherent, functional design with a positive energy flow



throughout the building. Buoyed by over 60% sales, Q Sentral offers an attractive investment option for individual investors and owners to acquire a strata office within KL Sentral.

The following month, we welcomed 28 new tenants to Nu Sentral Retail Mall. The new tenants range from a leading pharmacy and a renowned bookstore to eye-care centres and stylish F&B outlets, and will account for approximately 156,000 sq. ft. of floor space. This is in addition to the main anchor tenants, Parkson Corporation and Golden Screen Cinemas Sdn Bhd, having taken up more than 186,000 sq. ft. in 2010.

The participation of further premier brands in Nu Sentral reinforces the mall's unique character as a lifestyle and retail hub. Nu Sentral is also the first retail mall in Malaysia working towards obtaining the Singapore's BCA Green Mark (compliance) and Malaysia's Green Building Index (certification).



With its repetitive joint-venture partner, the Quill Group of Companies, the parties commenced works on Lot D of KL Sentral. Known as the Sentral Residences, Lot D is being developed as a new luxury condominium with a Gross Development Value (GDV) of about RM1.4 billion. Designed for Green Building Index (GBI) compliance, the Sentral Residences will complement the completed condominiums within KL Sentral, Suasana Sentral and Suasana Sentral Loft. Launched in September, the Sentral Residences attracted overwhelming interest with over 60% sales achieved within three months, and construction is expected to be completed by 2015.

In January 2011, MRCB acquired a one-acre tract of prime land along Jalan Kia Peng, Kuala Lumpur, earmarked for development of a luxurious, high-rise project in the prestigious neighbourhood of Kuala Lumpur City Centre. Designed for up-market deluxe residences, the project is envisaged to be unique, capitalising on the aesthetic values of the surrounding cityscape while taking full advantage of the Titiwangsa mountain range and Genting Highlands backdrop. Slated to be developed over three years, the project has an estimated GDV of RM300 million.

In April, the Group acquired the entire equity interest in 59 INC Sdn Bhd, which owns 27.41 acres of land at Mukim Setapak which have conditional approval for mixed development. In July, the Group secured an exclusive right to develop two parcels of Government land that lie adjacent to KL Sentral as part of an on-going transformation of the Brickfields area. The mixed development of these two parcels of land will significantly

CHAIRMAN'S STATEMENT

improve quality of life for the Brickfields community. MRCB estimates that the project, scheduled to be constructed within the next three years, has a GDV of over RM1 billion.

Meanwhile, the Group continued to seek new works under the Government initiative to develop Greater Kuala Lumpur - an important element of the Economic Transformation Programme (ETP) unveiled in 2010. With a proven record of delivering successful urban transportation development like KL Sentral, the Group is keen to be part of the team to jointly develop the upcoming Rubber Research Institute land in Sg. Buloh.

Engineering & Construction Division

The highlight for the Engineering & Construction division in 2011 was the RM1.33 billion contract secured for the Ampang LRT extension line project via its wholly owned subsidiary company, MRCB Engineering Sdn Bhd (MESB) in August 2011.

Winning this major contract in the face of fierce competition is a testament to our capabilities and experience in carrying out major infrastructure projects. With a construction value of RM1.33 billion, the award has doubled our construction order book to about RM2.6 billion, and is expected to contribute positively to our revenue and earnings growth from 2012 onwards.

On top of this, MESB also secured a sub-contract works, worth RM67.2 million from Sunway Construction Sdn Bhd for the fabrication and delivery of segmental box girders for the Kelana Jaya LRT extension.

Our KL Sentral development also made further progress, with projects at various stages of completion. Lot E, also known as KL Sentral Park, was completed in the last quarter of 2011 while 348 Sentral, CIMB Investment Bank headquarters (Lot A) and Nu Sentral Lifestyle retail mall, as well as two offices and a hotel at Lot G are progressing well and according to schedule. We also began works for Q Sentral (Lot B) and The Sentral Residences (Lot D) in 2011. The experience we have gained in this upscale, high-rise residential, office and retail complex with its pioneering use of green technology has reinforced our standing as a leading player in Malaysia's engineering and construction sector.

In Johor, 2011 also saw the completion of both the EDL Expressway and the Permai Psychiatric Hospital in Tampoi, while work is on-going on the construction of Marlborough College East in Bandar Baru Nusajaya - part of the Iskandar Malaysia Development project.

Infrastructure, Concession and Environmental Division

In October 2011, MRCB was awarded a contract worth RM46.50 million from the Department of Irrigation and Drainage for a project in the State of Pahang. The award is for an extension of the RM259.4 million contract to upgrade the Sungai Pahang river and estuary that the company gained in October 2008. The main component of the project, which should be completed within 17 months, is to extend the breakwater by an additional 200 metres.

A month later, we secured another contract worth RM40.3 million from the Department of Irrigation and Drainage to carry out coastal protection works at the Sungai Perai river mouth and nearby coastal areas. The scope of work includes beach rehabilitation, construction of a jetty, boat mooring facilities and related works - all areas in which we have proven strengths. The construction period for the contract is 15 months, with scheduled completion set for March 2013.

Meanwhile, in April, MRCB in collaboration with Dewan Bandaraya Kuala Lumpur and Ekovest Bhd launched the River of Life International Master planning competition. The aim of the competition is to challenge planners to devise a master plan for a 10.7 km stretch of the Klang and Gombak river corridor that will rehabilitate and beautify the river, transforming the waterfront into an asset with high economic and aesthetic value.

Building Services Division

Both for transport hubs and for other property assets, our Building Services Division delivers comprehensive, integrated, top quality parking, security, maintenance and building management solutions.



Our portfolio includes Stesen Sentral Kuala Lumpur, now the largest transport hub in Southeast Asia, handling over 43 million passengers annually; various commercial buildings within the KL Sentral development; and all of MRCB's own property and infrastructure assets.

We also manage 3,000 car parking spaces within KL Sentral as well as a further 3,000 in other parts of the city.

Corporate Social Responsibility

During the year, MRCB again won widespread recognition for the calibre of its CSR programme. For the third consecutive year, we were recognized at the 2010 National Annual Corporate Report Awards (NACRA) ceremony, held in January 2011. For the third year running, we were a finalist at the 2010 StarBiz ICR Malaysian Awards, held in March 2011. We were also once again a finalist at the 2011 ACCA MaSRA Awards.

As a leading urban developer, MRCB takes its social responsibilities very seriously, and in line with the spirit of the GLC Transformation programme, we operate an active CSR programme based on four pillars: Education, Environment, Employee Welfare and Promoting the Arts.

In 2011, we continued our schools sponsorship under the PINTAR programme, and in November contributed school supplies to underprivileged students at seven adopted schools in Federal Territories, Pahang, Perak and Johor. In addition, MRCB also built a futsal court at SK Tebrau Bakar Batu, Johor Bahru.

MRCB is committed to reaching out to the needy within our areas of operations. In December to aid the blind community of Brickfields, we donated RM50,000 to the Malaysian Association for the Blind (MAB).

In another major CSR initiative, we spent RM3 million on reconstructing workers' quarters and other facilities at Masjid Jamek Pasir Pelangi, Johor. The completed quarters were handed over to the Imam of the mosque in August. Earlier in the year, we also handed over 1,000 cartons of mineral water worth RM20,000 plus RM10,000 in cash in aid of flood victims in Pagoh, Johor.

Meanwhile, to support the Government's campaign to provide job opportunities for young Malaysians, in March and April MRCB participated in two Career Day Events: the inaugural Barisan Nasional Youth Job Fair in Kuala Lumpur and a job fair in Penang.

Our full CSR report is available on our website at www.mrcb.com.my and also in our stand-alone Sustainability Report 2011.

Stakeholders & Community Dialogues

MRCB held its first Eastern Dispersal Link (EDL) Expressway stakeholders' briefing on 6 December 2011 involving the media, the Singapore Consulate-General based in Johor, the business community and transport operators.



CHAIRMAN'S STATEMENT

The main purpose of the briefing was to inform the stakeholders of the impending opening of the EDL, and to gauge their responses. The stakeholders were briefed on the project, while the media were invited for a drive along the highway. The briefing for the Singapore Consulate-General was also conducted on the same day.

On top of that, we also held a stakeholder communications session with the Malaysian Association for the Blind (MAB) on 2 March 2011. The purpose was to discuss ways to help the blind to navigate Brickfields with the upgrading works in progress. This was followed by another dialogue session on 29 June 2011 in which MRCB and the Kuala Lumpur Mayor Tan Sri Ahmad Fuad Ismail discussed possible solutions to the traffic issues in Brickfields with the local community.

Green Building Initiatives

MRCB wholeheartedly supports the green agenda and aims to achieve green certifications for all its future developments.

Since 2009, we have incorporated green building requirements into our KL Sentral development, and all our new developments in KL Sentral utilise international green building certification standards, notably the US-based Leadership in Energy and Environmental Design (LEED), Singapore's BCA Green Mark, and Malaysia's Green Building Index.

In 2011, we participated in the greening initiatives of the Greater Kuala Lumpur Development Plan by contributing RM1.0 million towards establishing Taman Botani Perdana as a world-class

botanical garden. Formerly known as Taman Tasik Perdana, Taman Botani Perdana will promote greater environmental awareness amongst Malaysians as well as serving as a tourist attraction.

We also participated once again in the Earth Hour movement by turning off all non-essential lights in our key developments on 26 March 2011.

A Brighter Outlook

Business prospects for 2012 are reasonable, supported by strong domestic demand, relatively low interest rates, Economic Transformation Programme projects and the Greater Kuala Lumpur initiative.

We are optimistic of another year of revenue growth, driven by our on-going property development projects, outstanding construction order book and the opening of the EDL. With the successful positioning of our iconic KL Sentral development as the nation's next generation CBD, we expect an increasing call for residential, retail and commercial space. This flagship project should remain a mainstay of our value-creation plans for years to come.

However, given the intense competition within the construction industry and the anticipated start-up losses from the EDL, achieving profitability growth is likely to be challenging.

On a personal note, I am delighted to welcome Dato' Chong Pah Aung and Encik Jamaludin Zakaria who joined the Board of Directors on 21 June 2011 and 24 August 2011 respectively. I also wish to offer sincere thanks to Dr. Roslan A Ghaffar and Datuk Ahmad Zaki Zahid who stepped down as directors on 4 April 2011 and 15 October 2011 respectively. Their wisdom and commitment made a significant contribution to the development of the Group throughout their terms of office.

Finally, I would like to express my gratitude to my fellow Board members, the entire management team and all the staff of MRCB for the hard work and dedication they so consistently displayed which made 2011 another year of commendable growth for the Group.

TAN SRI AZLAN ZAINOL

Chairman

PENYATA Pengerusi

Para Pemegang Saham Yang Dihargai Sekalian,

Malaysian Resources Corporation Berhad (MRCB) menikmati pertumbuhan berterusan dengan mencatatkan satu lagi keputusan yang bertambah baik pada tahun ini. Kumpulan berjaya mencatatkan hasil sebanyak RM1,213.1 juta yang merupakan peningkatan sebanyak 13.6% pada tahun kewangan berakhir 31 Disember 2011, berbanding RM1,067.6 juta yang dicapai pada tahun sebelumnya. Sementara itu, keuntungan sebelum cukai meningkat sebanyak 9.9% kepada RM107.3 juta, berbanding RM97.6 juta yang dilaporkan pada tahun kewangan berakhir pada 31 Disember 2010.

Kumpulan mampu mencapai prestasi yang teguh pada tahun 2011 disebabkan terutamanya oleh keteguhan prestasi jualan dan kepesatan kemajuan kerja daripada beberapa projek pembangunan hartanah kita di Kuala Lumpur Sentral (KL Sentral). Bahagian perniagaan Kumpulan yang lain juga mencatatkan pertumbuhan hasil dan mengekalkan keuntungan masing-masing, kecuali bahagian Infrastruktur, Konsesi & Alam Sekitar yang menanggung kerugian kecil sebanyak RM1.4 juta berikutan penyiapan beberapa projek alam sekitar dan kelewatan pemberian kontrak baru.



PENYATA PENERUSI

Berasaskan kemantapan keputusan yang dicatatkan, Lembaga Pengarah telah mengesyorkan pembayaran dividen pertama dan akhir sebanyak 2.0 sen sesaham biasa ditolak 25% cukai pendapatan.

MAKLUMAT UTAMA KORPORAT

Sebagai tanda keyakinan terhadap keupayaan Kumpulan, di samping sebagai salah sebuah pelabur korporat utama dalam beberapa projek KL Sentral, Korean Teachers' Credit Union (KTCU) telah menandatangani Memorandum Persefahaman (MoU) dengan MRCB pada bulan Jun 2011 untuk menubuhkan sebuah permuafakatan strategik bagi meneroka pelbagai peluang pelaburan baru. KTCU adalah sebuah tabung pencen kedua terbesar di Korea Selatan dengan jumlah aset keseluruhan bernilai US\$17 bilion di bawah pengurusannya.

MoU ini menggariskan pelan perkongsian pelaburan untuk manfaat bersama yang difokus kepada beberapa projek di Malaysia dan Korea Selatan. Perkongsian yang menjangkau pelaburan semata-mata ini akan meliputi peluang perniagaan dan perkhidmatan seperti penyertaan dalam ekuiti, pembelian hartanah secara bersama dan penyediaan perkhidmatan di projek-projek di mana KTCU mempunyai pelaburan serta syarikat pelaburan usahasama.

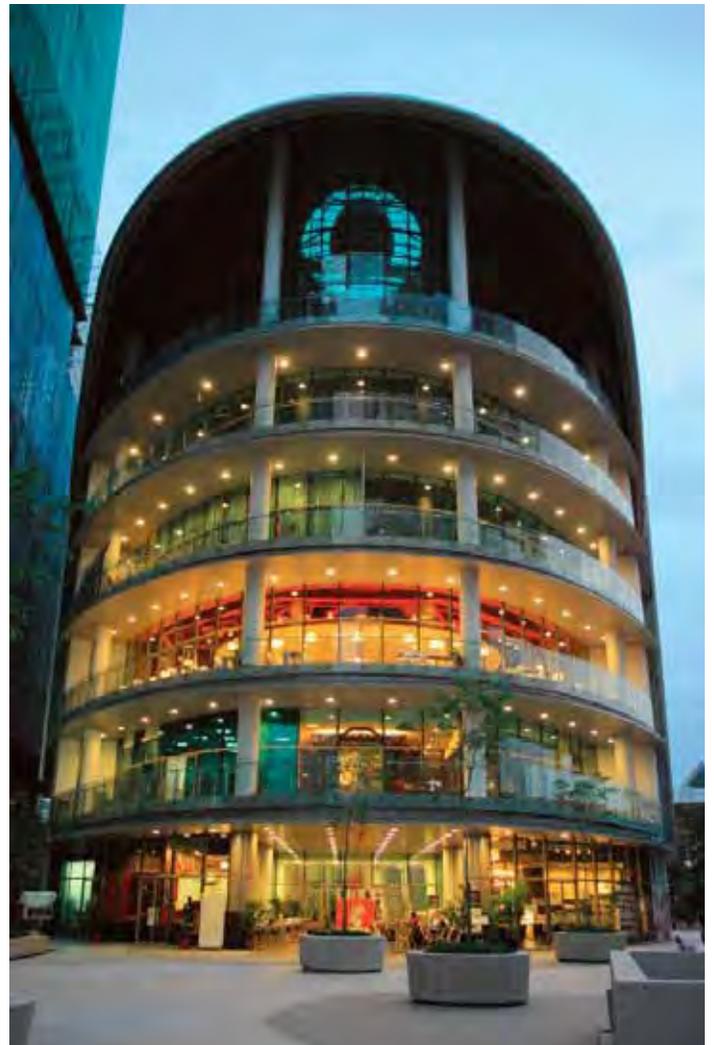
Perkongsian pelaburan strategik ini mencerminkan satu kejayaan penting dalam usaha kita menarik pelaburan langsung ke dalam Malaysia, sambil pada masa yang sama, membuka laluan untuk merebut pelbagai peluang di Korea Selatan.

Tahun 2011 menandakan satu lagi kejayaan baru bagi KL Sentral berikutan siapnya Pejabat Hijau pertama Kumpulan yang dikenali sebagai KL Sentral Park. KL Sentral Park dilengkapi dengan bangunan Cekap Tenaga yang memaparkan kecanggihan sambungtara tiada batasan dan penyelesaian pejabat yang terbaik dalam kelasnya, sekaligus membolehkan KL Sentral Park mengenakan kadar sewa tinggi yang mencatat rekod dengan kadar penghunian yang memberangsangkan.

Sebagai usaha meluaskan pembangunan hartanah Kumpulan di luar KL Sentral, MRCB telah membeli dua bidang tanah di Kuala Lumpur. Tanah pertama seluas kira-kira satu ekar di sekitar KLCC dirancang untuk pembangunan kondominium mewah. Pelaburan kedua pula meliputi pembangunan campuran di atas tanah seluas 27.41 ekar di Setapak.

Kejayaan memperoleh projek sambungan laluan LRT Ampang bernilai lebih RM1.33 bilion yang diperoleh pada bulan Ogos di bawah bida tender terbuka secara saingan telah memberikan lonjakan ketara kepada tempahan kerja pembinaan Kumpulan.

Sementara itu, projek lebuh raya Penyuraian Timur (EDL) di Johor yang merupakan lebuh raya konsesi tol Kumpulan yang kedua dijadual akan dibuka kepada trafik tidak berapa lama lagi. Pelaburan konsesi selama 34 tahun ini yang telah disiapkan pada bulan Januari 2012 akan menyuraikan trafik di tengah bandar Johor Bahru serta menghubungkan kompleks Kastam, Imigresen & Kuarantin Sultan Iskandar (CIQ) di Bukit Cagar dengan Lebuh raya Utara-Selatan di Persimpangan Bertingkat Pandan.



Sooka Sentral

Pelbagai anugerah berjaya dicapai sepanjang tahun 2011. Pada bulan Mac, Kumpulan telah meraih Anugerah Konglomerat BrandLaureate sebagai pengiktirafan terhadap keteguhan pelbagai jenama yang berkembang di bawah payung MRCB. Selepas itu, pada bulan Oktober, Kumpulan berjaya memenangi dua pingat di 'International Business Awards' (the Stevie Awards) atas sumbangannya terhadap program PINTAR serta Inisiatif Bangunan Hijau.

TINJAUAN OPERASI

MRCB mempunyai sebuah portfolio perniagaan yang seimbang terdiri daripada empat bahagian yang diurus secara bebas: Hartanah; Kejuruteraan & Pembinaan; Infrastruktur, Konsesi & Alam Sekitar dan Perkhidmatan Bangunan. Keempat-empat bahagian tersebut mencatatkan perkembangan berterusan pada tahun ini selaras dengan strategi pertumbuhan masing-masing dan saya berasa amat sukacita untuk memberikan tinjauan tentang kemajuan masing-masing.

Bahagian Hartanah

Pembangunan KL Sentral yang dikendalikan oleh MRCB merupakan sebuah 'Central Business District' (CBD) yang baru di Bandaraya Kuala Lumpur. Ia juga merupakan alamat yang menjadi pilihan banyak syarikat yang ingin mencapai perniagaan

bertaraf global kerana pembangunan kita menawarkan status MSC, sambungtara antarabangsa, pulangan pelaburan yang sangat menguntungkan, keselesaan perniagaan yang tiada tara dengannya dan gaya hidup antarabangsa yang tiada tandingan. Kini ia menempatkan sejumlah besar syarikat yang tersenarai dalam Fortune 500 serta jenama tempatan dan global lain yang ternama.

Pada bulan April 2011, kita telah melancarkan penjualan pejabat berstrata milik bebas Gred A - Q Sentral. Ia merupakan sebuah pembangunan suite pejabat 45 tingkat yang sangat istimewa, diilham berasaskan kepada konsep Qi dan menyediakan persekitaran tempat kerja seimbang dengan mengabungkan reka bentuk yang serasi dengan fungsi yang membolehkan tenaga positif mengalir ke seluruh bangunan. Q Sentral yang telah menikmati kadar jualan melebihi 60%, menawarkan pilihan pelaburan menarik kepada pelabur individu dan para pemilik untuk memiliki pejabat berstrata di KL Sentral.

Pada bulan berikutnya, kita telah mengalu-alukan kemasukan 28 penyewa baru di Pusat Membeli-belah Nu Sentral. Penyewa baru ini meliputi pelbagai perniagaan; daripada sebuah farmasi terkemuka dan kedai buku terkenal hinggalah kepada pusat penjagaan mata dan restoran F&B, yang akan memenuhi ruang perniagaan seluas kira-kira 156,000 kaki persegi. Keluasan ini merupakan tambahan kepada ruang yang telah dipenuhi



PENYATA Pengerusi

oleh penyewa utama, Parkson Corporation dan Golden Screen Cinemas Sdn Bhd, yang menduduki ruang seluas lebih 186,000 kaki persegi, setelah perjanjian dimeterai pada tahun 2010.

Penyertaan beberapa jenama bertaraf perdana yang lain di Nu Sentral telah mengukuhkan lagi keunikan karektor pusat membeli-belah ini sebagai sebuah hab gaya hidup dan gedung membeli-belah yang istimewa. Nu Sentral juga merupakan gedung membeli-belah pertama di Malaysia yang sedang berusaha ke arah mencapai BCA Green Mark (pematuhan) dari Singapura dan Green Building Index (pensijilan) Malaysia.

MRCB bersama rakan usahasanya, Kumpulan Syarikat-syarikat Quill, telah memulakan kerja di Lot D di pembangunan KL Sentral. Lot D yang dikenali sebagai The Sentral Residences, dimajukan sebagai sebuah kondominium mewah baru dengan Nilai Pembangunan Kasar (GDV) sebanyak kira-kira RM1.4 bilion. Pembangunan The Sentral Residences yang dirancang mematuhi Indeks Bangunan Hijau (GBI), akan saling melengkapi dua kondominium yang telah disiapkan di KL Sentral, iaitu Suasana Sentral dan Suasana Sentral Loft yang sedia ada. Pembangunan yang dilancarkan pada bulan September ini telah mendapat sambutan yang sangat menggalakkan dengan kadar jualan melebihi 60% dalam tempoh tiga bulan dan pembinaannya dijangka akan disiapkan menjelang tahun 2015.

MRCB telah membeli sebidang tanah seluas satu ekar di Jalan Kia Peng, Kuala Lumpur pada bulan Januari 2011. Projek yang dirangka untuk kediaman mewah ini dijangka akan memaparkan keunikan dengan memanfaatkan nila-nilai estetika Pusat Bandaraya dengan pemandangan indah Banjaran Titiwangsa dan Genting Highlands. Projek yang dirancang akan dimajukan sepanjang tempoh tiga tahun ini mempunyai anggaran GDV bernilai RM300 juta.

Pada bulan April, Kumpulan telah mengambilalih keseluruhan kepentingan ekuiti dalam 59 INC Sdn Bhd, yang memiliki 27.41 ekar tanah di Mukim Setapak yang mempunyai kelulusan bersyarat untuk pembangunan bercampur. Pada bulan Julai, Kumpulan memperoleh hak eksklusif untuk memajukan dua bidang tanah milik Kerajaan sebagai sebahagian daripada langkah transformasi berterusan kawasan Brickfields yang terletak bersebelahan dengan KL Sentral. Pembangunan campuran di kedua-dua bidang tanah ini akan secara ketara menambahbaik kualiti kehidupan masyarakat Brickfields. MRCB menganggarkan projek yang dijadual akan mengambil masa tiga tahun untuk disiapkan pembinaannya ini mempunyai GDV sebanyak lebih RM1 bilion.

Sementara itu, Kumpulan berusaha secara berterusan untuk mencari kerja pembinaan baru di bawah inisiatif Kerajaan yang bermatlamat membangunkan Greater Kuala Lumpur – sebuah elemen penting dalam Program Transformasi Ekonomi (ETP) yang diisytihar pada tahun 2010. Dengan rekod pencapaian yang telah terbukti melalui pembangunan hab pengangkutan bandar seperti KL Sentral, Kumpulan berminat menjadikan antara salah sebuah pemaju hartanah yang akan bersama-sama memajukan tanah Institut Penyelidikan Getah di Sg. Buloh ini.

Bahagian Kejuruteraan & Pembinaan

Pencapaian utama bahagian Kejuruteraan & Pembinaan pada tahun 2011 ialah kejayaan mendapatkan kontrak bernilai RM1.33 bilion yang diperoleh bagi projek sambungan laluan LRT Ampang melalui syarikat subsidiari milik penuhnya, MRCB Engineering Sdn Bhd (MESB) pada bulan Ogos 2011.

Kejayaan memperoleh kontrak utama dalam persekitaran persaingan yang hebat membuktikan keupayaan dan pengalaman kita menjalankan pelbagai projek infrastruktur utama. Projek pembinaan bernilai RM1.33 bilion ini telah meningkatkan sekali ganda tempahan pembinaan kita kepada kira-kira RM2.6 bilion dan dijangka akan menyumbang secara positif kepada pertumbuhan hasil dan pendapatan mulai tahun 2012 dan seterusnya.

Di samping itu, MESB juga memperoleh kerja sub-kontrak bernilai RM67.2 juta daripada Sunway Construction Sdn Bhd bagi fabrikasi dan penghantaran 'segmental box girders' untuk sambungan LRT Kelana Jaya.

Pembangunan kita di KL Sentral juga mencatatkan kemajuan selanjutnya di mana beberapa projek telah mencapai pelbagai peringkat penyediaan. Lot E yang turut dikenali sebagai KL Sentral Park, telah disiapkan pada suku terakhir tahun 2011, sementara 348 Sentral, ibu pejabat CIMB Investment Bank (Lot A) dan pusat membeli-belah Nu Sentral, serta dua bangunan pejabat dan sebuah hotel di Lot G mencapai kemajuan lancar mengikut jadual. Kita juga telah memulakan kerja untuk Q Sentral (Lot B) dan The Sentral Residences (Lot D) pada tahun 2011. Pengalaman yang kita timba daripada kompleks kediaman bertingkat tinggi, pejabat dan gedung membeli-belah yang menggunakan teknologi hijau ini telah mengukuhkan lagi kedudukan kami sebagai sebuah peneraju terkemuka dalam sektor kejuruteraan dan pembinaan di Malaysia.

Di Johor, Lebuhraya EDL dan Hospital Psikiatrik Permai di Tampoi telah disiapkan pada akhir tahun 2011, sementara kerja bagi pembinaan Marlborough College East di Bandar Baru Nusajaya – sebahagian daripada projek Pembangunan Iskandar Malaysia, sedang dalam pelaksanaan.

Bahagian Infrastruktur, Konsesi & Alam Sekitar

Pada bulan Oktober 2011, Jabatan Pengairan dan Saliran telah memberikan kontrak bernilai RM46.5 juta kepada MRCB untuk melaksanakan sebuah projek di negeri Pahang. Pemberian kontrak ini merupakan sambungan kepada kontrak bernilai RM259.4 juta untuk menaik taraf sungai dan muara Sungai Pahang yang diperolehi oleh syarikat pada bulan Oktober 2008 lalu. Komponen utama projek ini, yang perlu disiapkan dalam tempoh 17 bulan, adalah untuk melebarkan pemecah ombak seluas 200 meter lagi.



Sebulan kemudian, kami telah memperolehi satu lagi kontrak bernilai RM40.30 juta daripada Jabatan Pengairan dan Saliran untuk menjalankan kerja perlindungan pesisir pantai di Kuala Sungai Perai dan kawasan pesisir pantai berhampiran. Skop kerjanya meliputi pemulihan pantai, pembinaan sebuah jeti, kemudahan penambat bot dan kerja-kerja berkaitan – di mana kita telah membuktikan kekuatan kita dalam semua kerja tersebut. Tempoh pembinaan bagi kontrak ini adalah selama 15 bulan, di mana ia dijadualkan siap pada bulan Mac 2013.

Sementara itu, pada bulan April, MRCB dengan kerjasama Dewan Bandaraya Kuala Lumpur dan Ekovest Bhd melancarkan pertandingan 'River of Life' International Master Planning. Pertandingan ini bermatlamat untuk menggalak syarikat-syarikat perancang merangka sebuah pelan induk untuk koridor sungai Klang dan Gombak sepanjang 10.7 km yang bertujuan untuk memulih dan mengindahkan sungai tersebut, disamping menaikkan taraf sungai tersebut kepada sebuah aset yang mempunyai nilai ekonomi dan estetika yang tinggi.

Bahagian Perkhidmatan Pengurusan Bangunan

Bahagian Perkhidmatan Pengurusan Bangunan yang menyediakan perkhidmatan kepada hab pengangkutan dan aset hartanah lain ini juga menyediakan penyelesaian menyeluruh untuk tempat letak kereta, keselamatan, penyenggaraan dan pengurusan yang lengkap, bersepadu dan berkualiti tinggi.

Portfolio kita meliputi Stesen Sentral Kuala Lumpur yang kini merupakan hab pengangkutan terbesar di Asia Tenggara. Ia mengendalikan lebih 43 juta penumpang setiap tahun; pelbagai bangunan komersial di sekitar pembangunan KL Sentral dan semua aset hartanah dan infrastruktur milik MRCB.



Kami juga mengurus 3,000 ruang letak kereta di sekitar KL Sentral dan sebanyak 3,000 ruang lagi di tempat lain di sekitar bandaraya.

Tanggungjawab Sosial Korporat

Pada tahun ini, MRCB sekali lagi mendapat pengiktirafan meluas atas kejayaan yang dicapai oleh program CSR. Untuk tahun ketiga berturut-turut, kami dipilih sebagai penerima anugerah di majlis Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA) 2010, yang diadakan pada Januari 2011. Bagi tahun ketiga berturut-turut juga, kami merupakan finalis dalam StarBiz ICR Malaysian Awards 2010, yang berlangsung pada bulan Mac 2011. Sekali lagi kami telah terpilih ke peringkat akhir di Anugerah ACCA MaSRA 2011.

Sebagai sebuah syarikat pemaju bandar terkemuka, MRCB mendokong tanggungjawab sosialnya dengan serius, dan selaras dengan program Transformasi GLC, kami mengendalikan program CSR berlandaskan kepada empat rukun utama: Pendidikan, Alam Sekitar, Kebajikan Kakitangan dan Penggalakan Seni Visual.

Pada 2011, kami meneruskan penajaan ke sekolah-sekolah angkat MRCB di bawah program PINTAR dan pada bulan November MRCB telah menyumbang set kelengkapan sekolah kepada pelajar yang kurang bernasib baik di tujuh buah sekolah angkatnya di Wilayah Persekutuan, Pahang, Perak dan Johor. Selain itu MRCB juga telah membina sebuah gelanggang futsal di SK Tebrau Bakar Batu, Johor Bahru.

MRCB komited untuk menyampaikan sumbangannya kepada kumpulan yang memerlukan di dalam kawasan operasi kami. Bagi membantu komuniti cacat penglihatan di Brickfields, kami telah menderma sebanyak RM50,000 kepada Persatuan Orang Buta Malaysia (MAB) pada bulan Disember.

Dalam satu lagi inisiatif CSR yang penting, kami telah membelanjakan RM3 juta untuk membina semula kuarters pekerja dan pelbagai kemudahan lain di Masjid Jamek Pasir Pelangi, Johor. Kuarters yang siap telah diserahkan kepada Imam masjid tersebut pada bulan Ogos. Pada awal tahun 2011, kami telah menyampaikan lebih 1,000 karton minuman air mineral bernilai RM20,000 beserta wang tunai RM10,000 bagi membantu mangsa banjir di Pagoh, Johor.

Sementara itu, untuk membantu kempen Kerajaan bagi menyediakan peluang pekerjaan kepada generasi muda Malaysia, MRCB telah menyertai dua Pameran Kerjaya pada bulan Mac dan April: Pameran kerjaya Pemuda Barisan Nasional yang pertama di Kuala Lumpur dan diikuti dengan pameran kerjaya di Pulau Pinang.

Laporan penuh CSR kami terdapat di laman web kami di www.mrcb.com.my dan juga Laporan Kemampanan 2011 kami yang disediakan secara berasingan daripada laporan ini.

Dialog Pemegang Kepentingan & Komuniti

MRCB mengadakan taklimat untuk para pemegang kepentingan Lebuhraya Penyuraian Timur (EDL) pada 6 Disember 2011 yang melibatkan pihak media, Pesuruhjaya Tinggi Singapura yang beribu pejabat di Johor, komuniti perniagaan dan para pengendali pengangkutan.

Tujuan utama taklimat ini adalah untuk memaklumkan kepada pemegang kepentingan mengenai EDL dan untuk mendapat maklum balas daripada pemegang kepentingan tersebut. Pihak media diundang untuk memandu di sepanjang lebuh raya berkenaan. Taklimat kepada Pesuruhjaya Tinggi Singapura telah diadakan semasa majlis makan tengah hari pada hari yang sama dan para pemegang kepentingan lain dimaklumkan melalui sesi taklimat.

Di samping itu, kami juga mengadakan sesi komunikasi dengan Persatuan Orang Buta Malaysia (MAB) pada 2 Mac 2011. Majlis ini bertujuan untuk membincangkan bagaimana untuk membantu golongan cacat penglihatan berjalan di sekitar Brickfields semasa kerja-kerja naiktaraf sedang dijalankan. Ini diikuti dengan satu lagi sesi dialog pada 29 Jun 2011 antara Datuk Bandar Kuala Lumpur, Tan Sri Ahmad Fuad Ismail bersama-sama dengan MRCB membincangkan cara menyelesaikan masalah trafik di Brickfields dengan penduduk setempat.

Inisiatif Bangunan Hijau

MRCB menyokong sepenuhnya agenda hijau dan meletakkan matlamat untuk mencapai pensijilan hijau bagi semua pembangunannya pada masa akan datang.

Sejak tahun 2009, kami telah memasukkan keperluan bangunan hijau ke dalam pembangunan baru di KL Sentral dengan menerapkan piawaian pensijilan bangunan hijau antarabangsa, khususnya 'Leadership in Energy and Environmental Design' (LEED) berpangkalan di Amerika Syarikat, BCA Green Mark dari Singapura dan Indeks Bangunan Hijau Malaysia.

Pada tahun 2011, kami telah menyertai inisiatif hijau pada pelan pembangunan Greater Kuala Lumpur dengan menyumbangkan sebanyak RM1.0 juta bagi mewujudkan Taman Botani Perdana sebagai taman botani bertaraf dunia. Taman Botani Perdana yang sebelum ini dikenali sebagai Taman Tasik Perdana, akan mempergiatkan usaha memupuk kesedaran pemuliharaan alam sekitar di kalangan rakyat Malaysia selain menjadikannya sebagai destinasi tarikan pelancong.

Kami turut mengambil bahagian dalam inisiatif 'Earth Hour' dengan memadamkan semua lampu kurang penting di dalam pembangunan penting kami pada 26 Mac 2011.

Masa Depan Yang Lebih Gemilang

Prospek perniagaan bagi tahun 2012 adalah agak teguh, disokong oleh permintaan dalam negara yang kukuh, kadar faedah yang agak rendah, projek-projek bagi Program Transformasi Ekonomi dan inisiatif Greater Kuala Lumpur.

Kami optimistik akan berjaya mencatat satu lagi tahun pertumbuhan hasil, didorong oleh projek pembangunan hartanah yang berterusan, tempahan projek pembinaan yang baru dan pembukaan EDL. Dengan kejayaan pembangunan KL Sentral sebagai CBD generasi masa depan negara, kami menjangka akan berjaya menarik minat yang lebih besar terhadap kediaman, ruang runcit dan komersial. Projek bertaraf perdana ini akan kekal sebagai teras utama dalam rancangan kami meningkatkan nilai dalam tempoh beberapa tahun akan datang.

Walau bagaimanapun, dengan persaingan sengit dalam industri pembinaan dan jangkaan kerugian permulaan EDL, kemungkinan untuk mencapai pertumbuhan keuntungan adalah sangat mencabar.

Saya dengan sukacitanya ingin mengalu-alukan kedatangan Dato' Chong Pah Aung dan Encik Jamaludin Zakaria yang masing-masing menyertai Lembaga Pengarah pada 21 Jun 2011 dan 24 Ogos 2011. Saya juga ingin mengucapkan terima kasih yang tulus ikhlas kepada Dr Roslan A Ghaffar dan Datuk Ahmad Zaki Zahid yang meletak jawatan sebagai pengarah pada 4 April 2011 dan 15 Oktober 2011. Kebijaksanaan dan komitmen mereka telah memberi sumbangan penting terhadap pembangunan Kumpulan sepanjang tempoh perkhidmatan mereka.

Akhir sekali, saya ingin mengucapkan setinggi-tinggi penghargaan kepada rakan seperjuangan ahli Lembaga Pengarah, seluruh pasukan pengurusan dan kakitangan MRCB atas ketekunan dan kesungguhan berterusan yang telah mereka pamerkan dan menjadikan 2011 sebagai satu lagi tahun yang menampilkan pertumbuhan membanggakan bagi Kumpulan.

TAN SRI AZLAN ZAINOL

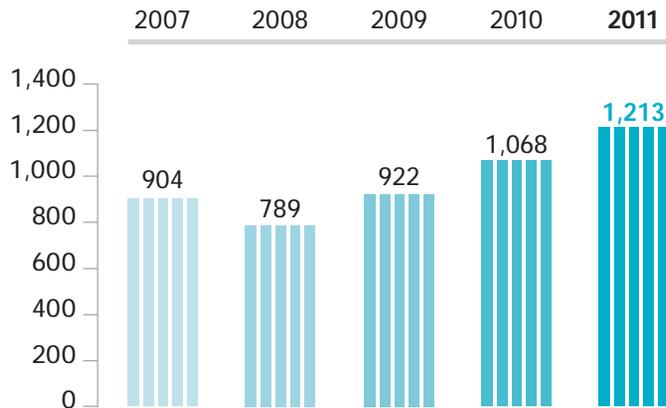
Pengerusi

GROUP FINANCIAL HIGHLIGHTS

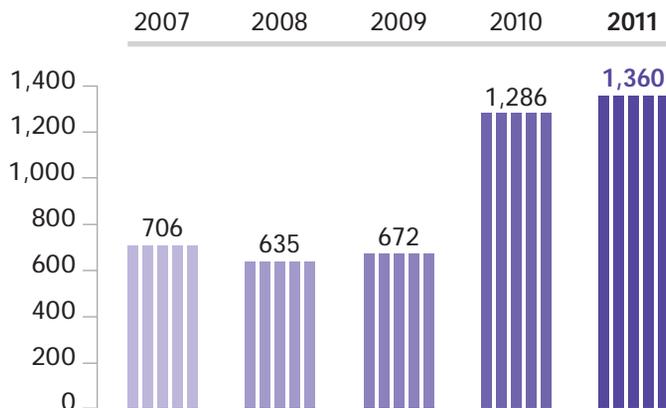
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue	903,702	788,552	921,616	1,067,579	1,213,077
Profit/(Loss) Before Income Tax	69,831	(42,155)	46,492	97,575	107,251
Earnings/(Loss)*	40,745	(56,638)	34,624	67,268	77,462
Earnings/(Loss) Per Share (sen)**	5	(6)	4	5	6
Shareholders' Funds	705,531	635,167	671,919	1,286,225	1,360,123
Total Assets	2,106,264	2,916,011	3,118,752	4,388,340	5,411,172
Borrowings	730,675	1,607,723	1,633,419	1,996,888	2,728,404
Gross Profit Margin (%)	27	13	15	18	18
Return on Average Shareholders' Funds (%)	7	(8)	5	7	6
<p>* Earnings/(Loss): Profit/(Loss) attributable to the equity holders of the Company. ** Based on weighted average number of shares issued during the year.</p>					

CHARTS

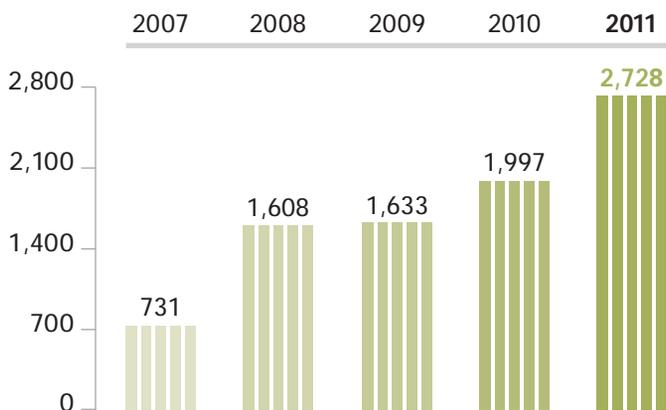
Group Revenue (RM Million)



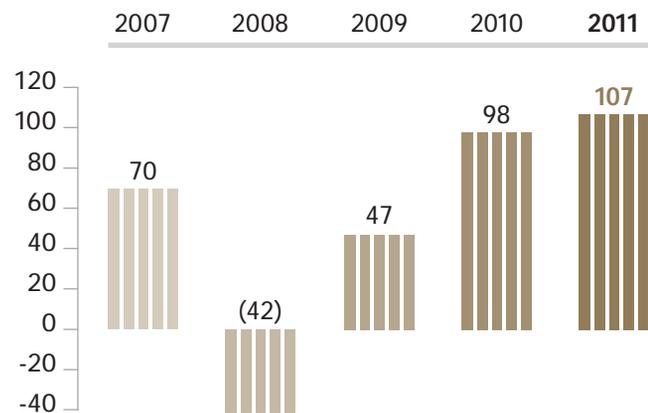
Group Shareholders' Funds (RM Million)



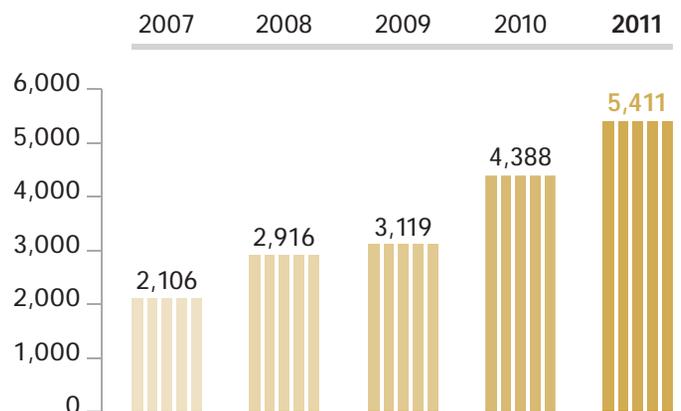
Group Borrowings (RM Million)



Group Profit/(Loss) Before Income Tax (RM Million)

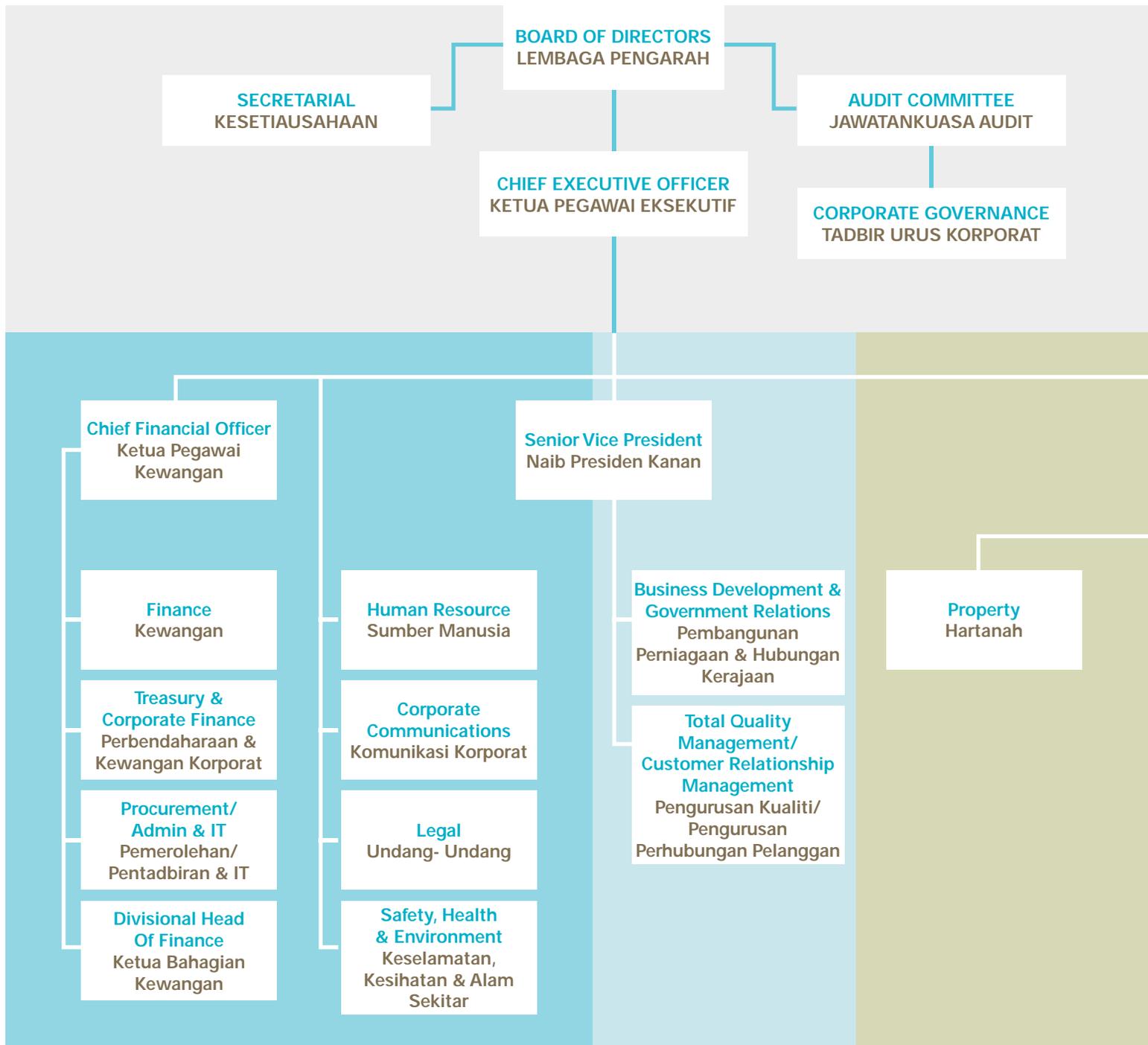


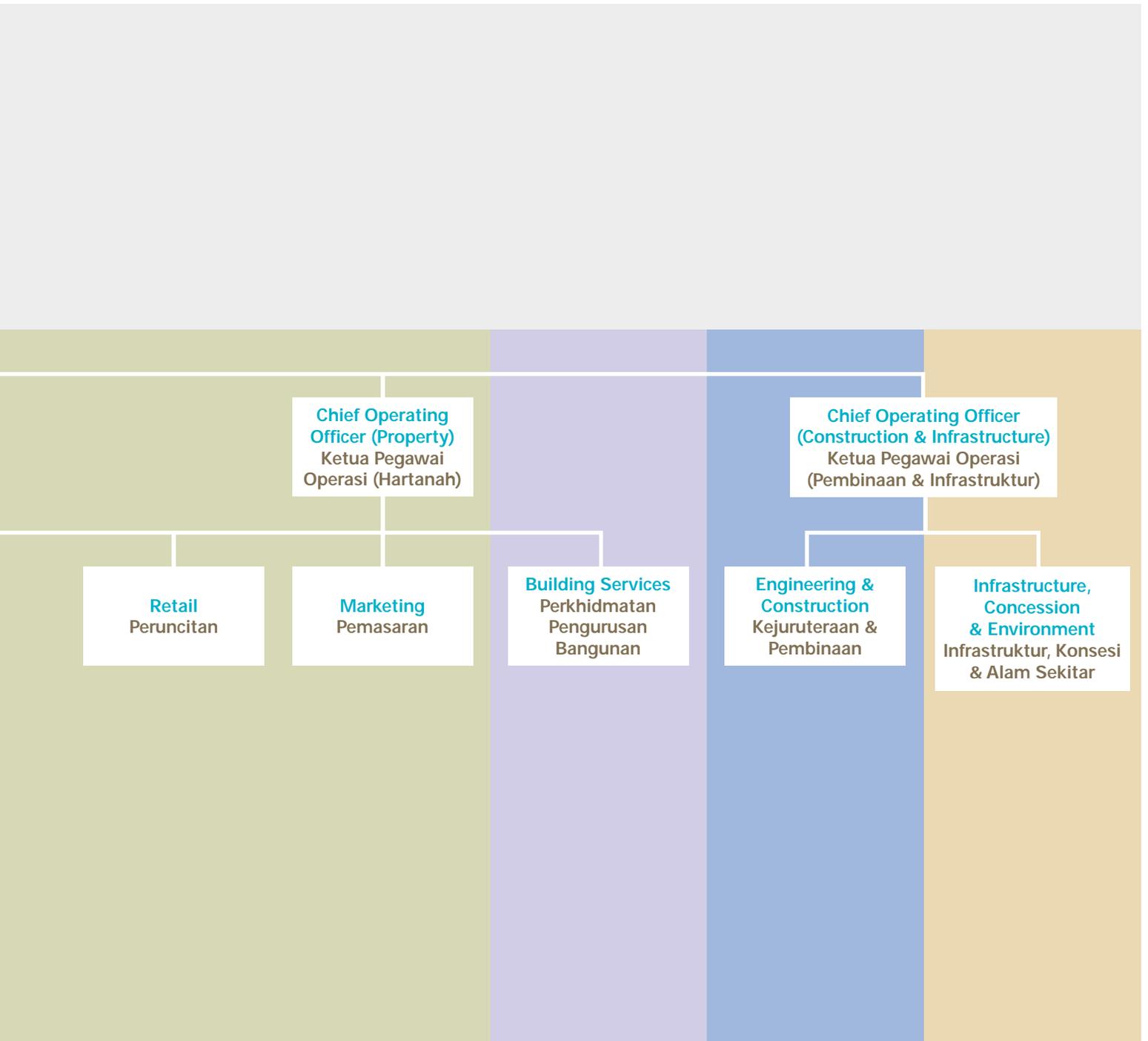
Group Total Assets (RM Million)



ORGANISATION CHART

CARTA ORGANISASI





CORPORATE STRUCTURE

STRUKTUR KORPORAT

Property Hartanah

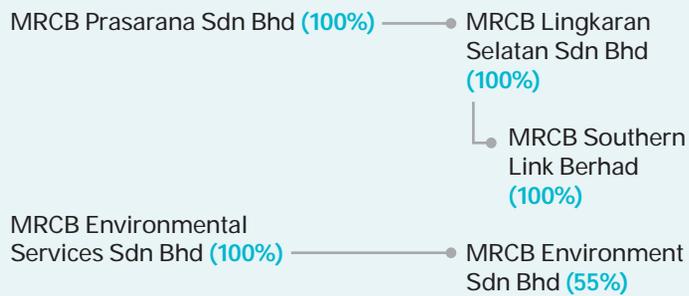


Engineering & Construction Kejuruteraan & Pembinaan

MRCB Engineering Sdn Bhd (100%)
Milmix Sdn Bhd (100%)
Transmission Technology Sdn Bhd (100%)
Region Resources Sdn Bhd (100%)

Infrastructure, Concession & Environment

Infrastruktur, Konsesi & Alam Sekitar



Building Services

Perkhidmatan Pengurusan Bangunan

- Semasa Sentral Sdn Bhd (100%)
- Semasa Services Sdn Bhd (100%)
- Semasa Parking Sdn Bhd (100%)
- MRCB Technologies Sdn Bhd (100%)
- Semasa Sentral (Penang) Sdn Bhd (100%)



An aerial photograph of a modern architectural complex. In the foreground, a large building features a facade of green horizontal slats. Below it is a landscaped courtyard with young trees and concrete walkways. A blue and yellow train is visible on an elevated track. In the background, several high-rise apartment buildings and a distant tower are visible against a clear sky.

BUILDING GREEN

“Green” buildings epitomises MRCB’s commitment to thinking and building green. Incorporating the latest advances in green design and technology, from building materials to recycling to energy management and not forgetting actual living, breathing green! Pioneering an enlightened approach towards environmental sustainability.

Kuala Lumpur Sentral



OPERATIONS REVIEW

Property Development



Seated

Nooraini Mohamad Rashidi
Vice President
Property Development

Standing from left to right

Christopher Mears
Director, Retail

Zamry Ibrahim
Director, Marketing

Zulkefli Ibrahim
General Manager, Retail

Mohd Sabri Md Shariff
Project Director

Amir Azman Yusuf
General Manager
Seri Iskandar Development
Corporation Sdn Bhd

Kuala Lumpur Sentral has evolved from a mere railway marshalling yard to an unrivalled world-class City-within-a-City development.

OPERATIONS REVIEW

Property Development

The year 2011 was seen as the beginning of a new era for MRCB Land, the Group's Property Division with its flagship development, Kuala Lumpur Sentral, gaining recognition as the new Central Business District of Kuala Lumpur.

From a mere railway marshalling yard, it has evolved into the new focal point of business, cultural and social activities in Kuala Lumpur, offering global connectivity, excellent investment opportunities, unparalleled business convenience and an unrivalled international lifestyle in a world-class City-within-a-City development.

As the country's premier corporate destination, its achievement is further accentuated with most number of FIABCI awards within a development, making Kuala Lumpur Sentral a truly



Lot G - Parcels C and D

award-winning architectural and property landmark. Kuala Lumpur Sentral development is home to a total of five FIABCI winners - Stesen Sentral Kuala Lumpur; Hilton Kuala Lumpur; 1 Sentral; Sooka Sentral and Quill 7 – having attained both FIABCI Malaysia and FIABCI International accolades in their respective categories.

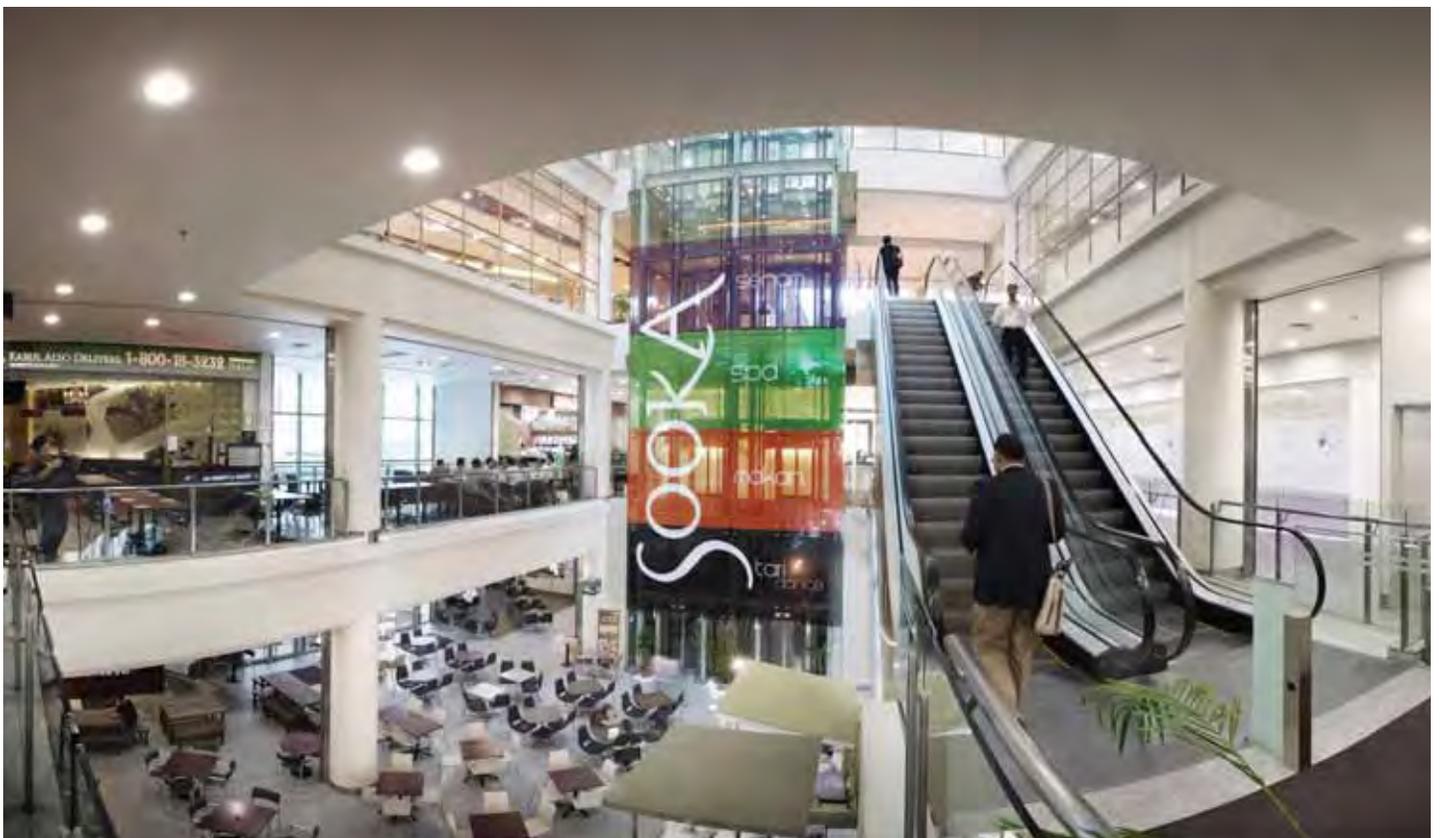
Sooka Sentral, the winner of FIABCI Malaysia Property Award 2009, was also the Runner-Up winner under the Purpose-Built Category at the FIABCI International Prix d'Excellence Awards 2010, making it a back-to-back international recognition for developments by MRCB Land after 1 Sentral office tower. 1 Sentral was also bestowed as FIABCI Malaysia Best Office Development in 2008. It was also named the Runner-Up at the FIABCI International Prix d'Excellence Awards for Office Development in 2009.

Kuala Lumpur Sentral is also Malaysia's first Multimedia Super Corridor (MSC) Cybercentre, with a key technology hub located at Plaza Sentral that provides an alternative location for

companies that wish to enjoy the benefits of MSC Status while remaining close to their clients in the heart of Kuala Lumpur.

MRCB's commitment to sustainable development saw all major new projects undertaken within Kuala Lumpur Sentral since 2009 in compliance with Malaysia's new Green Building Index (GBI) standards. This commitment towards sustainability has become a key performance indicator for the Group's investment projects. MRCB Land is presently developing several projects that also adopt the US-based Leadership in Energy and Environmental Design (LEED) and Singapore's Building and Construction Authority (BCA) Green Mark standards for sustainability.

2011 was yet another sterling performance for MRCB Land's business activities within Kuala Lumpur Sentral development and Brickfields, as well as launches of commercial and residential products in its other developments that include Bandar Seri Iskandar Township in Perak and the 23-acre Senawang Sentral Business Park in Senawang, Negeri Sembilan.



Lot J - Sooka Sentral

OPERATIONS REVIEW

Property Development

KUALA LUMPUR SENTRAL DEVELOPMENT

On-going Developments At Kuala Lumpur Sentral

Lot A: Menara CIMB

MRCB Land is currently working on the construction of Lot A, the new corporate headquarters of CIMB Investment Bank. Works began in 2009 and is progressing as scheduled.

A prime lot within the Kuala Lumpur Sentral development, Menara CIMB faces the exclusive Federal Hill, Bangsar and Damansara neighbourhoods. It was acquired by Lot A Sentral Sdn Bhd (LASSB), a joint-venture company between Maple Dextra Pte Ltd and CMREF1.

Lot A, has a GFA of 834,000 sq. ft. and a GDV of RM402 million. Once completed in 2012, this new office tower will bring a major financial institution to Kuala Lumpur Sentral, and will act as the anchor for the development of a new financial hub for Kuala Lumpur.

Lot B: Q Sentral

Q Sentral is a state-of-the-art 45-storey Grade A strata office tower that is destined to be an iconic landmark in the Kuala Lumpur skyline. The word "Q" is derived from the Chinese concept of Qi, the life force that governs all that is around us. Like its namesake, Q Sentral is a cohesive entity that brings an unrivalled global connectivity that no other business address in Kuala Lumpur can boast.

Distinctively divided into two zones; every floor of Q Sentral including the spacious High Zone offices on Level 35 to Level 42 and stratified smaller units in the Low Zone offices from Level 13A to Level 33, overlook both Perdana Lake Gardens, Malaysia's largest park and Kuala Lumpur's spectacular skyline.

The High Zone Offices range from 32,000 – 40,000 sq.ft. per floor. With an estimated GDV of RM1.2 billion, Q Sentral is a joint partnership development between MRCB and the Quill Group of Companies.

Since its launch in September, sales of more than RM772 million have been achieved. Q Sentral is targeted for completion by end 2014 and will be an important component in the realisation of the overall vision of Kuala Lumpur Sentral.



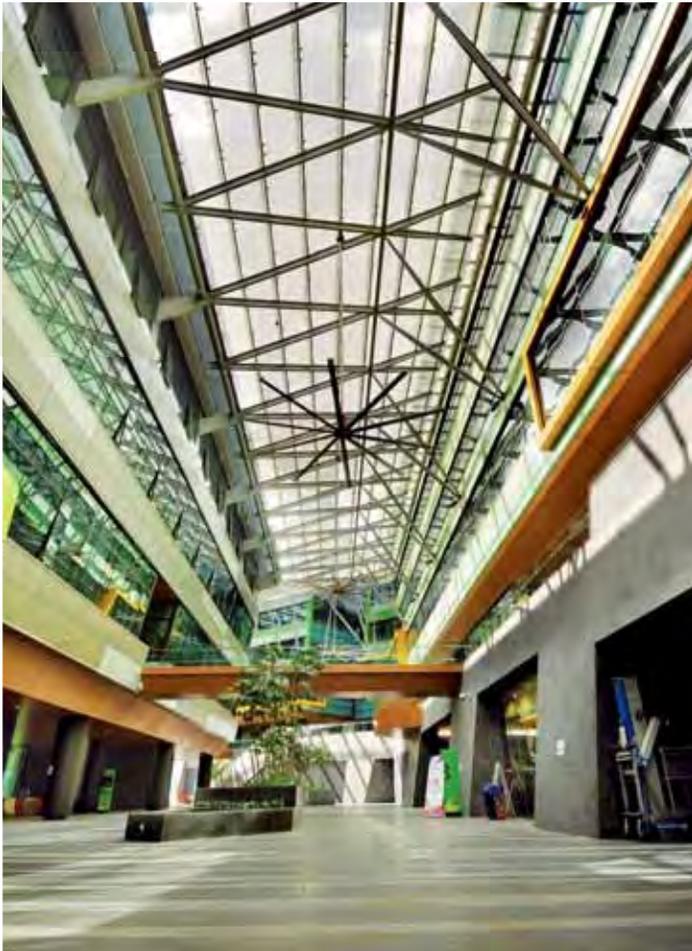
Menara CIMB

Lot E: KL Sentral Park

KL Sentral Park is a unique green, state-of-the-art office campus, offering seamless connectivity, a creative working environment and contemporary business lifestyle. KL Sentral Park is Kuala Lumpur Sentral's first Green Office Campus.

With a GFA of approximately 980,000 sq. ft., KL Sentral Park includes contemporary office buildings, high-end retail, business centres, hospitality zones and green spaces. With its estimated GDV of over RM650 million, this premise shall provide ample car parks equipped with digital guidance system.

In line with MRCB's commitment towards sustainable development as well as Energy Efficient Building & Design features; KL Sentral Park is one of MRCB's signature projects, with contemporary and best-in-class office solutions, designed in compliance with Singapore's BCA Green Mark (Platinum rating).



KL Sentral Park

100% owned by MRCB, KL Sentral Park has secured over 60% tenancy with major tenants comprising SME Corp Malaysia and SBM Corp.

Construction of KL Sentral Park has been completed.

Lot G: Hotel And Office

MRCB and its partner, Aseana Properties Limited, UK, undertook the task to jointly develop a new business class hotel and two office towers as part of the Lot G development. Located next to Nu Sentral, MRCB's latest shopping mall within Kuala Lumpur Sentral; the hotel Aloft will complement Hilton Kuala Lumpur and Le Meridien Kuala Lumpur by offering a different level of services to cater to discerning business and leisure travellers.

Both office towers were pre-sold en-bloc to foreign investors comprising institutional and trust funds from South Korea. The management of office towers will however revert to MRCB Land upon completion in 2012. With a combined GFA of 1.2 million sq. ft. and GDV of RM851 million, this venture supports the Group's strategy to grow recurring income from development and management services.

The Aloft hotel, under the Starwood Group is expected to commence operation in 2013. The office towers and hotel are expected to be completed by end of 2012.

Offices and Hotel Parcels C and D at Lot G



Lot G: Office (Perdana Sentral) And Retail (Nu Sentral)

Nu Sentral Retail Mall is an eight storey building with a GFA of 1.3 million sq. ft. and GDV of over RM1 billion that offers 287 shops for lease.

We have secured six anchor tenants, with the two largest being Parkson and Golden Screen Cinema (GSC). These two tenants occupy more than 186,000 sq. ft. Other well-known retailer brands having secured a space include Wesria Food Court, Wangsa Bowl, Supermarket, MPH Book Store and Amp Square Premium Karaoke. These new tenants will take up approximately 116,000 sq. ft of floor space giving us an occupancy rate of 50%.

Nu Sentral Retail Mall promises to combine lifestyle shopping with convenience that appeals to discerning modern and urban consumers. It combines connectivity, convenience and convergence to cater to the ever-changing needs of retailers and consumers, with a captive market of over 800,000 households and a total population of over 3.6 million.

The iconic Perdana Sentral office tower with GFA of over 540,000 sq. ft. will be an outstanding landmark along Jalan Tun Sambanthan, one of Kuala Lumpur's major public arterial transportation routes. 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.

Positioned as the first integrated 'green' lifestyle retail mall in Malaysia, Nu Sentral is designed in compliance with Singapore's BCA Green Mark and Malaysia's GBI certifications. Nu Sentral will be adopting sustainable and green building practices.

A joint-venture development between MRCB and Pelaburan Hartanah Berhad (PHB), the retail mall will be owned by Nu Sentral Sdn Bhd, a 51:49 joint-venture between MRCB and PHB respectively and operated by MRCB Land. The office tower is owned by PHB.

Construction of all the components of Lot G started concurrently in early 2009 and is scheduled for completion by the end of 2012. More importantly, Nu Sentral will also see an addition of another 2,500 car parks to the existing car parks in Kuala Lumpur Sentral.

Lot 348: Office (Menara Shell) And Service Apartment (Ascott Sentral)

Menara Shell was initially a project jointly undertaken by MRCB and Gapurna Sdn Bhd. However, in 2010, MRCB secured 100% ownership of the equity. With a GDV of over RM900 million, 348 Sentral consists of a commercial office tower and a 157-unit service residences block above a five-storey retail podium.

Shell People Services has signed an agreement in 2009 to be the anchor tenant of the office. This commitment by Shell People Services is consistent with its plan to consolidate its businesses and corporate functions in the Klang Valley to operate from a single office by 2012. Shell People Services is the regional company providing various services within the Shell group, including real estate, finance and management consultancies and recruitment, learning and human resources information technology support.

With sustainability being the main criterion for the development, several green features have been integrated early in the design process. These features will enable the project to achieve a Building Energy Index (BEI) of less than 150 kWh/m²/yr, as well as targeting LEED Gold status.

The serviced residences will be managed by Ascott International, a global serviced residence operator with a presence in more than 20 countries. Visitors to Kuala Lumpur Sentral will be spoilt for choice with this world-class addition to Hilton Kuala Lumpur and Le Meridien Kuala Lumpur hotels currently in operation, and a likely Aloft in 2012, followed by St Regis Hotel and Residences.

Construction commenced in April 2009 and is set for completion by end 2012.

Lot C: The St. Regis Hotel And Residences Kuala Lumpur

CMY Capital Sdn Bhd, MRCB and Jitra Perkasa Sdn Bhd formed a joint-venture to acquire and develop Lot C, another prime precinct in Kuala Lumpur Sentral. With a GFA of over 1.0 million sq. ft., the development will comprise the boutique St. Regis hotel with 208 rooms and 160 units of luxury residences.

This new tower will be a landmark development for Kuala Lumpur.

The construction of the hotel and residences tower commenced fourth quarter 2010 and completion period is expected by 2014.

Lot D: The Sentral Residences

MRCB, with its joint-venture partner, the Quill Group of Companies, are developing Lot D as the new luxury condominiums known as The Sentral Residences. With a GFA of 1.4 million sq. ft. and GDV of RM1.4 billion, Lot D is set to complement the existing Suasana Sentral and Suasana Sentral Loft Condominiums.

Overlooking the Lake Gardens, National Museum and the city centre, The Sentral Residences, with 752 units, will have spectacular views and luxury amenities. The generous facilities include a garden deck at level 2, Sky Lounge at level 45 and Sky Club at the rooftop of level 55.

All units are designed with individual private lift lobby attached bathroom to all bedrooms and a powder room for guests to ensure the exclusivity of the development.

The garden deck offers a whole range of facilities that include lush tropical garden landscape concept.



The Sentral Residences

The Sky Club offers two salt water infinity pools, gymnasium and other recreational facilities to its residences as well as panoramic views of Taman Botani Perdana and KL City Centre while working out in the gymnasium at the Sky Club.

As with all new buildings under construction in Kuala Lumpur Sentral, The Sentral Residences is designed for GBI green rating and is expected to be completed in 2015.

The Sentral Residences started with sales preview to existing Kuala Lumpur Sentral's purchasers in September 2011 and has achieved encouraging sales of up to 60% within a period of three months.

Future Developments At Kuala Lumpur Sentral

Lot F: Offices

Lot F, covering about 5.7 acres, is the last land parcel within Kuala Lumpur Sentral. Tentative plans are to develop several adjoining office towers with GFA of 3.0 million sq. ft. Construction work for this development is expected to commence by late 2014.



The Sentral Residences

Completed Developments At Kuala Lumpur Sentral Lot J: Sooka Sentral

Sooka Sentral, a one-of-its-kind contemporary lifestyle centre, was declared the runner-up winner for FIABCI International Prix d'Excellence in 2010, a follow-up to its achievement as Malaysia's Best Purpose-Built development at FIABCI Malaysia Property Awards in 2009.

With GDV of RM80 million, Sooka Sentral offers discerning new-age urbanites unique health, beauty and dining experiences, and is strategically located next to Stesen Sentral Kuala Lumpur. It encompasses 140,000 sq. ft. over six floors, Sooka Sentral offers lifestyle options ranging from local and international cuisine to gym and spa services.

Among the tenants at Sooka Sentral is the 25,000 sq. ft. Clark Hatch designer gym, one of the largest in the city, with indoor rock-climbing facilities. It also houses spas and beauty salons, convenience stores and services, a food court with a variety of local flavours and over eight specialty dining outlets with a variety of cuisine and beverage options.

Sooka Sentral also indirectly serves the 'Green Agenda' of the Group by discouraging the residents and working population in the vicinity from travelling out of Kuala Lumpur Sentral for their lifestyle needs.

With these features, Sooka Sentral contributes to the green surroundings and helps reduce the carbon footprint of our tenants and residents by reducing their vehicular movement and emissions. Additionally, special greening in the vicinity enhances the built-up landscape, improving the environment and making it conducive for community gatherings.

Lot I: International Hotels

The presence of the five-star Hilton Kuala Lumpur and Le Meridien Kuala Lumpur hotel within its integrated development, reinforces Kuala Lumpur Sentral as the preferred address among the international business and leisure communities. With a GFA of 1.0 million sq. ft. and GDV of RM1 billion, both hotels have become the choice venues for all business functions and social events.

In the last few years, Hilton Kuala Lumpur has garnered numerous awards such as the International Five Star Diamond Award, the Asia Travel & Tourism Award, and the Hospitality Asia Platinum Award. It was also named Best Business Hotel in Asia at the 16th Annual Travel Awards by Travel Trade Gazette Asia Media Group, and the Best Hotel Development at the prestigious FIABCI Malaysia Property Award 2007.

MRCB and its investment partners have now added two more hotels to complement the Hilton and Le Meridien. The St.Regis brand will be positioned at the high-end luxury market, and the other called Aloft, at the business-end. This allows Kuala Lumpur Sentral to offer accommodation options at all price points.

Lot J Parcels A And D: UEM And Quill 7 Towers

Lot J parcels A & D were successfully sold to United Engineers (Malaysia) Berhad (UEM) in 2005, while 2007 saw the signing of Sale and Purchase Agreements with major landowner Quill Realty Sdn Bhd.

The development at Quill 7 won the 2010 FIABCI-Malaysia Property Award for Best Office Development, setting yet another milestone for the Kuala Lumpur Sentral development. Quill 7 represented Malaysia in the FIABCI International Property Awards, Prix d'Excellence that was held in Cyprus.

Completed in 2009, the developments at UEM and Quill 7 have attracted support from global brands like British Petroleum, Axiata Group Berhad while UEM has shifted its headquarters to Mercu UEM.



Quill 7

Lot J Parcels B And C: MIDA And SSM Towers

Both Malaysia Industrial Development Authority (MIDA) and Suruhanjaya Syarikat Malaysia (SSM) towers have been completed ahead of schedule in 2009. The development of these towers also completes the quartet of new developments that prominently anchor the frontage of Kuala Lumpur Sentral on Jalan Travers.

The four office towers at Lot J have a combined total GDV of over RM610 million.

MIDA is one of Kuala Lumpur Sentral's earliest tenants, having taken up an entire block of Plaza Sentral Phase 1 in 2001. The signing of the agreement for the new office tower reflects MIDA's continued preference for this location, and the fact that they have grown together with Kuala Lumpur Sentral. This expresses the synergy between MIDA and Kuala Lumpur Sentral as it evolves into an exclusive urban centre – a synergy that enables both parties to facilitate and attract investments and businesses into Malaysia.

In 2006, Kuala Lumpur Sentral Sdn Bhd signed the Sales and Purchase Agreement with SSM. This was followed with the successful signing of Sales and Purchase Agreements with MIDA in 2007. MIDA's new 30-storey headquarters has a built-up area of approximately 283,000 sq. ft.

Lot K And Lot L: Suasana Sentral Condominiums

Suasana Sentral Condominiums (400 units), with a GFA of 920,000 sq. ft. and GDV of RM249 million, offers a compelling combination of a strategic address, luxury accommodation and up-to-date facilities. 2005 witnessed the launch of Suasana Sentral Loft (600 units), which was the second phase of development. With a GFA of 920,000 sq. ft. and GDV of RM351 million, the Loft was 95% sold within six months and was fully taken up shortly afterwards. Suasana Sentral Loft was fully completed and handed over to purchasers in April 2008 as scheduled.

Lot M: Plaza Sentral

Fully taken up and tenanted mainly by blue-chip multinationals and other leading corporations, Plaza Sentral sets the standard for high-end office spaces in Kuala Lumpur.

Plaza Sentral, with a GFA of 1.64 million sq. ft. and GDV of RM580 million, is the first building in Kuala Lumpur Sentral to have MSC Cybercentre status. This, combined with its strategic address, makes it a genuinely borderless business hub and the winning choice for ICT companies that want to reap the benefits of MSC status while staying close to their customers.



Plaza Sentral

Plaza Sentral represents a sound investment for investors offering high capital appreciation, an attractive investment yield and freehold land tenure as well as providing state-of-the-art building facilities. Notable tenants of Plaza Sentral include BritishTelecom, Maxis, MIDA, Samsung, UMW, Malakoff and Allianz.

Under the Building and Common Property (Maintenance and Management) Act 2007, the Plaza Sentral Joint Management Body (JMB) was established on 15 August 2008 and has been registered with the Commissioner of Buildings. As such, Kuala Lumpur Sentral Sdn Bhd (KLSSB) had successfully handed over the building administration to the purchaser after fulfilling its duties and obligations. However the JMB has reappointed MRCB Land to continue managing Plaza Sentral.

Lot N: 1 Sentral

1 Sentral is Kuala Lumpur Sentral's first Grade A office tower. With a GFA of 454,000 sq. ft. and GDV of RM161 million, it was completed in 2007.

Sold to Lembaga Tabung Haji and managed by MRCB, this 33-storey purpose-built office tower is one of the most modern office buildings in Kuala Lumpur, offering the latest in security and lift systems. 1 Sentral was named as the winner of the prestigious FIABCI Malaysia Best Office Development for 2008 and was a runner-up in the FIABCI International Awards for Office Development in 2009.

Notable tenants include General Electric International, PricewaterhouseCoopers, Cisco and Wilhelmsen Maritime Services. 1 Sentral is also the new group headquarters for MRCB and is a striking new addition to the Kuala Lumpur skyline.

On-going Residential And Commercial Developments In Malaysia: Bandar Seri Iskandar

MRCB entered into a (70:30) joint venture with the Perak State Development Corporation (PKNP) in 1997 to establish Seri Iskandar Development Corporation Sdn Bhd (SIDEK).

SIDEK launched its first township project at Bandar Seri Iskandar (BSI) in the heart of the Kinta-Pangkor Corridor. Planned over 5,000 acres, BSI constitutes commercial, residential, industrial and recreational components with full public amenities.

SIDEK has successfully completed the RM151 million Phase 1 development with the last package of 73 units Cendana. To-date, SIDEK has delivered to customers a total of 1,955 residential units and 113 units of shops.

Puncak Iskandar, the Phase 2 development worth RM342 million is in progress and will see completion by 2015. Covering an approximate area of 250 acres, Puncak Iskandar comprises 282

units of terrace houses, 298 units of semi-detached houses and 112 units of bungalows while the commercial development comprises 382 units of single and double-storey shop offices, 35 units of kiosks, 10 commercial plots and 1 petrol station.

- Phase 2A comprising 80 units of terrace houses, 96 units of semi-detached houses, 50 units of bungalows, 14 units of shops and four units of kiosks received overwhelming response, with more than 90% of the units offered sold with current update as follows:-
 - 80 units terrace houses (Aster) and 48 units semi-detached (Cemara); both delivered in December 2011.
 - 14 units shops and four units kiosks are in the final stage of completion and expected to be delivered by March 2012.
 - Construction of 48 units of semi-detached Type A (Alpinia) and 50 units of bungalow houses (Rafflesia/ Areca) are on-going and expected to be completed and delivered by June 2012 and March 2013 respectively.
- For Phase 2B Puncak Iskandar, work on site has already commenced with 60 units single storey terrace that were launched in mid 2011 while construction work for 72 units of semi-detached houses is expected to commence in March 2012.



Bandar Seri Iskandar - Puncak Iskandar

Conceptualised as a high-end, low density development amidst lush greenery, BSI Phase 2 will continue to contribute immensely to the economic transformation of the area.

In line with it being an integrated township and providing facilities to the residents of BSI, the Ministry of Education has completed the construction of a primary school which is already in operation since June 2010. SIDEK has now embarked to secure support from the Ministry of Education to plan a secondary school, going forward.

As a balanced and integrated development with a perfect mix of residential, commercial and industrial elements, BSI is ideally positioned as a self-sustained township by MRCB, which is spearheading the socio-economic development of central Perak by promoting community living and creating value for its stakeholders.

Taman Kajang Utama

MRCB Utama Sdn Bhd (MRCB Utama), a wholly-owned subsidiary of the Group, is completing the development of 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. In close proximity to various public amenities, this mixed development offers a perfect environment for family living which will transform the lifestyles of communities in the surrounding areas.

This development is strategically located in Kajang, Selangor. It is accessible to highways via the North-South Highway, Cheras Highway and SILK Highway. Residents are able to travel to Kajang, Sungai Besi, Cheras, Bangi, Kuala Lumpur, Putrajaya and Cyberjaya via the above highways. Public transportation like bus services is available within the township and KTM commuter station is located nearby in Kajang town.

The last phase 7 residential apartments is currently under detail planning and is expected to commence construction in 2013.

Senawang Sentral Business Park

Senawang Sentral Business Park in Negeri Sembilan is a unique commercial development offering growth potential and value appreciation with good connectivity and accessibility. Ideally located next to Tampin main road, this development offers an opportunity for Small & Medium Enterprises (SME) to invest in terraced factories and shop-offices for owner occupancy and for investment purposes.

This development comprises 144 units of 1 1/2 -storey terrace factories, 12 semi-detached factory spaces and 21 units of two storey shop offices. Phase 1A, 1B & 1C, comprising 67 units of 1 1/2-storey terrace factory and 11 units of two-storey shop offices, are 100% sold, completed and handed over to buyers with Certificates of Fitness in 2009.

Phase 2A comprising of 30 units of terraced factory, was launched in September 2009. The response from buyers was overwhelming and the project was 100% sold within the first three months of launching. The construction works were completed and handed over to the purchasers in July 2011 ahead of schedule.

Phase 2B comprises 30 units of terraced factory and 10 units of two-storey shop offices which were launched in August 2010 and are 95% sold to-date. The development is currently in the process of procuring its Certificate of Fitness from the relevant local authorities before handing over, targeted by June 2012.

The last phase of terraced factory (Phase 1C) was fully sold in July 2011. Construction works are in progress and targeted completion by end 2012. Phase 3 of semi-detached factory is targeted to be launched in April 2012.



Senawang Sentral

Selbourne Square, Shah Alam

MRCB Sentral Properties Sdn Bhd (MSPSB), a wholly-owned subsidiary of the Group has developed two distinctive property landmarks in Selbourne Square, Shah Alam comprising the 21-storey Menara MRCB office block and Plaza Alam Sentral, the biggest shopping mall in Shah Alam.

In 2009, MSPSB had initiated the development of a Retail Complex with Office Towers on the remaining land in Selbourne Square with a GDV of approximately RM180 million. Building approval has been obtained and construction is scheduled to commence in first quarter 2013 with targeted completion by end 2016.

Little India Project

MRCB Land was also awarded a project by the Ministry of Federal Territories and Urban Wellbeing to develop a cultural enclave in Brickfields known as the Little India project. To be developed over two phases, the components include one of the tallest fountains in the country, a multi-storey Indian Bazaar, cultural arches, souvenir centres, a food court and a multi-storey car park.

The first phase of the project began in June 2010, with the construction of the 20,000 sq. ft. Temporary Hawker Centre located at the field on Jalan Chan Ah Tong. The Temporary Hawker Centre was completed by end July 2010, and houses 50 food stalls and 16 flower and two fruit stalls. The cultural elements to be completed in the first phase included the water fountain, food and fruit stalls and a cultural arch.

Phase 1 was completed on time for the official launch of the Little India project on 27 October 2010 by YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia and His Excellency Dr. Manmohan Singh, Prime Minister of India.

Phase 2 of the project involves the construction of the multi-storey Indian Bazaar, car park, and food court and has begun since August 2010. The project has been included as a tourism site and one of Malaysia's heritage walks. Upon completion in



'Little India' Fountain

2012, Little India will not only showcase the cultural and social diversity of Malaysia, but provide economic opportunities for the local community.

Penang Sentral

MRCB's foray into Penang brings with it vast experience in providing well-planned, exclusive developments set in choice locations for greater connectivity, driven by a transportation hub.

Penang Sentral Sdn Bhd, a 49:51 joint-venture between MRCB and Pelaburan Hartanah Berhad (PHB) was set up to jointly develop Penang Sentral, an urban development in an integrated mixed commercial development with the largest integrated transportation hub in Malaysia's northern region. This development will form part of the Northern Corridor Economic Region (NCER) which was launched by the Government. Penang Sentral is poised to be the catalyst of growth to rejuvenate the economy in the northern region.

Penang Sentral comprises a transport terminal for ferries, buses, taxis, trains and a projected monorail station, integrated with commercial and residential components spread over approximately 24 acres of land in Butterworth, Penang. With the completion of the KTMB double tracking electric train project, train service between Penang Sentral and Kuala Lumpur Sentral in the future will take only three hours.

Upon completion, it will have a potential GDV of about RM2.3 billion. To kick off the project, a temporary bus terminal and hawker centre were constructed and completed to clear the site required for construction of Phase 1, which comprises a Transportation Hub and Retail Complex with a GFA of approximately 320,000 sq. ft. and 750,000 sq. ft. respectively. Land alienation and procurement of authority approvals are in progress. Construction works are targeted to commence third quarter of 2012. The Transport Hub and Retail component are scheduled to be completed by 2014 and 2015 respectively.



Penang Sentral

Batu Ferringhi

In line with the Group's strategy to grow its landbank, MRCB has acquired a strategic beach front property at Batu Ferringhi which is planned for an international luxury hotel and serviced studios development with an up-market serviced provider optimising the much sought after popular recreation destinations in Penang with its sandy beach frontage. Upon approval by the relevant authority, this product would be launched in the market by 2013.

Developments In Australia Burwood, Melbourne, Australia

MRCB has ventured into the Australian property market through its newly created subsidiary, MRCB Land Australia Pty. Ltd. with 70% equity. MRCB is developing a project which will comprise residential and student's apartments in Burwood.

Only 12 kilometres from the Central Business District (CBD) of Melbourne, Burwood is home to prestigious and internationally recognised Prebyterian Ladies College and Deakin University, and is well-serviced by major arterial roads that provide easy access to the city and wider Melbourne. The appeal of that area is such that it is now a residential hot spot.

With a GDV of AUD60 million and covering 1.24 acres, the projects namely Burwood Rise, will offer 82 units of residential apartments while Burwood View will comprise 83 units of student apartments. Launch is targeted for first quarter of 2012.

Property Investment Kompleks Sentral

Formerly known as Resource Complex, Kompleks Sentral is another of the Group's investment assets. It is a 562,493 sq. ft. flatted factory for lease in Segambut, at the fringe of Kuala Lumpur. 89.4% of the total area is owned by Malaysian Resources Development Sdn Bhd, a wholly-owned subsidiary of MRCB.

Due to rigorous marketing efforts, Kompleks Sentral has become the preferred choice of warehouses and storage centres. The occupancy rate has reached 90%. The team is now focusing on further improving the property value by attracting more businesses to set up offices and factories at the complex.

Menara MRCB

Menara MRCB office tower, with a lettable area of over 216,000 sq. ft., continues to enjoy full occupancy, reinforcing its position as the leading office building in Shah Alam. MSPSB had previously achieved its objective of disposing of the building when the sale to Bank Kerjasama Rakyat Malaysia Berhad was completed in December 2006. The building which was sold under a sale and leaseback with rental guarantee has consistently commanded full occupancy due to its prime position in the heart of Shah Alam.



Burwood Project

Plaza Alam Sentral

With 91% occupancy on a lettable area of more than 430,000 sq. ft. and ever growing visitor numbers, Plaza Alam Sentral is dedicated to providing a compelling retail experience for consumers in Shah Alam and the south of the Klang Valley, including Petaling Jaya, Subang, Puchong and Klang.

Despite intense competition from nearby shopping malls, Plaza Alam Sentral remains Shah Alam's favourite shopping destination. Its appeal lies in its mix of tenants and its wide variety of specialised products ranging from telecommunications and computers to textiles, books, and televised entertainment – not to mention its array of food and beverages outlets.

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 – pushing up visitor numbers every year.

The management team is now focusing on further improving the retail mix by attracting more locally renowned brands and targeting shoppers with higher purchasing power. The team also aims to boost the mall's income stream by balancing store sizes and sales revenue.

Sooka Sentral And 1 Sentral Office

These buildings, of which the descriptions were explained earlier under completed developments within Kuala Lumpur Sentral, are enjoying full occupancy. Sooka Sentral, owned by MRCB, has attracted new tenants like Clark Hatch and Irish-themed Malone's Restaurant, providing added variety which serves the Kuala Lumpur Sentral community well. 1 Sentral, which was sold to Lembaga Tabung Haji is a sale and leaseback with rental guarantee which has consistently maintained a near 100% occupancy.



Plaza Alam Sentral - Interior



Sooka Sentral - Gym

Sabah East West Grid



OPERATIONS REVIEW

Engineering & Construction



Seated

Zuraimi Mustapha
Vice President
Engineering & Construction

Standing from left to right

Mohd Shukor Abd. Razak
Project Director

Lok Ngai Hey
Project Director

Hashdi Abdul Muid
Project Director

Ezani Mohamad
Project Director

Lau Teong Huat
Project Director

OPERATIONS REVIEW

Engineering & Construction



Q Sentral

The year 2011 has been another successful year for the Engineering and Construction (E&C) division with revenue surpassing RM1.3 billion.

Projects In Kuala Lumpur Sentral And Its Vicinity

In Kuala Lumpur Sentral and its vicinity alone, the E&C Division has contracts worth RM2.53 billion, representing construction works encompassing Grade A office buildings, retail mall, residential buildings and infrastructure packages.

In terms of achievement, E&C division has in 2011 completed its first Grade A office building that comes with Green building certification under the Singapore's BCA Green Mark (Platinum rating) for its Lot E - KL Sentral Park project. The project comprises five blocks of low-rise buildings with a GFA of approximately 980,000 sq. ft.

In addition to this, the E&C division is also progressing well in the construction of the LEED Gold certified office tower at Lot 348, the new headquarters of Shell Malaysia. The Lot 348 project also comprises a 27-storey service apartment, to be managed by The Ascott, the world's largest international serviced residences spread across key cities in Asia-Pacific, Europe and the Gulf.

E&C division is also involved in the construction of Lot A, a 41-storey office tower, known as Menara CIMB in Kuala Lumpur Sentral. The project, scheduled for completion in 2012, will be home to CIMB Investment Bank, one of the largest financial institutions in South East Asia.

E&C division is also responsible for the construction of two other office towers measuring 27 and 37-storeys high that are connected to a 29-storey hotel tower. This project, which has a combined GFA of 1.2 million sq. ft, is located at Lot G Parcel C & D in Kuala Lumpur Sentral development.

The division is on track in completing the Lot G shopping mall known as Nu Sentral in 2012 and will attain the Singapore's BCA Green Mark compliance and GBI certifications. The combined GFA of the shopping mall and the attached office towers are in excess of 1.7 million sq. ft.

In 2011, the E&C division completed its first Grade A office building that comes with Green building certification under Singapore's BCA Green Mark (Platinum rating), for its 980,000 sq ft project Lot E - KL Sentral Park.

The Brickfields and Kuala Lumpur Sentral Traffic Dispersal Scheme was completed in 2011 and has helped to alleviate traffic congestion around Brickfields and Kuala Lumpur Sentral areas. In addition, 'Little India' project in Brickfields has beautifully transformed Brickfields into yet another top tourist haven lined with paved and colourful sidewalks fronting rows of Indian specialty stores.

2011 also marked one of the biggest successes for the E&C division as it successfully clinched the largest LRT work packages worth approximately RM1.4 billion after a very competitive bidding process. The contract awarded by Syarikat Prasarana Negara Berhad to MRCB include the Facilities Work for LRT Ampang Line Extension and the Casting of Segmental Box Girder for LRT Kelana Jaya Line Extension. E&C's successful bid is testimony of our capabilities in the sector.

Southern Region

In Johor, the E&C division has successfully completed the Eastern Dispersal Link (EDL) Expressway. The expressway provides a direct linkage between the new Customs, Immigration and Quarantine (CIQ) Complex at Bukit Cagar to the North-South Expressway (NSE) via the new Pandan Interchange. The total investment cost of EDL is at RM1.2 billion.

The division has also successfully completed and handed over the RM574 million Permai Psychiatric Hospital in Tampoi for Kementerian Kesihatan Malaysia. Apart from that, the construction of the Marlborough College East that is situated in Bandar Baru Nusajaya is also on track to complete by 2012.

ENERGY SECTOR

The division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd (TTSB), has been actively involved in the Engineering, Procurement and Construction (EPC) of High Voltage Transmission Project comprising substations, overhead transmission lines and underground cabling works.

In 2011, TTSB has successfully secured the relocation work of a TNB High Voltage Transmission Line for Kelana Jaya LRT Line Extension Project by Syarikat Prasarana which is scheduled to be completed in 2012. Besides that, TTSB has also successfully completed 3 other projects worth more than RM400 million comprising the 275kV Switching Yard at Bakun, Sarawak, a 275kV Hybrid Transmission Line & 275kV GIS Substation at Salak Selatan, Kuala Lumpur and the Relocation of TNB High Voltage Transmission Line at the EDL Expressway, Johor Bahru.

TTSB is actively looking into securing more new projects in 2012. As a start, TTSB is still in the race for several power substations and transmission tenders initiated in 2011 worth more than RM600 million at various locations in Peninsular Malaysia, Sabah and Sarawak.



Permai Psychiatric Hospital in Johor

Eastern Dispersal Link (EDL)



OPERATIONS REVIEW

Infrastructure, Concession & Environment



Seated

Shaharuddin Mohamed
Project Director

Standing from left to right

Mohd Najif Janif
Senior Manager, Project

Amirul Ariff Noran
Project Director

Mohd Azman Mohd Yunus
Senior Manager, Project

OPERATIONS REVIEW

Infrastructure, Concession & Environment

Despite a challenging year for the Infrastructure, Concession & Environment (ICE) Division, the Division was able to secure two projects worth a combined value of RM86.8 million from the Department of Irrigation and Drainage.

The awards are for “Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang”, an extension of the RM259.4 million contract upgrade of Sungai Pahang river and estuary (Phase 1) and the Projek Membaikpulih Muara Sungai Perai, Pulau Pinang Secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Phase 3).

The award-winning Teluk Tekek project in Tioman Island is well recognised as MRCB’s proven success in beach rehabilitation and construction of breakwaters.



Sungai Kuantan



Tekek, Tioman Island

MRCB's capability in the rehabilitation and construction of breakwaters is well recognised and proven in the many successful projects undertaken in Melaka, Penang and Pahang, including the award-winning Teluk Tekek project on Tioman Island involving beach and coastline rehabilitation.

The River and Beach Rehabilitation Project at Teluk Tekek, Tioman Island was accorded Distinguished Honoree in the Environmental Responsibility Programme of the Year at the 2010 International Business Awards organised by the Stevie Awards, based in the United States.

The other main project in 2011 undertaken by the division is the Eastern Dispersal Link (EDL) Expressway in Johor Bahru. 100% owned by MRCB, the EDL is an 8.1 km expressway designed to disperse traffic from the main arterial roads in Johor Bahru. It will include a 4.4 km elevated structure that will link the new Customs, Immigration & Quarantine Complex (CIQ), known as

Bangunan Sultan Iskandar ("BSI") at Bukit Cagar, Johor with the North-South Expressway ("PLUS") at Pandan Interchange. The concession period of the project is 34 years, inclusive of a four-year construction period which commenced in mid-2008, with expected completion and operation by first half of 2012.

To complement the above projects and provide assistance in design work, the division also undertakes and offers numerical modeling services on hydrography to external clients including the Government of Malaysia.

This, amongst others, reduces dependency on external modelers, mostly offered by foreign consultants and providing opportunities to home-grown modelers to develop new skills and expertise.



EDL



OPERATIONS REVIEW

Building Services



Seated

Hussin Mohd Ali
Vice President, Head of
Division

Standing from left to right

Mohd Najib Dato' Ibrahim
General Manager
Semasa Services Sdn Bhd

Mohd Rozemi Alias
Senior Manager
Semasa Parking Sdn Bhd

Hazman Zulkipli
Senior Manager, Operations

Nur Zakri Zakaria
General Manager
MRCB Technologies Sdn Bhd

This division has gone from strength to strength, from its brand building exercise, it is now recognised as one of the main players in the field.

OPERATIONS REVIEW

Building Services

MRCB's Building Services Division (BSD) has been spreading its wings in establishing its own brand since 2005. With a strong performance and equipped with capable manpower, the Division is now recognised as one of the main players in the field.

BSD offers total integrated facilities management services, such as the operation, maintenance and management of facilities and provision of information technology services for integrated transportation hubs, commercial, government, industrial and high-rise buildings. These include total integration of building management, security services specialising in all aspects of building security, carpark logistics and management, as well as seamless integration of building information technology, telecommunication and infrastructure systems.

The Division fully complements the Property Development Operation, as it offers total integrated facilities management services vis-à-vis operation, maintenance and management of facilities and provision of information technology services for integrated transportation hubs, commercial, government, industrial and high-rise buildings. The services include total integration of building management, security services specialising in all aspects of building security, carpark logistics and management, as well as seamless integration of building information technology, telecommunication and infrastructure systems.



Jalur Gemilang launch at Stesen Sentral Kuala Lumpur

NEW GREEN TECHNOLOGY VENTURES

Among the new venture fields for the Division under Semasa Services Sdn Bhd, a company under the BSD, is Green Building Management. It focuses on increasing the efficiency of resource use in energy, water and materials – while reducing building impact on human health and the environment during the building's lifecycle, through better design, construction, operation, maintenance and removal. Semasa Services facilitate the assessment process for buildings in order to identify the building classification.

Clients stand to benefit from the premium rental rate of the building and attract reputable tenants, improving long-term economic performance and indoor quality. Other than that, it also helps to incorporate energy and water efficient technologies. Best of all, it reduces building management costs and create value-added services.

AWARDS AND RECOGNITION

The Division's operation is carried out via adhering to well-established standard procedures aimed at delivering excellence. The Division commits to its ISO certification year by year; this includes companies under the Division's umbrella, notably, Semasa Sentral Sdn Bhd, Semasa Services Sdn Bhd, Semasa Parking Sdn Bhd and MRCB Technologies Sdn Bhd. For year 2011, Semasa Parking and MRCB Technologies, have both passed the recertification audit conducted by SIRIM Berhad and the surveillance audit by Lloyd's Register of Shipping (M) Bhd.



High-Rise Building Maintenance

Stesen Sentral Kuala Lumpur which is managed by Semasa Sentral Sdn Bhd also won first place in the private sector buildings category for Jalur Gemilang Decoration Competition, organised by Kuala Lumpur City Hall (DBKL) in 2011. The win reflected the Division's high spirit of patriotism in celebrating the 54th Independence Day.

PROJECTS

Facilities Management Services

The Division has been in this field for six years and is growing the services steadily. Some current Facilities Management (FM) projects by Semasa Services Sdn Bhd include services for Plaza Sentral Joint Management Body, Quill Realty Berhad, YTR Harta Sdn Bhd and Employees Provident Fund (EPF), Companies Commission of Malaysia (CCM) and Malaysian Industrial Development Authority (MIDA) for their buildings in Kuala Lumpur Sentral.

Carpark Operations And Management

As for carpark services, Semasa Parking Sdn Bhd is managing the Group's and external clients' car park operations and management at Menara Bumiputra Commerce building, 1 Sentral building, Quill 7, 26 Boulevard ICON and SSM and MIDA building.

ICT Technologies

Spearheading new technologies and ICT Integration under MRCB Technologies Sdn Bhd, the Division supports SME Corp, the new tenant in KL Sentral Park by supplying data centre services, installing audio-visual systems and Wi-Fi services. One of the prominent projects awarded in 2011 is to supply, deliver and install the Integrated Building Management System (IBMS), Telephone Structured Cabling, Extra Low Voltage and Integrated Security Management System (ISMS) for the Lot 348 Project in Kuala Lumpur Sentral.

OPERATIONS REVIEW

Building Services

Station Management

The most prominent project for Semasa Sentral Sdn Bhd 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. SSKL forms the integration point for Keretapi Tanah Melayu Berhad's (KTMB) Intercity and Komuter inter-state and inter-city rail systems, Rangkaian Aliran Perkhidmatan Pengangkutan Integrasi Deras (RAPID) Light Rail Transit's (LRT), 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).

Besides a rail transportation hub, SSKL has also been designated as one of the city's bus hubs. Among buses operating from the station are RapidKL's revamped bus network and buses to Kuala Lumpur International Airport – both the Main and Low-Cost Carrier terminals.

After 10 years of operation, the station today receives 140,000 passengers per day as compared to only 50,000 in the beginning of its operation, thus proving its standing as a popular integrated transportation hub.

Our 10th Anniversary celebration was launched by the Deputy Prime Minister, YAB Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin and witnessed by all relevant ministries and agencies on 25th April 2011. This shows that Stesen Sentral is recognized by the Government through its professionalism in ensuring a world-class service. We are proud to say that this celebration was a success, and received media attention. Besides the big event, there was also a month exhibition on Stesen Sentral Kuala Lumpur journey for the last 10 years.

Another major project currently undertaken by Semasa Sentral is Penang Sentral Temporary Terminal in Butterworth (PSTT). This temporary hub is built to make way for the development



View of Stesen Sentral Kuala Lumpur

of the planned six million sq. ft. Penang Sentral development, comprising retail, commercial and residential components that will include multi-level and basement carparks and an integrated transportation hub linking rail, ferry and bus services.

PSTT will operate on a 24-hour basis, and provide facilities for its users such as toilets, surau, information kiosk and a linkway to the ferry terminal (complete with ramp and escalator). To-date, daily passenger capacity for the PSTT is about 32,000.

ACTIVITIES IN THE DIVISION

Every year, the Division conducts activities to enhance work performance and improve quality of service and productivity, such as training, quality programmes and CSR events for the staff.

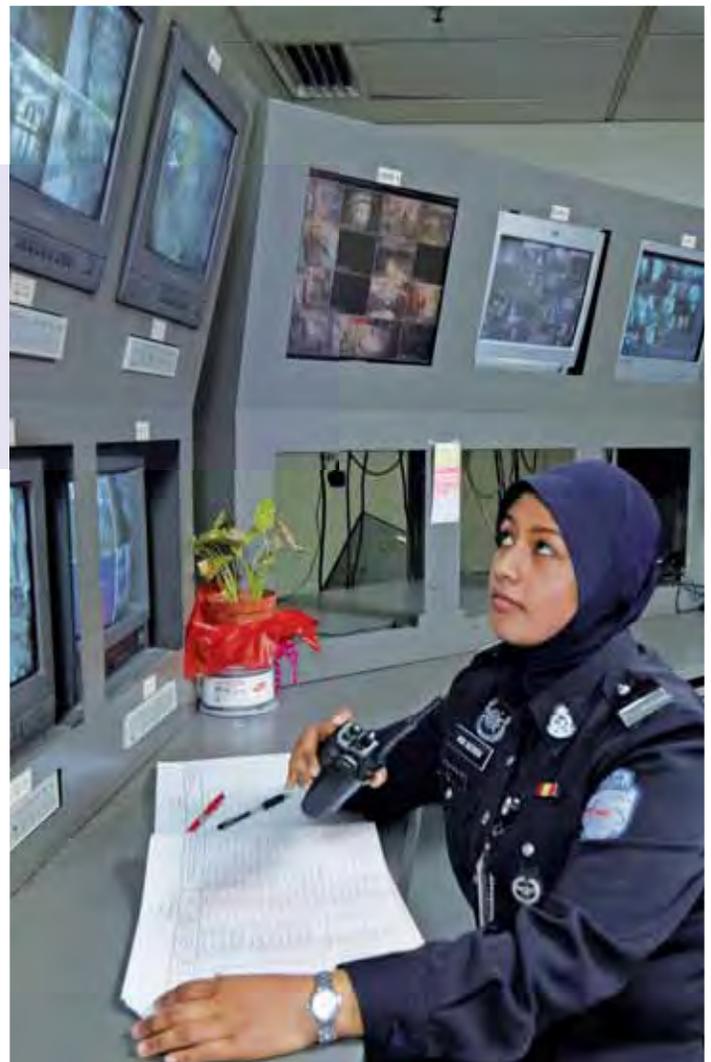
The annual Emergency Simulation Plan exercise was held in June 2011 at SSKL. All the relevant agencies were involved - the Department of Railways, National Security Council, Polis Diraja Malaysia, Fire and Rescue Department and Emergency Department of University Malaya Medical Centre.

A team-building training was also organised in Jerantut, Pahang. The objective of the team-building was to enhance communication among staff of different levels, create bonding, improve teamwork, motivate employees, and inter-personal skills.

Every year, the Division conducts team building training activities to enhance work performance and improve quality of service and productivity.

During Ramadhan, the Division celebrated with 100 orphans from Rumah Amal Limpahan Kasih at their home in Puchong, Selangor Darul Ehsan, by distributing goody gifts and duit raya with a donation of RM8,000 contributed by staff, tenants and business partners.

Another annual affair is the Charity Sales which is successfully conducted every year. Items donated by the public, tenants and staff are sold during a one day charity sales programme at the Transit Concourse area. For 2011, sales collection of RM6,400 was contributed to Persatuan Ibu Tunggal Mas Merah Wilayah Persekutuan/Selangor. Since 2007, a total collection of RM24,588.50 has been contributed to various charitable organisations.



Auxiliary Police at work

Kuala Lumpur Sentral CBD



OPERATIONS REVIEW

Group Support Services



Seated from left to right

Suzana Nawardin
General Manager
Head of Human Resource

Standing from left to right

Mavis Chiew Foong Mooi
General Manager
Head of Finance

Mohammed Hazaluddin Hashim
Senior Manager
Group Safety, Health & Environment

Tee Joon Lee
General Manager
Head of Corporate Governance

Norsham Ishak
General Manager
Head of Legal

Wong Dor Loke
Senior Vice President
Group Business Development

Mohd Noor Rahim Yahaya
Company Secretary

Chong Chin Ann
Chief Financial Officer

Azwan Sulaiman
Head of Finance, Construction,
Infrastructure & Environment

Victor Wong Tze Meng
Head of Finance, Property
& Building Services

Mohaini Mohd Yusof
General Manager, Head of
Corporate Communications

Ho Chee Sun
General Manager
Head of Procurement,
Administration & IT

BUILDING COMMUNITIES

MRCB is at the forefront in building communities that are truly “interactive”. Not just building relationships between builder and community but ones that truly foster a sense of good citizenship.





STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of MRCB and its Management remain committed to ensuring that good Corporate Governance practices continue to be developed and implemented throughout the Group. MRCB Group regularly reviews its governance framework and practices to ensure that they remain relevant and effective in meeting the challenges of its dynamic business environment.

The Board of Directors, to the best of its knowledge, confirms that the Group has applied the principles set out in the Malaysian Code on Corporate Governance (Revised 2007) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

Where relevant, MRCB has also adopted leading best practices and principles to enhance stakeholder value while ensuring greater transparency and accountability throughout the Group.

1. MRCB'S BOARD STRUCTURE

a Composition of Members

The MRCB Board comprises 8 members, of which five (5) are Independent Directors, two (2) Non-Independent Non-Executive Directors and one (1) Non-Independent Executive Director.

The higher proportion of Independent to Non-Independent Directors reflects MRCB's commitment to uphold the principles of objectivity and integrity in applying the principles of Corporate Governance.

On a regular basis, the Nomination Committee of the Board reviews the mix of skills, knowledge and experience of its members. The Board is of the opinion that the present number and composition of its members enables it to discharge its duties and responsibilities effectively and competently.

The profiles of each member of the Board are set out on pages 32 to 39 of this report.

b Appointments to the Board

The Board Nomination Committee is entrusted with the responsibility of assessing capable candidates to be appointed as members of the Board.

In 2011, Dr Roslan A Ghaffar, an Independent Director, retired on 4 April 2011 and Datuk Ahmad Zaki Zahid, an Executive Director, resigned on 15 October 2011. Subsequently, Dato' Chong Pah Aung and Jamaludin Zakaria were appointed Independent Directors on 21 June 2011 and 24 August 2011 respectively.

The Board presently comprises five (5) Independent and three (3) Non-independent Directors with an optimal mix of skill sets and depth of experience in the areas of corporate strategy, finance, business management, property development and management as well as strong networking in the public and private sectors.

c Board Independence and Effectiveness

The Board of Directors has a collective responsibility for the management and oversight over the Group. The Executive Director is responsible for the day-to-day business operations of the Group while the Non-Executive Directors provide independent scrutiny and judgement to decisions made by management and provide objective challenges to management to ensure that the objectives of the Group are achieved in a robust and responsible manner.

The roles of the Chairman and Chief Executive Officer ("CEO") are held by separate individuals, with clear division of responsibilities and authorities. While the Chairman provides independent oversight over the operations of the Group, the CEO is responsible for ensuring the smooth and effective running of the Group. The CEO 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 also 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' Ahmad Ibnihajar, will chair the Board meetings.

The Board has established five (5) Committees, each with specific authorities and responsibilities, to assist the Board discharge its duties and responsibilities effectively. In these Committees, the skills and expertise of each Director are tapped. At these Committees, detailed review and deliberation of strategic issues are carried out. Nevertheless, the Board retains the ultimate responsibility for decisions made.

The Terms of Reference of each Committee are set out in pages 101 to 105 of this report.

d Board of Directors Meetings and Board Committee Meetings

A total of six (6) Board of Directors' meetings were held between 1 January 2011 and 31 December 2011. All the Directors have fulfilled the requirement to attend more than 50% of the total board meetings pursuant to Paragraph 15.05(3)(c) of the MMLR.

Table 1: Details of attendance of Directors at the Board Meetings held from 1 January 2011 to 31 December 2011

Dates of Meeting	Name of Directors									
	Tan Sri Azlan Zainol (Chairman)	Datuk Mohamed Razeek Hussain	Dato' Shahril Ridza Ridzuan	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dr Roslan A Ghaffar	Datuk Ahmad Zaki Zahid	Che King Tow	Dato' Chong Pah Aung	Jamaludin Zakaria
4 Jan 2011	A	A	A	A	A	A	A	A	-	-
9 Feb 2011*	A	A	A	A	A	A	A	A	-	-
2 Mar 2011	A	A	A	A	A	A	A	A	-	-
26 May 2011*	A	A	A	A	A	Retired on 4 Apr 2011	A	A	Appointed on 21 Jun 2011	-
11 Aug 2011*	A	A	A	A	A	-	A	A	A	Appointed on 24 Aug 2011
25 Nov 2011*	A	A	A	A	A	-	Resigned 15 Oct 2011	A	A	A
Total (%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	3/3 (100%)	5/5 (100%)	6/6 (100%)	2/2 (100%)	1/1 (100%)

* Quarterly Board Meeting

2. BOARD COMMITTEES

a Audit Committee ("AC")

The AC Report is set out on pages 122 to 125 of this report.

b Executive Committee of The Board ("EXCO")

The Executive Committee of the Board ("EXCO") was established on 17 November 2005 to enhance the Board's leadership and management of the Group. 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.

The EXCO meets once a month and three (3) members form the quorum for a meeting.

STATEMENT ON CORPORATE GOVERNANCE

Table 2: Details of attendance of members at the EXCO Meetings held from 1 January 2011 to 31 December 2011

Dates of Committee Meeting	Name of Directors				
	Dato' Shahril Ridza Ridzuan	Datuk Mohamed Razeek Hussain	Datuk Ahmad Zaki Zahid	Che King Tow	Dato' Chong Pah Aung
	Non-Independent Non-Executive Director (Chairman)	Chief Executive Officer (Member)	Executive Director (Member)	Independent Director (Member)	Independent Director (Member)
24 Feb 2011	A	–	A	A	–
1 Apr 2011	A	–	A	A	–
3 May 2011	A	Appointed on 21 Jun 2011	A	A	Appointed on 21 Jun 2011
6 Jul 2011	A	A	X	A	A
18 Jul 2011	A	A	A	A	A
1 Aug 2011	A	A	A	A	A
27 Sep 2011	A	A	A	A	A
25 Oct 2011	A	A	Resigned on 15 Oct 2011	A	A
5 Dec 2011	A	A	–	A	A
20 Dec 2011**	A	A	–	A	A
Total	10/10	7/7	6/7	10/10	7/7

**with site visit to EDL and Permai Hospital projects in Johor

c Nomination Committee

The principal duties and responsibilities of the Nomination Committee ("NC") which was established on 31 October 2001 are:

- i) identifying and recommending new nominees to the Board and Committees of the Board of the MRCB Group of Companies. All decisions and appointments are made by the respective Boards after considering the recommendations of the NC;
- ii) assisting the Board, Committees of the Board and Directors in assessing their overall effectiveness on an on-going basis; and
- iii) assisting the Board in periodically reviewing its required mix of skills and experience and other qualities that Non-Executive Directors should bring to the Board.

The NC meets at least once a year and three (3) members form the quorum for a meeting.

Table 3: Details of attendance of members at the Nomination Committee meetings held from 1 January 2011 to 31 December 2011

Dates of Committee Meeting	Name of Nomination Committee members				
	Che King Tow	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dato' Chong Pah Aung	Dr Roslan A Ghaffar
	Independent Director (Chairman)	Independent Director (Member)	Independent Director (Member)	Independent Director (Member)	Independent Director (Member)
2 Mar 2011	Appointed on 20 April 2011	A	A	–	A
12 May 2011	A	A	A	Appointed on 21 Jun 2011	Retired on 4 Apr 2011
1 Aug 2011	A	A	A	A	–
25 Nov 2011	A	A	A	A	–
Total	3/3	4/4	4/4	2/2	1/1

d Remuneration committee

The principal roles and responsibilities of the Remuneration Committee ("RC") which was set up on 31 October 2001 are:

- i) to determine and recommend to the Board, the framework or broad policy for the remuneration packages of the Chairman of the Board, the CEO and other senior management personnel it is designated to consider;
- ii) to establish a formal and transparent procedure for developing a policy on the total individual remuneration package of the Executive Director, CEO and other designated senior management personnel including, where appropriate, bonuses, incentives and share options;
- iii) to design the remuneration package for the Executive Director, CEO and other designated senior management personnel with the aim of attracting and retaining high-calibre senior management personnel who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Company operates. Once formulated, the remuneration package is recommended to the Board for approval;

- iv) to review and recommend to the board, improvements (if any) on CEO and designated senior management personnel's remuneration policy and package, and any other issues relating to the benefits of those designated senior management personnel on an annual basis;
- v) to review any major changes in employee benefit structures throughout the Company, and where appropriate recommend to the Board for adoption; and
- 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
 - incentives.

The RC meets at least once a year and three (3) members form the quorum for a meeting.

STATEMENT ON CORPORATE GOVERNANCE

Table 4: Details of attendance of members at the Remuneration Committee meetings held from 1 January 2011 to 31 December 2011

Dates of Committee Meeting	Name of Remuneration Committee members				
	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dr Roslan A Ghaffar	Che King Tow	Dato' Chong Pah Aung
	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director
	(Chairman)	(Member)	(Member)	(Member)	(Member)
2 Mar 2011	A	A	A	Appointed on 26 May 2011	Appointed on 21 Jun 2011
1 Aug 2011	A	A	Retired on 4 Apr 2011	A	A
Total	2/2	2/2	1/1	1/1	1/1

e Employee Share Option Scheme (ESOS) Committee

The ESOS Committee was set up to ensure that the implementation of the ESOS scheme was administered fairly in accordance to the Company's by-laws of the ESOS approved by the Shareholders.

The ESOS Committee meets as and when required and three (3) members form the quorum for a meeting. During the year under review, one ESOS Committee meeting was held to consider the allocation of Options to employees of the Company during the year.

Table 5: Details of attendance of members at the ESOS Committee meetings held from 1 January 2011 to 31 December 2011

Date of Committee Meeting	Name of ESOS Committee members		
	Dato' Ahmad Ibnihajar	Dato' Shahril Ridza Ridzuan	Datuk Mohamed Razeek Hussain
	Independent Director	Non-Independent Non- Executive Director	Chief Executive Officer
	(Chairman)	(Member)	(Member)
26 May 2011	A	A	A
Total	1/1	1/1	1/1

3. BOARD REMUNERATION

a Remuneration Policy for Directors and Senior Management

The remuneration of the CEO and designated senior management personnel are based on the RC's review and assessment of the achievements and contribution of each member measured against their respective Key Performance Indicators. Recommendations are then made by the RC for a decision by the Board on suitable remuneration for each personnel.

Directors' fees paid to Non-Executive Directors are recommended by the Board for the approval of the shareholders at the Company's Annual General Meeting.

b Directors' Remuneration

Details of the Directors' remuneration for financial year ended 31 December 2011 are set out in Tables 6 and 7 below.

The total Directors' remuneration for the financial year ended 31 December 2011 is approximately RM2.5 million, with the highest paid director being the CEO of the Company.

Table 6: Details of Aggregate Directors' Remuneration for 2011

Directors	Tan Sri Azlan Zainol	Dato' Ahmad Ibnihajar	Dato' Abdul Rahman Ahmad	Dr Roslan A Ghaffar	Che King Tow	Dato' Shahril Ridza Ridzuan	Dato' Chong Pah Aung	Jamaludin Zakaria	Datuk Mohamed Razeek Hussain	Datuk Ahmad Zaki Zahid	
Remarks	Chairman of the Board	Chairman of Audit Committee and ESOS Committee	Chairman of Remuneration Committee	Retired wef 4 Apr 2011	Chairman of Nomination Committee	Chairman of Executive Committee	Appointed wef 21 Jun 2011	Appointed wef 24 Aug 2011		Resigned wef 15 Oct 2011	
Designation	Non-Independent Non-Executive	Independent	Independent	Independent	Independent	Non-Independent Non-Executive	Independent	Independent	Chief Executive Officer	Executive Director	
Period	1 Jan to 31 Dec 2011 RM'000	1 Jan to 31 Dec 2011 RM'000	1 Jan to 31 Dec 2011 RM'000	1 Jan to 4 Apr 2011 RM'000	1 Jan to 31 Dec 2011 RM'000	1 Jan to 31 Dec 2011 RM'000	21 Jun to 31 Dec 2011 RM'000	24 Aug to 31 Dec 2011 RM'000	1 Jan to 31 Dec 2011 RM'000	1 Jan to 15 Oct 2011 RM'000	Total RM'000
Fees	90	60	60	16	60	60	32	21			399
Salary and bonus									995	450	1,445
EPF									211	99	310
Allowance	60					120					180
Leave passage									18	44	62
Car allowance									60	47	107
Benefits in kind									14	17	31
Fees from subsidiary				4							4
Total	150	60	60	20	60	180	32	21	1,298	657	2,538

Table 7: Analysis of Directors' Remuneration by Bandwidth

Directors' Remuneration	Executive Directors	Non-Executive Directors	Total
RM0 - RM50,000	–	3	3
RM50,000 - RM100,000	–	3	3
RM100,001 - RM150,000	–	1	1
RM150,001 - RM200,000	–	1	1
RM200,001 - RM300,000	1	–	1
RM300,001 - RM1,300,000	1	–	1
Total	2	8	10

STATEMENT ON CORPORATE GOVERNANCE

4. BOARD CONDUCT

The Board acts independently at all times while retaining the ultimate responsibility for the direction and management of the Company in meeting its objectives. It regularly assesses the direction, performance and achievement of Management.

a Code of Conduct for Board Members

In addition to the duties and responsibilities set out under the ambit of applicable laws and practices, the Board has also imposed on its members to declare in writing that they have observed the Company's Code of Ethics in discharging their duties and responsibilities.

b Continuous Improvement

The Board members are mindful of the need to continuously upgrade and improve themselves for the benefit of the Company. During the year, members of the Board had attended various courses specially tailored for updating their knowledge on the changing laws, regulations, techniques and practices in leadership and management at the Board level.

c Relationship of the Board with Management

The relationship between the Board and Management remain strong and cohesive during the year under review. The Board supports the Management by providing leadership, and the setting of business targets through Key Performance Indicators and Balanced Scorecards for senior management personnel. 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 Company through which the Board tracks closely the achievement of targets set. Rewards to the Management and employees, such as bonuses and ESOS allocation, are based on financial performance and business achievements.

The Non-Executive Board members do not allocate themselves any bonuses or ESOS allocations.

d Full Access to Information

In the course of discharging their duties, the Directors always 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 Directors have enough time to read the matters to be discussed, and thus be properly briefed and prepared for decision-making at 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.

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

e Check and Balance

Board members take their roles seriously and professionally as a check and balance of Management. Proposals and recommendations made by the Management are actively and constructively questioned, challenged and debated at Board meetings and at Board Committee meetings such as EXCO and Audit Committee to ensure that such proposals and recommendations are in the best interests of the Company. In doing so, the Board and Board Committees gather inputs from the Corporate Governance Department, which is responsible for Internal Audit and facilitating the risk management process, functions which are independent of Management and report directly to the Audit Committee and the Board.

The above is truly a 'substance over form' matter, where the actual interactions between a dynamic and responsible Board and a hands-on and accountable Management go beyond what is detailed in this Statement and has resulted in an environment where the Company is run in an ethical, transparent and professional manner in the best interest of the shareholders.

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 Johor. 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 Company'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 Company's position and prospects;
- ii) the Company'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 Company 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 154 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. The Company engages its external auditors only for audit and tax-related matters.

The role of the Audit Committee in relation to the auditors is described on pages 122 to 125 of this report.

5. PROTECTION OF SHAREHOLDERS' VALUE

a Internal Control

The Board has undertaken to ensure that an effective system of internal control exists and this system is regularly reviewed for its adequacy and integrity.

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

- the effectiveness and efficiency of the Company's operations;
- the reliability of the Company's financial information; and
- compliance with laws and regulations of Malaysia and of the countries the Company ventures into overseas.

The Statement on Internal Control that is set out on page 130 of this report provides an overview on the state of internal controls within the Group.

b Risk Management

The Board, being cognisant of the need for risks to be properly identified and managed in order to continue protecting the Company's assets and investments, had established a Risk Management Framework on 17 February 2003. In 2011, a comprehensive review of the Risk Management Framework was undertaken to ensure its continued relevance and applicability in the face of changes in the Group's business environment.

The Group's Risk Management Framework and its implementation is further detailed in this report on page 132.

STATEMENT ON CORPORATE GOVERNANCE

c 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 the 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.

The Prevention of Fraud Manual also has a specific section on the Code on Whistle-blowing which outlines the avenues and procedures for whistle-blowers 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 Whistle-blowing Code also describes the subsequent procedures to be taken for investigating and dealing with fraud cases.

d Quality Assurance

The Total Quality Management function continuously conducts independent reviews on the quality of the Company's products and services as well as of the Company's standard operating procedures, and provides feedback and recommendations to assist Management on improvement opportunities that arise from the reviews. This process helps ensure that delivery of products and services to the Company's customers are of high quality standards. It also helps to ensure that the Company's operating procedures are updated and have taken into account changes in the Company's structure as well as industry changes and developments.

e Assurance on Performance of Associated Companies

Representatives from the Company are appointed to the Board of Directors of associated companies and attend Board Meetings to oversee the performance of 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.

b Dividend Policy

The Company had established a Dividend Policy in 2007, whereby shareholders can expect a Dividend Payout amounting to 20% of Consolidated Profit after Taxation and Minority Interest. As the Company has again recorded profit in 2011, dividend of 2% or 2 sen per ordinary share is expected to be paid out for the financial year ended 31 December 2011 subject to approval by the shareholders at the forthcoming 41st Annual General Meeting.

c Communication and Transparency

In order to ensure that the stakeholders and investing public has up-to-date information on the Company'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 Company'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 Company's projects, quarterly financial position, investor relations and general corporate information at its regularly-updated corporate public website <http://www.mrcb.com.my>.

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.

d Annual General Meeting (“AGM”)

The AGM is another forum through which the Board communicates with shareholders on the Company’s progress and performance and where the Board clarifies issues pertaining to the Company’s business activities, performance and other related matters.

Where there is special business or special resolutions proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of the AGM. Where appropriate, the Chairman of the Board undertakes to provide the querent with a written answer to any significant question that cannot be readily answered during the AGM.

At the AGM held on 4 April 2011, Tan Sri Azlan Zainol and Dato’ Abdul Rahman Ahmad who retired pursuant to Articles 101 and 102 of the Articles of Association of the Company, which required one third of the Directors to be subject to re-election by rotation at each AGM, had been duly re-elected.

Dr Roslan A Ghaffar who also retired under Articles 101 and 102 of the Articles of Association of the Company had opted not to offer himself for re-election.

Thus, the re-election of Directors by the shareholders will give the shareholders the opportunity to assess the performance of each Director and to decide on the continuation of their appointment.

7. ON-GOING GLC TRANSFORMATION INITIATIVES

The Company 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’s on GLC Transformation Initiatives. The Company believes that this is an ongoing process and will monitor and fine-tune the initiatives as necessary.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company’s commitment in pursuing its social obligation continues in 2011 as we are fully committed to and value our relationships with the communities we serve as well as with our customers, investors, employees, and suppliers. With our commitment to all our stakeholders clearly established, MRCB continues to ensure that our commitment is in-line with the commitment outlined in the “Silver Book – Achieving Value through Social Responsibility”, which has been adopted since 2007.

The Company strongly believes that it can only achieve economic success if it also fulfils its social responsibilities towards the community and the nation at large. This respect for all our stakeholders has presented us the key elements in formulating our CSR programmes. In 2011, the Company continues to actively pursue numerous CSR projects under 5 key CSR programmes, namely Education, Environment, Employee Welfare, the Community and Philanthropy, amounting to RM1.348 million.

MRCB also took a more active role in conducting stakeholders’ communications, especially to communities affected by its projects. It also continues to support the Graduate Employment Enhancement (GREEN) programme initiated by Khazanah Nasional Berhad to provide graduate on-the-job training in a live business environment besides the nine (9) schools under its Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme. The schools are SK Indera Shahbandar, SK Serandu and SJK (C) Yoke Hwa, all in Pahang, and one school in Pulau Pinang, namely SJK (T) Ladang Mayfield, SK La Salle 1 and SK La Salle 2, in Brickfields, Kuala Lumpur, SK Tebrau Bakar Batu in Johor Bahru and SK Bagan Jermal and SK Kampong Jawa in Penang.

All the schools are located within the Company’s areas of operation.

STATEMENT ON CORPORATE GOVERNANCE

CSR Awards and Recognition

The company's CSR initiatives continue to receive recognition in 2011 in both the international and national arena. In the international CSR scene, MRCB was accorded with two Distinguished Honorees by the US-based International Business Stevie Awards for two programmes.

The MRCB PINTAR programme was accorded recognition as the Corporate Social Responsibility Programme of the Year in Asia (Subcontinent, Australia and New Zealand) while its Green Building Initiative also received recognition as one of the Environmental Responsibility Programmes of the Year in Asia (Subcontinent, Australia and New Zealand).

Nationally, MRCB was awarded the Conglomerate Award by the Brandlaureate Award while it continues to be recognised by as a finalist by the ACCA Malaysia Sustainability Reporting Awards 2011 (ACCA MaSRA).

MRCB continues to be represented as a committee member of the Malaysian chapter of the United Nations Global Compact (UNGC) in keeping with our aim of adopting international standards for our 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 Company's operations and strategies and to report on their implementations.

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

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

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

The Board is fully accountable to ensure 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 and loss and cash flow 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

(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 Malaysian Code on Corporate Governance 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 approved by the Board of Directors via its resolution on 14 February 2012.

Tan Sri Azlan Zainol
Chairman
Malaysian Resources Corporation Berhad

PENYATA TADBIR URUS KORPORAT

Lembaga Pengarah dan Pengurusan MRCB kekal komited untuk memastikan supaya prinsip-prinsip Tadbir Urus Korporat yang baik terus dibangunkan dan dilaksanakan di seluruh Kumpulan. Dari semasa ke semasa Kumpulan MRCB mengkaji rangka kerja dan amalan tadbir urus korporatnya bagi memastikan ia kekal relevan dan berkesan dalam menghadapi cabaran persekitaran perniagaannya yang dinamik.

Lembaga Pengarah, setakat pengetahuan terbaik mereka, mengesahkan bahawa Kumpulan telah mengaplikasikan prinsip-prinsip yang digariskan dalam Kod Tadbir Urus Korporat Malaysia (Semakan 2007) dan Keperluan Penyenaian Pasaran Utama Bursa Malaysia Securities Berhad ("KPPU").

MRCB juga telah menerima pakai amalan dan prinsip terbaik yang terkemuka untuk meninggikan nilai pemegang kepentingan, sambil memastikan ketelusan dan kebertanggungjawaban yang lebih tinggi di seluruh Kumpulan.

1. STRUKTUR LEMBAGA PENGARAH MRCB

a Komposisi Ahli

Lembaga MRCB terdiri daripada 8 orang ahli, yang mana lima (5) orang daripada mereka adalah Pengarah Bebas dua (2) orang Pengarah Bukan Eksekutif Bukan Bebas dan seorang (1) Pengarah Eksekutif Bukan Bebas.

Bilangan Pengarah Bebas yang lebih ramai berbanding Pengarah Bukan Bebas menggambarkan komitmen MRCB mendukung prinsip-prinsip berobjektif dan berwibawa dalam mengaplikasikan prinsip-prinsip Tadbir Urus Korporat.

Jawatankuasa Pencalonan Lembaga Pengarah mengkaji campuran kemahiran, pengetahuan dan pengalaman ahli-ahlinya dari semasa ke semasa. Lembaga Pengarah berpendapat bahawa bilangan dan komposisi ahlinya pada masa ini membolehkan ia melaksanakan tugas dan tanggungjawabnya secara berkesan dan berkecekapan.

Profil setiap ahli Lembaga Pengarah disediakan di muka surat 32 hingga 39 dalam laporan ini.

b Pelantikan ke Lembaga Pengarah

Jawatankuasa Pencalonan Lembaga Pengarah dipertanggungjawabkan untuk menilai calon-calon yang berwibawa untuk dilantik sebagai ahli Lembaga Pengarah.

Pada tahun 2011, Dr Roslan A Ghaffar yang merupakan seorang Pengarah Bebas, telah bersara pada 4 April 2011

manakala Datuk Ahmad Zaki Zahid, Pengarah Eksekutif, telah meletak jawatan pada 15 Oktober 2011. Sehubungan itu, Dato' Chong Pah Aung dan Jamaludin Zakaria telah dilantik sebagai para Pengarah Bebas, masing-masing pada 21 Jun 2011 dan 24 Ogos 2011.

Lembaga Pengarah kini terdiri daripada lima (5) orang Pengarah Bebas dan tiga (3) orang Pengarah Bukan Bebas dengan campuran kumpulan kemahiran dan keluasan pengalaman yang mencukupi dalam bidang strategi korporat, kewangan, pengurusan perniagaan, pembangunan dan pengurusan hartanah serta jalinan rangkaian yang kukuh dalam sektor awam dan swasta.

c Kebebasan dan Keberkesanan Lembaga Pengarah

Lembaga Pengarah menggalas tanggungjawab kolektif untuk mengurus dan mengawal selia Kumpulan. Pengarah Eksekutif bertanggungjawab ke atas operasi perniagaan harian Kumpulan, manakala Pengarah Bukan Eksekutif pula menyediakan penelitian dan pertimbangan bebas terhadap keputusan yang dilakukan oleh pengurusan serta mempersoalkan pihak pengurusan secara berobjektif bagi memastikan pencapaian objektif Kumpulan secara kukuh dan bertanggungjawab.

Peranan Pengerusi dan Ketua Pegawai Eksekutif ("KPE") disandang oleh individu yang berlainan dengan pembahagian tanggungjawab dan autoriti yang jelas. Pengerusi memberikan pengawasan bebas ke atas operasi Kumpulan, manakala KPE pula bertanggungjawab memastikan kelancaran dan keberkesanan pengendalian Kumpulan. KPE merangka keseluruhan hala tuju perniagaan Kumpulan, melapor dan menyampaikan hal-hal serta cadangan strategik penting kepada Lembaga Pengarah dan melaksanakan keputusan yang dibuat oleh Lembaga Pengarah.

Pengerusi bertanggungjawab mempengerusikan mesyuarat Lembaga Pengarah dan memastikan agar perbincangan dan penilaian yang mencukupi dilakukan terhadap cadangan dan maklumat yang disediakan oleh pengurusan. Jika Pengerusi tidak hadir, Pengarah Bebas paling Kanan iaitu Dato' Ahmad Ibnihajar akan mempengerusikan mesyuarat Lembaga Pengarah.

Lembaga Pengarah telah membentuk lima (5) Jawatankuasa yang setiap satunya mempunyai autoriti dan tanggungjawab khusus, untuk membantu Lembaga Pengarah melaksanakan tugas dan tanggungjawabnya secara berkesan. Dalam setiap Jawatankuasa, kemahiran dan kepakaran setiap Pengarah akan dimanfaatkan serta kajian dan penyelidikan yang terperinci berhubung isu-isu strategik akan dilaksanakan. Walau bagaimanapun,

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Lembaga Pengarah masih mengekalkan tanggungjawab muktamad dalam membuat keputusan.

Bidang Kuasa setiap Jawatankuasa dibentangkan di muka surat 112 hingga 116 dalam laporan ini.

d Mesyuarat Lembaga Pengarah dan Jawatankuasa Lembaga Pengarah

Sebanyak enam (6) mesyuarat Lembaga Pengarah telah diadakan antara 1 Januari 2011 dan 31 Disember 2011. Semua Pengarah telah memenuhi keperluan menghadiri lebih 50% daripada jumlah mesyuarat lembaga pengarah menurut Perenggan 15.05 (3)(c) KPPU.

Jadual 1: Butiran kehadiran Mesyuarat Lembaga Pengarah yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat	Nama Pengarah									
	Tan Sri Azlan Zainol (Pengerusi)	Datuk Mohamed Razeek Hussain	Dato' Shahril Ridza Ridzuan	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dr Roslan A Ghaffar	Datuk Ahmad Zaki Zahid	Che King Tow	Dato' Chong Pah Aung	Jamaludin Zakaria
4 Jan 2011	A	A	A	A	A	A	A	A	-	-
9 Feb 2011*	A	A	A	A	A	A	A	A	-	-
2 Mar 2011	A	A	A	A	A	A	A	A	-	-
26 Mei 2011*	A	A	A	A	A	Bersara pada 4 Apr 2011	A	A	Dilantik pada 21 Jun 2011	-
11 Ogos 2011*	A	A	A	A	A	-	A	A	A	Dilantik pada 24 Ogos 2011
25 Nov 2011*	A	A	A	A	A	-	Meletak jawatan pada 15 Okt 2011	A	A	A
Jumlah (%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	6/6 (100%)	3/3 (100%)	5/5 (100%)	6/6 (100%)	2/2 (100%)	1/1 (100%)

* Mesyuarat Lembaga Pengarah Suku Tahun

2. JAWATANKUASA-JAWATANKUASA LEMBAGA PENGARAH

a Jawatankuasa Audit ("JA")

Laporan JA dibentangkan di muka surat 126 hingga 129 dalam laporan ini.

b Jawatankuasa Eksekutif Lembaga Pengarah ("EXCO")

Jawatankuasa Eksekutif Lembaga Pengarah ("EXCO") dibentuk pada 17 November 2005 untuk mempertingkatkan kepimpinan Lembaga Pengurusan dan pengurusan Kumpulan. Fungsi utama EXCO adalah:

i) memberi panduan kepada Pengurusan dalam

- ii) melaksanakan Inisiatif Transformasi GLC;
- ii) mengkaji dan menyarankan rancangan perniagaan dan belanjawan tahunan Kumpulan kepada Lembaga Pengarah untuk kelulusan;
- iii) mempertimbang dan mengkaji isu-isu penting dan/atau utama berkaitan dengan hala tuju perniagaan Kumpulan; dan
- iv) membincangkan semua transaksi perniagaan utama dan isu-isu berkaitan Kumpulan yang memerlukan kelulusan EXCO atau Lembaga Pengarah sejajar dengan Had-had Autoriti yang telah diluluskan.

EXCO bermesyuarat sekali sebulan dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat.

Jadual 2: Butiran kehadiran ahli di mesyuarat EXCO yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat Jawatankuasa	Nama ahli EXCO				
	Dato' Shahril Ridza Ridzuan	Datuk Mohamed Razeek Hussain	Datuk Ahmad Zaki Zahid	Che King Tow	Dato' Chong Pah Aung
	Pengarah Bukan Eksekutif, Bukan Bebas (Pengerusi)	Ketua Pegawai Eksekutif (Ahli)	Pengarah Eksekutif (Ahli)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)
24 Feb 2011	A	–	A	A	–
1 Apr 2011	A	–	A	A	–
3 Mei 2011	A	Dilantik pada 21 Jun 2011	A	A	Dilantik pada 21 Jun 2011
6 Jul 2011	A	A	X	A	A
18 Jul 2011	A	A	A	A	A
1 Ogos 2011	A	A	A	A	A
27 Sep 2011	A	A	A	A	A
25 Okt 2011	A	A	Meletak jawatan pada 15 Okt 2011	A	A
5 Dis 2011	A	A	–	A	A
20 Dis 2011**	A	A	–	A	A
Jumlah	10/10	7/7	6/7	10/10	7/7

**Lawatan ke tapak projek EDL dan Hospital Permai di Johor.

c Jawatankuasa Pencalonan

Tugas dan tanggungjawab utama Jawatankuasa Pencalonan ("JP") yang dibentuk pada 31 Oktober 2001 adalah:

- i) mengenalpasti dan mengesyorkan calon-calon baru untuk menganggotai Lembaga Pengarah dan jawatankuasa-jawatankuasa Lembaga Pengarah Kumpulan Syarikat MRCB. Semua keputusan dan pelantikan dibuat oleh Lembaga Pengarah masing-masing selepas mempertimbangkan syor JP;
- ii) membantu Lembaga Pengarah, Jawatankuasa Lembaga Pengarah dan para Pengarah menilai keberkesanan keseluruhan mereka secara berterusan; dan

- iii) membantu Lembaga Pengarah dalam kajian berkala terhadap keperluan campuran kemahiran dan pengalaman serta ciri-ciri lain yang perlu dibawa oleh para Pengarah Bukan Eksekutif ke Lembaga Pengarah.

JP bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat.

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Jadual 3: Butiran kehadiran ahli di mesyuarat Jawatankuasa Pencalonan yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat Jawatankuasa	Nama ahli Jawatankuasa Pencalonan				
	Che King Tow	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dato' Chong Pah Aung	Dr Roslan A Ghaffar
	Pengarah Bebas (Pengerusi)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)
2 Mar 2011	Dilantik pada 20 April 2011	A	A	–	A
12 Mei 2011	A	A	A	Dilantik pada 21 Jun 2011	Bersara pada 4 Apr 2011
1 Ogos 2011	A	A	A	A	–
25 Nov 2011	A	A	A	A	–
Total	3/3	4/4	4/4	2/2	1/1

d Jawatankuasa Imbuan

Peranan dan tanggungjawab utama Jawatankuasa Imbuan ("JI") yang dibentuk pada 31 Oktober 2001 adalah:

- i) untuk menentu dan mengesyorkan rangka kerja atau dasar umum kepada Lembaga Pengarah bagi pakej-pakej imbuan Pengerusi Lembaga Pengarah, KPE dan para pegawai pengurusan kanan lain yang ditetapkan untuk pertimbangan oleh Jawatankuasa;
- ii) untuk menetapkan satu prosedur rasmi dan telus bagi mewujudkan dasar mengenai jumlah pakej imbuan secara individu bagi Pengarah Eksekutif, KPE dan para pegawai pengurusan kanan lain yang telah ditentukan termasuk, bonus, insentif dan opsyen saham, mengikut kesesuaian;
- iii) untuk merangka pakej imbuan bagi Pengarah Eksekutif, KPE dan para pegawai pengurusan kanan lain yang ditentukan dengan tujuan untuk menarik dan mengekalkan pegawai pengurusan kanan berwibawa yang akan memberikan kejayaan kepada pemegang saham dan tahap perkhidmatan berkualiti tinggi kepada pelanggan, disamping mempertimbangkan dengan sewajarnya persekitaran perniagaan di mana Syarikat beroperasi. Setelah dirangka, pakej imbuan tersebut disyorkan kepada Lembaga Pengarah untuk kelulusan;

- iv) untuk mengkaji semula dan mengesyorkan kepada Lembaga Pengarah pada setiap tahun, penambahbaikan (jika ada) dasar dan pakej imbuan KPE dan para pegawai pengurusan kanan tertentu, dan sebarang isu lain berkaitan manfaat pegawai tersebut;
- v) untuk mengkaji semula sebarang perubahan besar dalam struktur manfaat pekerja di seluruh Syarikat, dan sekiranya perlu, mengesyorkan kepada Lembaga Pengarah untuk diterima pakai; dan
- vi) untuk mengkaji dan mengesyorkan kepada Lembaga Pengarah agar menerima pakai rangka kerja bagi skim insentif tahunan Syarikat. Rangka kerja bagi skim insentif tahunan meliputi:
 - Kenaikan gaji mengikut merit
 - Bonus mengikut merit
 - Insentif

Jl bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat.

Jadual 4: Butiran kehadiran ahli di mesyuarat Jawatankuasa Imbuan yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat Jawatankuasa	Nama ahli Jawatankuasa				
	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Dr Roslan A Ghaffar	Che King Tow	Dato' Chong Pah Aung
	Pengarah Bebas	Pengarah Bebas	Pengarah Bebas	Pengarah Bebas	Pengarah Bebas
	(Pengerusi)	(Ahli)	(Ahli)	(Ahli)	(Ahli)
2 Mar 2011	A	A	A	Dilantik pada 26 May 2011	Dilantik pada 21 Jun 2011
1 Ogos 2011	A	A	Bersara pada 4 Apr 2011	A	A
Total	2/2	2/2	1/1	1/1	1/1

e Jawatankuasa Skim Opsyen Saham Kakitangan (ESOS)

Jawatankuasa ESOS ditubuhkan bagi memastikan supaya pelaksanaan skim ESOS ditadbir dengan saksama mengikut undang-undang kecil Skim ESOS Syarikat yang diluluskan oleh Pemegang Saham.

Jawatankuasa ESOS bermesyuarat apabila perlu dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun yang ditinjau, satu mesyuarat Jawatankuasa ESOS telah diadakan untuk mempertimbangkan pembahagian Opsyen kepada kakitangan Syarikat pada tahun berkenaan.

Jadual 5: Butiran kehadiran ahli di mesyuarat Jawatankuasa ESOS yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat Jawatankuasa	Nama ahli Jawatankuasa ESOS		
	Dato' Ahmad Ibnihajar	Dato' Shahril Ridza Ridzuan	Datuk Mohamed Razeek Hussain
	Pengarah Bebas	Pengarah Bukan Eksekutif, Bukan Bebas	Ketua Pengawai Eksekutif
	(Pengerusi)	(Ahli)	(Ahli)
26 Mei 2011	A	A	A
Total	1/1	1/1	1/1

3. IMBUHAN LEMBAGA PENGARAH

a Dasar Imbuan Pengarah dan Pegawai Pengurusan Kanan

Imbuan KPE dan pegawai pengurusan kanan yang ditetapkan adalah berdasarkan kajian dan penilaian JI terhadap pencapaian dan sumbangan setiap ahli yang ditaksir berbanding dengan Petunjuk Prestasi Penting masing-masing. JI kemudian akan mengemukakan syor-syor untuk diputuskan oleh Lembaga Pengarah berhubung kesesuaian imbuan bagi setiap ahli.

Yuran Pengarah yang dibayar kepada Pengarah Bukan Eksekutif disyorkan oleh Lembaga Pengarah untuk diluluskan oleh para pemegang saham di Mesyuarat Agung Tahunan Syarikat.

b Imbuan Pengarah

Butiran berkenaan imbuan Pengarah bagi tahun kewangan berakhir 31 Disember 2011 dibentangkan dalam Jadual 6 dan 7 di bawah.

Jumlah imbuan Pengarah bagi tahun kewangan berakhir 31 Disember 2011 adalah sebanyak kira-kira RM2.5 juta, di mana pengarah dengan bayaran tertinggi adalah kepada KPE syarikat.

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Jadual 6: Butiran Agregat Imbuhan Pengarah bagi 2011

Pengarah	Tan Sri Azlan Zainol	Dato' Ahmad Ibnihajar	Dato' Abdul Rahman Ahmad	Dr Roslan A Ghaffar	Che King Tow	Dato' Shahril Ridza Ridzuan	Dato' Chong Pah Aung	Jamaludin Zakaria	Datuk Mohamed Razeek Hussain	Datuk Ahmad Zaki Zahid	
Ulasan	Pengerusi Lembaga Pengarah	Pengerusi Jawatankuasa Audit dan Jawatankuasa ESOS	Pengerusi Jawatankuasa Imbuhan	Bersara berkuatkuasa pada 4 Apr 2011	Pengerusi Jawatankuasa Pencalonan	Pengerusi Jawatankuasa Eksekutif	Dilantik berkuatkuasa pada 21 Jun 2011	Dilantik berkuatkuasa pada 24 Ogos 2011		Meletak jawatan berkuatkuasa pada 15 Okt 2011	
Jawatan	Bukan Eksekutif, Bukan Bebas	Bebas	Bebas	Bebas	Bebas	Bukan Eksekutif, Bukan Bebas	Bebas	Bebas	Ketua Pegawai Eksekutif	Pengarah Eksekutif	
Tempoh	1 Jan to 31 Dis 2011 RM'000	1 Jan to 31 Dis 2011 RM'000	1 Jan to 31 Dis 2011 RM'000	1 Jan to 4 Apr 2011 RM'000	1 Jan to 31 Dis 2011 RM'000	1 Jan to 31 Dis 2011 RM'000	21 Jun to 31 Dis 2011 RM'000	24 Ogos to 31 Dis 2011 RM'000	1 Jan to 31 Dis 2011 RM'000	1 Jan to 15 Okt 2011 RM'000	Total RM'000
Yuran	90	60	60	16	60	60	32	21			399
Gaji dan bonus									995	450	1,445
KWSP									211	99	310
Elaun	60					120					180
Manfaat percutian									18	44	62
Elaun kereta									60	47	107
Manfaat seumpamanya									14	17	31
Yuran daripada syarikat subsidiari				4							4
Total	150	60	60	20	60	180	32	21	1,298	657	2,538

Jadual 7: Analisis Imbuhan Pengarah mengikut Kumpulan Tahap Imbuhan

Imbuhan Pengarah	Pengarah Eksekutif	Pengarah Bukan Eksekutif	Jumlah
RM0 - RM50,000	–	3	3
RM50,000 - RM100,000	–	3	3
RM100,001 - RM150,000	–	1	1
RM150,001 - RM200,000	–	1	1
RM200,001 - RM700,000	1	–	1
RM700,001 - RM1,300,000	1	–	1
Jumlah	2	8	10

4. TATACARA LEMBAGA PENGARAH

Lembaga Pengarah sentiasa bertindak secara bebas, sementara mengekalkan tanggungjawab muktamad ke atas hala tuju dan pengurusan Syarikat dalam memenuhi objektifnya. Ia menilai hala tuju, prestasi dan pencapaian Pengurusan dari semasa ke semasa.

a Tatabara Pelaksanaan Ahli Lembaga Pengarah

Selain daripada tugas dan tanggungjawab yang ditetapkan menurut batasan undang-undang dan amalan yang diterima pakai, Lembaga Pengarah turut menggariskan agar ahli-ahlinya mengisytihar secara bertulis bahawa mereka telah mematuhi Tatabara Etika Syarikat dalam menjalankan tugas dan tanggungjawab mereka.

b Peningkatan Berterusan

Ahli Lembaga Pengarah memaklumi keperluan untuk sentiasa memperbaiki dan mempertingkatkan diri mereka sendiri untuk manfaat Syarikat. Pada tahun ini, ahli Lembaga Pengarah telah menghadiri pelbagai kursus yang disesuaikan khusus untuk mengemaskini pengetahuan mereka berhubung perubahan undang-undang, peraturan, teknik dan amalan pimpinan serta pengurusan di peringkat Lembaga Pengarah.

c Hubungan Lembaga Pengarah dengan Pihak Pengurusan

Pada tahun yang ditinjau, hubungan antara Lembaga Pengarah dan pihak Pengurusan kekal kukuh dan padu. Lembaga Pengarah menyokong Pengurusan dengan menyediakan kepimpinan dan menetapkan sasaran perniagaan melalui Petunjuk Prestasi Penting dan Kad Skor Seimbang bagi kakitangan pengurusan kanan. Pada masa yang sama, Lembaga Pengarah turut menyediakan fungsi keseimbangan, membangkit dan membahaskan keputusan yang dibuat oleh Pengurusan sebelum disah dan diluluskan. Untuk itu, satu sistem melapor yang mantap dan tersusun telah disediakan, di mana Lembaga Pengarah akan diberi taklimat dan dimaklumkan dari semasa ke semasa berhubung prestasi Syarikat. Ini membolehkan Lembaga Pengarah memantau secara dekat pencapaian sasaran yang telah ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan pembahagian ESOS, adalah berdasarkan prestasi kewangan dan pencapaian perniagaan.

Ahli Lembaga Pengarah Bukan Eksekutif tidak memperuntukkan kepada diri mereka sendiri sebarang bonus atau pembahagian ESOS.

d Akses Penuh kepada Maklumat

Dalam proses melaksanakan tugas mereka, para Pengarah sentiasa mempunyai:

- i) akses penuh dan tidak terhalang kepada maklumat yang tepat dan terkini. Agenda dan satu set kertas Lembaga yang lengkap lazimnya diedarkan sekurang-kurangnya 7 hari sebelum mesyuarat Lembaga Pengarah atau Jawatankuasa-jawatankuasanya. Proses ini memastikan supaya para Pengarah mempunyai masa yang mencukupi untuk memahami perkara-perkara yang akan dibincangkan, justeru, menjadikan mereka termaklum dan bersedia untuk proses membuat keputusan semasa mesyuarat;
- ii) akses yang tidak terhalang kepada nasihat dan khidmat Setiausaha Syarikat serta ahli-ahli pengurusan kanan yang lain; dan
- iii) tiada halangan untuk mendapatkan nasihat dan khidmat profesional luar dan bebas yang disediakan kepada ahli Lembaga Pengarah secara individu dan berkumpulan. Nasihat dan khidmat ini disediakan tanpa campurtangan Pengurusan.

Bagi mempertingkatkan kebertanggungjawaban Lembaga Pengarah dan Pengurusan Kanan, Syarikat telah menetapkan Had-had Autoriti yang diluluskan oleh Lembaga Pengarah, yang menggariskan had-had di mana setiap peringkat Pengurusan dibenarkan untuk membuat kelulusan, dan urusan yang perlu diluluskan oleh EXCO atau Lembaga Pengarah.

e Memastikan Keseimbangan

Ahli Lembaga Pengarah melaksanakan peranan mereka sebagai pihak yang mengimbangi peranan Pengurusan secara serius dan profesional. Cadangan dan syor-syor yang dikemukakan oleh Pengurusan akan disoal, dibangkit dan dibahaskan secara aktif dan membina semasa mesyuarat Lembaga Pengarah dan mesyuarat Jawatankuasa Lembaga Pengarah seperti EXCO dan Jawatankuasa Audit bagi memastikan supaya cadangan dan syor-syor tersebut adalah untuk kepentingan Syarikat. Dengan ini, Lembaga Pengarah dan Jawatankuasa Lembaga Pengarah akan dapat mengumpul input daripada Jabatan Tadbir Urus Korporat yang bertanggungjawab ke atas Audit Dalaman dan membantu proses Pengurusan Risiko. Kedua-dua fungsi tersebut adalah bebas daripada Pengurusan dan melapor secara langsung kepada Jawatankuasa Audit dan Lembaga Pengarah.

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Cara pelaksanaan tersebut di atas adalah satu-satu cara yang kukuh dan berkesan, di mana interaksi sebenar antara sebuah Lembaga Pengarah yang dinamik dan bertanggungjawab dengan pihak Pengurusan yang bertindak secara langsung dan bertanggungjawab melebihi apa yang dizahirkan di dalam Penyata ini. Ini telah mewujudkan persekitaran pengendalian Syarikat secara beretika, telus dan profesional untuk kepentingan pemegang saham.

f Mengikuti Aktiviti Syarikat Secara Langsung

Lembaga Pengarah menerima pakai pendekatan secara langsung dalam melaksanakan peranannya. Pada tahun ini, para Pengarah telah berkunjung ke tapak-tapak projek Syarikat di Johor. Semasa lawatan tersebut, mereka telah mendapat pemahaman yang lebih mendalam mengenai projek-projek Syarikat dan cabaran yang dihadapi, justeru, mempertingkatkan lagi keberkesanan Lembaga Pengarah semasa perbincangan dan proses membuat keputusannya.

g Kebertanggungjawaban terhadap Maklumat Kewangan

Lembaga Pengarah berusaha untuk memastikan supaya:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada penguatkuasa peraturan dan laporan-laporan umum sensitif harga Syarikat yang lain dibentangkan dengan penilaian yang seimbang dan boleh difahami berkaitan kedudukan dan prospek Syarikat;
- ii) penyata kewangan Syarikat telah disediakan berasaskan dasar-dasar perakaunan yang telah digunakan secara konsisten dan sewajarnya, disokong oleh pertimbangan dan anggaran yang munasabah dan berhemat, dan mematuhi semua pawaiian perakaunan yang diguna pakai; dan
- iii) rekod-rekod perakaunan adalah tepat, dalam julat yang berpatutan dan mendedahkan kedudukan kewangan Syarikat secara benar dan saksama.

Penyata oleh para pengarah menurut Seksyen 169(15) Akta Syarikat, 1965 berkaitan penyediaan penyata kewangan dibentangkan di muka surat 154 dalam laporan ini di bawah tajuk "Penyata oleh Pengarah".

h Hubungan dengan Juruaudit Luar

Syarikat memelihara hubungan yang telus dan profesional dengan juruauditnya menerusi Jawatankuasa Audit. Syarikat mendapatkan khidmat juruaudit luarnya hanya untuk audit dan hal-hal berkaitan cukai.

Peranan Jawatankuasa Audit berkaitan juruaudit dinyatakan di muka surat 126 hingga 129 dalam laporan ini.

5. PERLINDUNGAN NILAI PEMEGANG SAHAM

a Kawalan Dalaman

Lembaga Pengarah telah berusaha memastikan wujudnya sistem kawalan dalaman yang berkesan, dan mengkaji kecukupan serta kewibawaan sistem tersebut dari semasa ke semasa.

Lembaga Pengarah yakin bahawa sistem kawalan dalaman yang mantap, sama ada berhubung aspek kewangan atau bukan kewangan, akan memberi jaminan yang munasabah terhadap:

- keberkesanan dan kecekapan operasi Syarikat;
- kebolehpercayaan maklumat kewangan Syarikat; dan
- pematuhan dengan undang-undang dan peraturan Malaysia serta negara-negara lain di mana Syarikat mempunyai penerokaan perniagaan di luar negara.

Penyata Kawalan Dalaman yang dibentangkan di muka surat 131 dalam laporan ini menyediakan suatu tinjauan menyeluruh berhubung keadaan kawalan dalaman di dalam kumpulan.

b Pengurusan Risiko

Menyedari keperluan untuk mengenalpasti dan menguruskan risiko dengan sewajarnya agar dapat terus melindungi aset dan pelaburan Syarikat, Lembaga Pengarah telah mewujudkan Rangka Kerja Pengurusan Risiko pada 17 Februari 2003. Pada tahun 2011, sebuah kajian menyeluruh terhadap Rangka Kerja Pengurusan Risiko telah dilaksanakan untuk memastikan agar ia kekal relevan dan boleh diaplikasi dalam persekitaran perniagaan yang berubah-ubah.

Rangka kerja Pengurusan Risiko Kumpulan dan pelaksanaannya dibentangkan dengan lebih lanjut dalam laporan ini di muka surat 133.

c Pencegahan Penipuan

Lembaga Pengarah juga telah menyediakan Manual Pencegahan Penipuan yang berperanan sebagai panduan kepada Pengurusan dan kakitangan dalam mengekalkan piawaian tatacara dan kewibawaan tertinggi dalam semua urusan. Manual tersebut turut memperincikan tanggungjawab Pengurusan untuk mewujudkan proses kawalan yang sewajarnya bagi mencegah dan mengesan penipuan. Ia juga mentakrif perkara-perkara yang terangkum dalam penipuan dan aktiviti penipuan, serta menggariskan satu rangka kerja untuk membasmi penipuan.

Manual Pencegahan Penipuan tersebut juga mengandungi satu bahagian khusus mengenai Tatacara Pemberitahuan Maklumat yang menggariskan saluran dan prosedur untuk membolehkan pemberitahu maklumat menyampaikan kemusykilan mereka kepada Lembaga Pengarah (sama ada melalui Pengerusi Jawatankuasa Audit atau Ketua Tadbir Urus Korporat) tanpa penglibatan dan campur tangan pihak Pengurusan. Tatacara Pemberitahuan Maklumat juga menggariskan prosedur seterusnya yang perlu dijalankan untuk menyiasat dan menangani kes-kes penipuan.

d Jaminan Kualiti

Fungsi Pengurusan Kualiti Menyeluruh menjalankan kajian bebas secara berterusan terhadap kualiti produk dan perkhidmatan Syarikat serta piawaian prosedur operasi Syarikat dan memberi maklum balas dan saranan bagi membantu Pengurusan mengenal pasti peluang-peluang penambahbaikan yang timbul daripada kajian tersebut. Proses ini membantu memastikan supaya penyediaan produk dan perkhidmatan kepada pelanggan Syarikat dilakukan dengan piawaian kualiti tertinggi. Ia turut membantu memastikan supaya prosedur operasi Syarikat dikemaskini dan mengambil kira perubahan dalam struktur Syarikat serta perubahan dan perkembangan industri.

e Jaminan Prestasi Syarikat Bersekutu

Bagi mengawasi prestasi syarikat bersekutu, wakil-wakil daripada Syarikat dilantik ke Lembaga Pengarah syarikat-syarikat bersekutu dan menghadiri mesyuarat Lembaga Pengarah berkenaan. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan utama dan isu-isu penting berkaitan syarikat-syarikat tersebut dikumpulkan dan dikaji oleh Lembaga Pengarah MRCB dari semasa ke semasa.

6. PEMEGANG SAHAM, PELABUR DAN PEMEGANG KEPENTINGAN

a Menjaga Kepentingan Minoriti

Para pengarah bebas tidak mewakili mana-mana pemegang saham utama, justeru, mereka akan mewakili dan bertindak untuk kepentingan pemegang saham, pelabur dan pemegang kepentingan minoriti. Lembaga Pengarah turut mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti untuk kepentingan para pemegang saham minoriti.

b Dasar Dividen

Syarikat telah mewujudkan Dasar Dividen pada tahun 2007 di mana para pemegang saham boleh mendapat Pembayaran Dividen berjumlah sehingga 20% daripada Keuntungan Disatukan selepas Cukai dan Kepentingan Minoriti. Oleh kerana Syarikat sekali lagi telah mencatat keuntungan pada tahun 2011, dividen sebanyak 2% atau 2 sen bagi setiap saham biasa dijangka akan dibayar untuk tahun kewangan berakhir 31 Disember 2011, tertakluk kepada kelulusan oleh para pemegang saham pada mesyuarat Agung Tahunan ke-41 akan datang.

c Komunikasi dan Ketelusan

Bagi memastikan supaya pemegang kepentingan dan masyarakat pelabur mendapat maklumat terkini berhubung prestasi, operasi dan perkembangan penting Syarikat, pelbagai pengumuman korporat yang diperlukan di bawah KPPU (termasuk siaran keputusan kewangan suku tahunan yang menepati masa) telah dilakukan sepanjang tempoh yang ditinjau. Selain itu, maklumat terperinci mengenai acara dan perkembangan korporat Syarikat yang penting turut diumumkan melalui media menerusi siaran akhbar dan/atau sidang akhbar.

Pemegang saham, pelabur dan pemegang kepentingan boleh mengakses dengan mudah maklumat terkini mengenai projek-projek, kedudukan kewangan suku tahunan, hubungan pelabur dan maklumat korporat am mengenai Syarikat di laman web awam korporatnya yang dikemaskini dari semasa ke semasa di "<http://www.mrcb.com.my>".

Terdapat juga ikon "Hubungi Kami" di laman web Syarikat yang memberi capaian ke laman web di mana para pemegang saham dan pelabur boleh mengemukakan soalan dan ulasan mereka dengan mudah kepada Syarikat.

PENYATA TADBIR URUS KORPORAT

d Mesyuarat Agung Tahunan (MAT)

MAT adalah satu lagi forum di mana Lembaga Pengarah berkomunikasi dengan para pemegang saham berhubung kemajuan dan prestasi Syarikat, dan di mana Lembaga Pengarah menjelaskan isu-isu berkaitan aktiviti perniagaan, prestasi dan perkara-perkara lain berkaitan Syarikat.

Sekiranya terdapat urusan khas atau resolusi khas yang dicadangkan, penjelasan mengenai kesan urusan khas dan resolusi khas tersebut akan diberikan di dalam notis MAT. Jika perlu, Pengerusi Lembaga Pengarah akan memberi jawapan bertulis kepada mereka yang mengemukakan pertanyaan bagi soalan-soalan yang tidak dapat dijawab secara spontan semasa MAT.

Dalam MAT pada 4 April 2011, Tan Sri Azlan Zainol dan Dato' Abdul Rahman Ahmad yang bersara menurut Artikel 101 dan 102 Tataurusian Pertubuhan Syarikat, yang memerlukan satu pertiga daripada para Pengarah tertakluk kepada pemilihan semula mengikut giliran pada setiap MAT, telah dipilih semula dengan sewajarnya.

Dr Roslan A Ghaffar yang bersara di bawah Artikel 101 dan 102 Tataurusian Pertubuhan Syarikat telah memilih untuk tidak menawarkan diri beliau untuk pemilihan semula.

Justeru, pemilihan semula Pengarah oleh para pemegang saham memberi peluang kepada pemegang saham untuk menilai prestasi setiap Pengarah dan menentukan penyambungan pelantikan.

7. INISIATIF TRANSFORMASI GLC BERTERUSAN

Syarikat turut meneruskan usahanya untuk mempertingkatkan lagi organisasi dan prosesnya ke arah menjadi sebuah entiti perniagaan yang lebih teguh, cekap dan berdaya saing serta sebuah warga korporat yang bertanggungjawab, seperti yang digariskan oleh Inisiatif Transformasi GLC Jawatankuasa Putrajaya. Syarikat percaya bahawa ia merupakan satu proses berterusan, dan akan memantau serta menambahbaik inisiatif tersebut mengikut kesesuaian.

8. TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

Komitmen Syarikat dalam melunaskan kewajipan sosialnya diteruskan pada tahun 2011 di mana kami komited dan menghargai sepenuhnya hubungan kami dengan komuniti di mana kami berkhidmat serta dengan para pelanggan, pelabur, kakitangan dan para pembekal kami. Dengan penegasan komitmen yang jelas kepada semua pemegang kepentingan, MRCB terus memastikan agar komitmen kami sejajar dengan komitmen yang digariskan dalam "Buku Perak – Mencapai Nilai melalui Tanggungjawab Sosial", yang telah diterima pakai sejak tahun 2007 lagi.

Syarikat sesungguhnya percaya bahawa kejayaan ekonomi akan hanya tercapai jika ia turut melunaskan tanggungjawab sosialnya kepada masyarakat dan negara secara umumnya. Sikap menghormati semua pemegang kepentingan ini telah memberi kami unsur-unsur utama dalam merumuskan program CSR kami. Pada tahun 2011, Syarikat terus melaksanakan secara aktif pelbagai projek CSR di bawah 5 program CSR penting, iaitu Pelajaran, Alam Sekitar, Kebajikan Kakitangan, Komuniti dan Dermawanan, yang berjumlah RM1.348 juta.

MRCB turut memainkan peranan yang lebih aktif dalam melaksanakan komunikasi pemegang kepentingan, khususnya dengan komuniti yang terlibat dengan projek-projeknya. Ia juga terus menyokong program Peningkatan Kakitangan Graduan (GREEN) yang dicetuskan oleh Khazanah Nasional Berhad untuk menyediakan latihan sambil kerja dalam persekitaran perniagaan sebenar kepada para graduan, di samping sembilan (9) buah sekolah yang terlibat di bawah program "Promoting Intelligence, Nurturing Talent and Advocating Responsibility" (PINTAR). Sekolah-sekolah tersebut adalah SK Indera Shahbandar, SK Serandu dan SJK (C) Yoke Hwa, kesemuanya di Pahang; sebuah sekolah di Pulau Pinang, iaitu SJK (T) Ladang Mayfield; SK La Salle 1 dan SK La Salle 2, di Brickfields, Kuala Lumpur; SK Tebrau Bakar Batu di Johor Bahru; dan SK Bagan Jermal and SK Kampong Jawa di Pulau Pinang.

Semua sekolah tersebut terletak di kawasan-kawasan Syarikat beroperasi.

Anugerah dan Pengiktirafan CSR

Inisiatif CSR syarikat terus meraih pengiktirafan pada tahun 2011, baik di peringkat kebangsaan mahupun antarabangsa. Di persada CSR antarabangsa, MRCB telah dianugerahkan dengan dua 'Distinguished Honoree' bagi dua program yang berlainan oleh International Business Stevie Awards yang berpangkalan di Amerika Syarikat.

Program PINTAR MRCB telah menerima pengiktirafan sebagai Program Tanggungjawab Sosial Korporat Terbaik di Asia (Benua Kecil, Australia and New Zealand), manakala Inisiatif Bangunan Hijau pula dianugerahkan pengiktirafan sebagai salah satu Program Tanggungjawab Alam Sekitar Terbaik di Asia (Benua Kecil, Australia and New Zealand).

Di peringkat kebangsaan, MRCB telah menggondol Anugerah Konglomerat oleh Brand Laureate Award dan terus mendapat pengiktirafan daripada 'ACCA Malaysia Sustainability Reporting Awards 2011' (ACCA MaSRA) untuk dipilih ke peringkat akhir.

MRCB juga terus diwakili sebagai ahli jawatankuasa Malaysian chapter bagi United Nations Global Compact (UNGC) sejajar dengan tujuan kami untuk menerima pakai piawaian antarabangsa bagi program dan visi CSR kami. Ia bermatlamat untuk menyepadukan 10 prinsip UNGC berhubung hak kemanusiaan, hak pekerja, kemampunan alam sekitar dan anti rasuah ke dalam operasi dan strategi Syarikat dan melaporkan pelaksanaannya.

Butiran terperinci mengenai program-program CSR Syarikat dibentangkan dalam laporan berasingan berkaitan CSR yang merupakan bahagian penting dalam laporan ini.

9. PENYATA TANGGUNGJAWAB BERKAITAN TAHUN KEWANGAN YANG DITINJAU

(Menurut perenggan 15.26 (a) Keperluan Penyenaiaan Pasaran Utama Bursa Malaysia Securities Berhad)

Lembaga Pengarah bertanggungjawab sepenuhnya untuk memastikan supaya Penyata Kewangan Beraudit disediakan selaras dengan Akta Syarikat, 1965 dan piawaian perakaunan yang diluluskan dan diguna pakai seperti ditetapkan oleh Lembaga Piawaian Perakaunan Malaysia, untuk membentangkan pandangan yang benar dan saksama berhubung hal ehwal Kumpulan, dan berhubung keuntungan dan kerugian serta aliran tunai Kumpulan pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Beraudit, para Pengarah berpuas hati bahawa Piawaian Perakaunan yang diluluskan dan diguna pakai di Malaysia telah dipatuhi dan pertimbangan serta anggaran yang berpatutan dan berhemah telah dilaksanakan. Penyata Kewangan Beraudit juga disediakan pada asas usaha niaga berterusan kerana Lembaga Pengarah mempunyai jangkaan yang munasabah bahawa, selepas membuat penelitian, Kumpulan mempunyai sumber yang mencukupi untuk terus beroperasi hingga ke masa depan yang dapat diramal.

10. PENYATA PEMATUHAN DENGAN KEPERLUAN BURSA MALAYSIA BERKAITAN PENGGUNAAN PRINSIP-PRINSIP DAN TERIMA PAKAI AMALAN TERBAIK SEPERTI YANG DIGARISKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA

(Menurut perenggan 15.25 Keperluan Penyenaiaan Pasaran Utama Bursa Malaysia Securities Berhad)

Penyata di atas adalah gambaran yang jelas kepada usaha bersungguh-sungguh Lembaga Pengarah dan Pengurusan MRCB untuk mengukuhkan proses tadbir urusnya dan mengekalkan kedudukannya sebagai salah sebuah syarikat yang menerajui guna pakai tadbir urus korporat.

Lembaga Pengarah dengan sukacitanya melaporkan kepada para pemegang saham bahawa Syarikat telah mematuhi Kod Tadbir Urus Korporat Malaysia dan Keperluan Penyenaiaan Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga Pengarah percaya bahawa pematuhan tersebut merupakan suatu proses berterusan dan akan terus berusaha untuk menerima pakai amalan-amalan terbaik dalam tadbir urus korporat.

Penyata Tadbir Urus Korporat ini telah diluluskan oleh Lembaga Pengarah melalui resolusinya bertarikh 14 Februari 2012.

Tan Sri Azlan Zainol
Pengerusi
Malaysian Resources Corporation Berhad

REPORT OF THE AUDIT COMMITTEE

1. COMPOSITION OF THE COMMITTEE

The Audit Committee ("AC") comprises four (4) members, all of whom are Independent Directors of the Company. The Chairman of the AC is Dato' Ahmad Ibnihajar, who is also the Senior Independent Director of the Company. Dato' Abdul Rahman Ahmad, a member of the AC, is a member of the Malaysian Institute of Accountants ("MIA").

During the year under review, Dr Roslan A. Ghaffar retired from the AC following his retirement from the Board. Che King Tow and Jamaludin Zakaria were appointed as members of the AC on 20 May 2011 and 24 August 2011 respectively.

2. AC'S FUNCTIONS

Terms of Reference

The updated Terms of Reference of the AC, which was approved by the Board on 24 February 2005, is as outlined below:

1. The AC shall be granted the authority to investigate any activity of the Company, its subsidiaries and employees. All employees shall be directed to cooperate as requested by AC members;
2. The AC shall be empowered to retain persons having special competence as necessary to assist the AC in fulfilling its responsibilities;
3. The AC shall provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly relating to business ethics, policies, financial management & control;
4. The AC, through regularly scheduled meetings, shall maintain a direct line of communication between the Board, External Auditor, Internal Auditor and Management;
5. The AC shall provide greater emphasis on the Audit function by increasing the objectivity and independence of the External and Internal Auditors, and providing a forum for discussion that is independent of the Management; and
6. The AC shall verify all ESOS allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees.

Authority

The AC shall have the following authority as empowered by the Board of Directors:

1. To investigate any matter within its terms of reference;
2. The resources which are required to perform its duties;
3. Full, free and unrestricted access to any information, records, properties and personnel of the Company;
4. Direct communication channels with the external auditors and internal auditors;
5. Be able to obtain independent professional or other advice; and
6. 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 AC should also be able to meet exclusively among itself whenever deemed necessary.

Duties and Responsibilities

The duties and responsibilities of the AC are as follows:

1. To consider the appointment of the external auditor, the audit fee and any issue of resignation or dismissal;
2. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
3. To review the assistance given by the employees of the Company to the external auditor;
4. To discuss with the external auditor, his audit report and his evaluation of the system of internal controls;
5. To review the quarterly and year-end financial statements of the Company prior to the approval by the Board of Directors, focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;

- the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
6. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of Management where necessary);
 7. To review the external auditor's management letter and Management's response;
 8. To do the following in relation to the Internal Audit function:
 - review, on an ongoing basis, the adequacy of the scope and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
 - review the Internal Audit programme, processes, the results of the internal audit programme and investigations undertaken. Where necessary, the AC will ensure that appropriate action is taken on the reports and recommendations of the Internal Audit function, and that all the above are not subject to Management's approval or clearance;
 - review any appraisal or assessment of the performance of members of the Internal Audit function;
 - determine and recommend to the Board the remit of the Internal Audit function, including the remuneration of the Head of Corporate Governance;
 - monitor closely significant disagreement(s) between Internal Audit and Management, whether resolved or not;
 9. To ensure that all serious allegations involving issues such as fraud, misconduct and criminal breach of trust are brought to the AC's attention. An investigation must obtain the clearance of the AC Chairman before it can proceed and the AC is empowered to review the major findings of such internal investigations as well as Management's response;
 10. To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or conduct that raises questions on Management's integrity;
 11. To obtain satisfactory response from the Management on the Internal Audit reports and reports issued by external auditors;
 12. To submit a summary report to the Board after each AC meeting to advise on issues discussed as well as an annual report to the Board highlighting material concerns discovered by Internal Audit during the year;
 13. To oversee the Risk Management function of the Company, and report to the Board significant changes in the business and the external environment which affect key risks;
 14. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the AC, all the abovementioned functions shall also be performed by the AC in co-ordination with the Board of Directors of the subsidiaries and related corporation;
 15. To review arrangements established by the Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Company's operations;
 16. To verify all ESOS allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees; and
 17. To consider other topics as defined by the Board.

3. ACTIVITIES

AC Meetings

A total of four (4) AC meetings were held during the financial year ended 31 December 2011. The Company Secretary, who acts as secretary to the AC attends all meetings. Also in attendance are the Head of Corporate Governance, the Chief Executive Officer and the Chief Financial Officer. Where relevant and required, members of management will be invited to the meetings to provide explanations or assist in deliberations.

REPORT OF THE AUDIT COMMITTEE

Table 1: Details of attendance of members at the Audit Committee's meetings held from 1 January 2011 to 31 December 2011

Dates of Committee Meeting	Name of Audit Committee members				
	Dato' Ahmad Ibnihajar	Dato' Abdul Rahman Ahmad	Dr Roslan A Ghaffar	Che King Tow	Jamaludin Zakaria
	Independent Director (Chairman)	Independent Director (Member)	Independent Director (Member)	Independent Director (Member)	Independent Director (Member)
9 Feb 2011	A	A	A	Appointed on 20 May 2011	-
26 May 2011	A	A	Retired on 4 Apr 2011	A	-
11 Aug 2011	A	A	-	A	Appointed on 24 Aug 2011
25 Nov 2011	A	A	-	A	A
Total	4/4	4/4	1/1	3/3	1/1

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

Upon the conclusion of each meeting, the AC 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.

A whole range of issues affecting the operations of the Company and its subsidiaries were thoroughly reviewed and deliberated at these meetings. AC members take their role seriously and professionally to assist the Board in providing oversight over Management. Audit reports and other matters brought to the AC are constructively and impartially questioned, challenged and debated to ensure that such proposals and recommendations are in the best interests of the Company. In doing so, the AC gathers inputs from the Corporate Governance function that is independent of Management and reports directly to the AC. Inputs are also gathered from the External Auditor, as necessary.

Reviews

A summary of the reviews conducted by the AC 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 annual audit plan proposed by the Head of Corporate Governance;
 - ii) Reviewed the structure of the Corporate Governance department, the adequacy of its resources and budget;
 - iii) Reviewed the findings of internal audit reports presented by the Head of Corporate Governance on the Company and its subsidiaries;
 - 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;
 - 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; and

viii) Deliberated and approved the appointment of the Head of Corporate Governance.

- **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 and provided the recommendation on their re-appointment and remuneration to the Board.

- **Risk Management**

- i) Reviewed the Revised Risk Management Framework for the Group and approved for adoption; and
- ii) Reviewed the enterprise risk management activities of the Group and the activities of the Risk Management Working Committee.

(Please refer to page 132 for disclosure on the Group's Enterprise Risk Management activities.)

- **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 disclosed to the employees.

- **Others**

Reviewed and approved proposed establishments or revisions to the Limits of Authority of subsidiary companies of the Group.

4. INTERNAL AUDIT

The Internal Audit function of the Group is carried out by the Corporate Governance Department of the Group. The Corporate Governance Department operates independently of management and reports directly to the AC.

The objectives, mission, scope, organisation, authority and responsibilities of the Internal Audit function is spelt out in the Internal Audit Charter which was established on 17 January 2005 and was revised on 25 November 2011. 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 and construction projects of the Group and selected business units. Reports of findings were issued to management for them to revert with their comments and corrective actions to address the areas for improvement highlighted. These reports along with management's responses would be deliberated at AC meetings. Where necessary, members of management will be invited to attend the AC meetings to be directly addressed by the AC.

For 2011, the Corporate Governance Department had incurred a total of RM764,425 for its activities which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

This Report of the Audit Committee is approved by the Board of Directors via its resolution on 14 February 2012.

Tan Sri Azlan Zainol

Chairman

Malaysian Resources Corporation Berhad

LAPORAN

JAWATANKUASA AUDIT

1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit ("JA") terdiri daripada empat (4) orang ahli yang kesemuanya merupakan Pengarah Bebas Syarikat. Pengerusi JA adalah Dato' Ahmad Ibnihajar yang juga merupakan Pengarah Bebas Kanan Syarikat. Dato' Abdul Rahman Ahmad, ahli JA, adalah ahli Institut Akauntan Malaysia ("MIA").

Pada tahun yang ditinjau, Dr Roslan A. Ghaffar telah bersara daripada JA berikutan persaraan beliau daripada Lembaga Pengarah. Che KingTow dan Jamaludin Zakaria telah dilantik sebagai ahli JA, masing-masing pada 20 Mei 2011 dan 24 Ogos 2011.

2. FUNGSI JA

Terma Rujukan

Kemaskini Terma Rujukan JA yang telah diluluskan oleh Lembaga Pengarah pada 24 Februari 2005 adalah seperti digariskan di bawah:

1. JA diberikan autoriti untuk menyiasat sebarang aktiviti Syarikat, syarikat-syarikat subsidiari dan kakitangannya. Semua kakitangan diarahkan untuk bekerjasama sebagaimana yang diminta oleh ahli-ahli JA;
2. JA hendaklah berkuasa untuk mengekalkan individu yang mempunyai pengetahuan dan pengalaman khusus yang diperlukan untuk membantu JA dalam melaksanakan tanggungjawabnya;
3. JA akan membantu Lembaga Pengarah dalam memenuhi tanggungjawab fidusiarinya, khususnya berkaitan etika perniagaan, dasar, pengurusan & kawalan kewangan;
4. melalui mesyuarat berjadual yang diadakan dari semasa ke semasa, JA mengekalkan suatu saluran komunikasi langsung di antara Lembaga Pengarah, Juruaudit Luar, Juruaudit Dalaman dan Pengurusan;
5. JA akan memberikan lebih penekanan terhadap fungsi Audit dengan meningkatkan objektiviti dan kebebasan Juruaudit Luar dan Juruaudit Dalaman dan dengan menyediakan forum untuk perbincangan yang bebas daripada Pengurusan; dan
6. JA hendaklah mengesahkan semua peruntukan ESOS untuk memastikan supaya ia dijalankan dengan mematuhi kriteria yang didedahkan oleh Syarikat kepada kakitangannya.

Autoriti

JA hendaklah mempunyai autoriti berikut seperti yang diberikan oleh Lembaga Pengarah:

1. mempunyai kuasa untuk menyiasat sebarang perkara dalam terma rujukannya;
2. mempunyai sumber-sumber yang diperlukan bagi melaksanakan tugas-tugasnya;
3. mempunyai akses sepenuhnya, bebas dan tanpa halangan kepada sebarang maklumat, rekod, hartanah dan kakitangan Syarikat;
4. mempunyai saluran komunikasi langsung dengan juruaudit luar dan juruaudit dalaman;
5. boleh mendapatkan nasihat profesional bebas atau nasihat lain; dan
6. boleh mengadakan mesyuarat dengan juruaudit luar dan juruaudit dalaman bersama ahli-ahli bebas Lembaga Pengarah yang lain (iaitu tanpa kehadiran ahli-ahli bukan bebas dan eksekutif) sekurang-kurangnya dua kali setahun atau apabila dianggap perlu. JA juga hendaklah bermesyuarat secara eksklusif di kalangan ahlinya apabila perlu.

Tugas dan Tanggungjawab

Tugas dan tanggungjawab JA adalah seperti berikut:

1. untuk mempertimbangkan pelantikan juruaudit luar, yuran audit dan sebarang isu mengenai peletakan atau pemecatan jawatan;
2. untuk berbincang dengan juruaudit luar, sebelum audit dimulakan, berhubung bentuk dan skop audit yang akan dijalankan dan memastikan wujudnya penyelarasan apabila lebih daripada sebuah firma audit terlibat;
3. untuk mengkaji kerjasama yang diberikan oleh kakitangan Syarikat kepada juruaudit luar;
4. untuk berbincang dengan juruaudit luar berkenaan laporan audit dan penilaiannya mengenai sistem kawalan dalaman;
5. untuk mengkaji penyata kewangan suku tahunan dan akhir tahun Syarikat sebelum diluluskan oleh Lembaga Pengarah, dengan memberikan perhatian khusus kepada:

- sebarang perubahan dasar dan amalan perakaunan; pelarasan penting yang timbul daripada audit tersebut;
 - andaian perniagaan berterusan; dan
 - pematuhan kepada piawai perakaunan dan keperluan perundangan yang lain;
6. untuk membincangkan masalah dan persoalan yang timbul daripada audit interim dan audit akhir, dan sebarang perkara yang mungkin ingin dibincangkan oleh juruaudit (tanpa kehadiran Pengurusan, jika perlu);
 7. untuk mengkaji surat pengurusan juruaudit luar dan tindak balas Pengurusan;
 8. untuk melaksanakan perkara-perkara berikut berhubung fungsi Audit Dalaman:
 - mengkaji, dari semasa ke semasa, kecukupan skop dan sumber fungsi Audit Dalaman, dan bahawa ia mempunyai autoriti yang diperlukan untuk menjalankan tugasnya;
 - mengkaji semula program dan proses Audit Dalaman, dan keputusan program audit dalaman tersebut serta penyiasatan yang dijalankan. Apabila perlu, JA akan memastikan supaya tindakan sewajarnya diambil berdasarkan laporan dan saranan fungsi Audit Dalaman, dan bahawa semua perkara di atas tidak tertakluk kepada kelulusan atau kebenaran Pengurusan;
 - mengkaji sebarang penaksiran atau penilaian prestasi ahli fungsi Audit Dalaman;
 - menentukan dan mengesyorkan kepada Lembaga Pengarah, bidang kuasa fungsi Audit Dalaman, termasuk imbuhan Ketua Tadbir Urus Korporat; dan
 - memantau secara dekat, percanggahan (percanggahan-percanggahan) pendapat yang ketara antara Audit Dalaman dan Pengurusan, sama ada telah diselesaikan atau tidak.
 9. untuk memastikan supaya semua tuduhan serius yang melibatkan isu-isu seperti penipuan, salah laku dan pecah amanah dibawa ke perhatian JA. Penyiasatan mestilah mendapat kebenaran Pengerusi JA sebelum ia dijalankan, dan JA diberi kuasa untuk mengkaji penemuan utama dalam penyiasatan dalaman sedemikian serta tindak balas Pengurusan mengengainya;
 10. untuk mempertimbangkan sebarang urusan pihak berkaitan dan situasi percanggahan kepentingan yang mungkin timbul di dalam Syarikat termasuk sebarang urusan, prosedur atau tatacara yang boleh menimbulkan persoalan berhubung kewibawaan Pengurusan;
 11. untuk mendapatkan tindak balas yang memuaskan daripada Pengurusan mengenai laporan Audit Dalaman dan laporan yang dikeluarkan oleh juruaudit luar;
 12. untuk menghantar ringkasan laporan kepada Lembaga Pengarah selepas setiap mesyuarat JA bagi memaklumkan tentang isu-isu yang telah dibincangkan serta satu laporan tahunan kepada Lembaga Pengarah yang mengetengahkan kemusykilan penting yang ditemui oleh Audit Dalaman pada tahun ini;
 13. untuk mengawasi fungsi Pengurusan Risiko Syarikat, dan melapor kepada Lembaga Pengarah berhubung perubahan penting dalam perniagaan dan persekitaran luaran yang mempengaruhi risiko-risiko utama;
 14. jika kajian laporan audit syarikat-syarikat subsidiari dan mana-mana syarikat berkaitan turut terkandung di bawah bidang kuasa JA, semua fungsi di atas akan turut dilaksanakan oleh JA dengan kerjasama Lembaga Pengarah syarikat-syarikat subsidiari dan syarikat berkaitan;
 15. untuk mengkaji aturan yang diwujudkan oleh Pengurusan bagi pematuhan dengan mana-mana peraturan atau keperluan laporan luaran lain, undang-undang kecil dan peraturan berkaitan operasi Syarikat;
 16. untuk mengesahkan semua peruntukan ESOS bagi memastikan supaya ia dilakukan dengan mematuhi kriteria yang didedahkan oleh Syarikat kepada kakitangannya; dan
 17. untuk mempertimbangkan topik-topik lain seperti ditakrif oleh Lembaga Pengarah.
- ### 3. AKTIVITI
- #### Mesyuarat JA
- Sebanyak empat (4) mesyuarat JA telah diadakan pada tahun kewangan berakhir 31 Disember 2011. Setiausaha Syarikat yang bertindak sebagai setiausaha JA telah menghadiri kesemua mesyuarat tersebut. Turut hadir adalah Ketua Tadbir Urus Korporat, Ketua Pegawai Eksekutif dan Ketua Pegawai Kewangan. Jika berkaitan dan perlu, ahli-ahli pengurusan akan dijemput ke mesyuarat untuk memberi penjelasan atau membantu perbincangan.

LAPORAN JAWATANKUASA AUDIT

Jadual 1: Butiran kehadiran ahli-ahli di mesyuarat Jawatankuasa Audit yang diadakan dari 1 Januari 2011 hingga 31 Disember 2011

Tarikh Mesyuarat Jawatankuasa	Nama ahli Jawatankuasa Audit				
	Dato' Ahmad Ibnihajar	Dato' Abdul Rahman Ahmad	Dr Roslan A Ghaffar	Che King Tow	Jamaludin Zakaria
	Pengarah Bebas (Pengerusi)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)	Pengarah Bebas (Ahli)
9 Feb 2011	A	A	A	Dilantik pada 20 Mei 2011	-
26 Mei 2011	A	A	Bersara pada 4 Apr 2011	A	-
11 Ogos 2011	A	A	-	A	Dilantik pada 24 Ogos 2011
25 Nov 2011	A	A	-	A	A
Jumlah	4/4	4/4	1/1	3/3	1/1

JA turut bermesyuarat dengan Juruaudit Luar sebanyak dua kali pada tahun ini, tanpa kehadiran Pengurusan.

Apabila mesyuarat selesai, Pengerusi JA akan melapor kepada Lembaga Pengarah berhubung aktiviti yang telah dijalankannya dan saranan-saranan penting untuk pertimbangan dan keputusan Lembaga Pengarah.

Pelbagai isu yang mempengaruhi operasi Syarikat dan syarikat-syarikat subsidiarinya telah dikaji dan dibincangkan secara mendalam semasa mesyuarat-mesyuarat tersebut. Ahli-ahli JA melaksanakan peranan mereka secara serius dan profesional untuk membantu Lembaga Pengarah mengawal selia Pengurusan. Laporan audit dan hal-hal lain yang dikemukakan kepada JA diteliti, dibincang dan dibahaskan secara membina dan saksama bagi memastikan supaya cadangan dan saranan tersebut adalah untuk kepentingan Syarikat. Untuk itu, JA mengumpul maklumat daripada fungsi Tadbir Urus Korporat yang bebas daripada Pengurusan dan melapor secara langsung kepada JA. Maklumat turut dikumpul daripada Juruaudit Luar jika perlu.

Kajian

Ringkasan kajian yang telah dijalankan oleh JA pada tahun kewangan yang ditinjau adalah seperti berikut:

- **Keputusan kewangan**
 - i) Mengkaji keputusan kewangan beraudit suku tahunan dan tahunan Kumpulan dan pengumuman-pengumuman berkaitannya dan mengemukakan saranan yang berkaitan kepada Lembaga Pengarah untuk diluluskan; dan
 - ii) Mengkaji pencapaian petunjuk prestasi utama Kumpulan.
- **Audit Dalaman**
 - i) Mengkaji dan meluluskan rancangan audit tahunan yang dicadangkan oleh Ketua Tadbir Urus Korporat;
 - ii) Mengkaji struktur jabatan Tadbir Urus Korporat dan kecukupan sumber dan belanjawannya;
 - iii) Mengkaji penemuan-penemuan laporan audit dalaman yang dibentangkan oleh Ketua Tadbir Urus Korporat mengenai Syarikat dan syarikat-syarikat subsidiarinya;
 - iv) Mengkaji keberkesanan dan kecukupan tindakan pembedahan pengurusan sebagai tindak balas terhadap kajian audit dalaman yang telah dijalankan;

- v) Mengkaji penemuan audit dan audit susulan untuk menentukan status pelaksanaan tindakan pembetulan pengurusan;
- vi) Membincangkan penemuan penyiasatan dan kajian-kajian khas tidak berjadual lain berhubung bidang-bidang operasi tertentu bagi menentukan punca yang menyebabkan isu-isu berkenaan dan keberkesanan tindakan pembetulan yang diambil untuk menangani kelemahan yang telah dikenal pasti; dan
- vii) Membincangkan dan meluluskan pelantikan Ketua Tadbir Urus Korporat.

- **Audit Luar**

- i) Mengkaji dan meluluskan Rancangan Audit, pendekatan dan skop kajian Juruaudit Luar;
- ii) Membincangkan laporan Juruaudit Luar berkaitan isu-isu audit dan perakaunan yang timbul daripada auditnya;
- iii) Membincangkan kemaskini berhubung perkembangan baru mengenai piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia; dan
- iv) Menilai prestasi Juruaudit Luar dan mengemukakan saranan berhubung pelantikan semula dan imbuhan mereka kepada Lembaga Pengarah.

- **Pengurusan Risiko**

- i) Mengkaji Semakan Semula Rangka Kerja Pengurusan Risiko bagi Kumpulan dan meluluskannya untuk diterima pakai; dan
- ii) Mengkaji aktiviti pengurusan risiko perniagaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.

(Sila rujuk muka surat 133 untuk pendedahan aktiviti Pengurusan Risiko Perniagaan Kumpulan.)

- **Urusniaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urusniaga pihak berkaitan dan bahawa pendedahan yang sewajarnya telah dilakukan selaras dengan Keperluan Penyenaaran Pasaran Utama Bursa Malaysia Securities Berhad.

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

Mengkaji dan mengesahkan bahawa pembahagian ESOS pada tahun yang ditinjau telah dilaksanakan selaras dengan peruntukan skim dan kriteria bagi pembahagian yang didedahkan kepada kakitangan.

- **Lain-lain**

Mengkaji dan meluluskan cadangan pembentukan atau semakan semula Had-had Autoriti bagi syarikat-syarikat subsidiari Kumpulan.

4. AUDIT DALAMAN

Fungsi Audit Dalaman Kumpulan dijalankan oleh Jabatan Tadbir Urus Korporat Kumpulan. Operasi Jabatan Tadbir Urus Korporat adalah bebas daripada pengurusan dan melapor secara langsung kepada JA.

Objektif, misi, skop, organisasi, autoriti dan tanggungjawab fungsi Audit Dalaman dibentangkan dalam Piagam Audit Dalaman yang telah digariskan pada 17 Januari 2005 dan disemak semula pada 25 November 2011. Pada tahun yang ditinjau, fungsi Audit Dalaman telah beroperasi dan mempamerkan prestasi selaras dengan prinsip-prinsip Piagamnya.

Tanggungjawab utama fungsi Audit Dalaman adalah untuk menjalankan kajian operasi bagi menyediakan jaminan yang berpatutan bahawa sistem kawalan dalaman sedang beroperasi secara berkesan dan cekap. Bidang-bidang yang akan dikaji ditentukan menerusi satu rancangan audit berasaskan risiko yang diselaraskan dengan strategi dan aktiviti Kumpulan.

Pada tahun yang ditinjau, fungsi Audit Dalaman telah menjalankan kajian terhadap projek-projek pembangunan dan pembinaan utama yang dijalankan oleh Kumpulan dan unit-unit perniagaan terpilih. Laporan berhubung penemuan telah dikemukakan kepada pengurusan agar mereka dapat memberi maklum balas berserta ulasan dan tindakan pembetulan untuk menangani bidang-bidang penambahbaikan yang diketengahkan. Laporan tersebut yang disertai dengan tindak balas pengurusan akan dibincangkan dalam mesyuarat JA. Jika perlu, ahli-ahli pengurusan akan dijemput untuk menghadiri mesyuarat JA untuk berbincang secara langsung dengan JA.

Bagi tahun 2011, Jabatan Tadbir Urus Korporat telah membelanjakan sebanyak RM764,425 untuk aktiviti-aktivitinya yang meliputi Audit Dalaman dan membantu proses pengurusan risiko perniagaan di seluruh Kumpulan.

Laporan Jawatankuasa Audit ini diluluskan oleh Lembaga Pengarah menerusi resolusinya bertarikh 14 Februari 2012.

Tan Sri Azlan Zainol

Pengerusi

Malaysian Resources Corporation Berhad

STATEMENT ON INTERNAL CONTROL

The Board strongly believes in the importance of having a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board is overall responsible for the system of internal control in MRCB and subjects the system to a process of regular reviews to ensure its relevance and effectiveness in the face of its changing business circumstances.

KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROL ARE DESCRIBED BELOW:

- i) Clearly defined lines of authority within a divisionalised organisation structure have been established to facilitate the supervision and monitoring of the conduct and operations of individual business units and 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;
- 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;
- 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;
- 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) On a monthly basis, the performance of the respective divisions and departments and the status of key projects are monitored and reviewed by the senior management team at divisional meetings chaired by the CEO and where necessary, action plans are put in place to address risks and issues identified;
- vii) Regular and comprehensive information are provided by the Management to the Board and its Committees, covering financial performance, key performance indicators, utilisation of funds and cash flow performance;
- viii) Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management in effective decision-making;
- ix) A Risk Management Framework is in place and was revised in 2011 to enhance its effectiveness and to ensure its continued relevance and applicability to the changes in the Group's structure, processes and business environment; and
- x) Regular Internal Audit visits and reviews are conducted on key risk areas to provide independent assurance on the effectiveness of the Group's system of internal control as well as provide Management with constructive advice for further improvements.

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. During the year under review, some areas for improvement in the internal control system were detected. Management has been responsive to the issues raised and have taken appropriate measures to address the areas for improvement that have been highlighted.

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 is of the view that the system of internal control in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

This Statement on Internal Control is approved by the Board of Directors via its resolution on 14 February 2012.

Tan Sri Azlan Zainol
Chairman
Malaysian Resources Corporation Berhad

PENYATA KAWALAN DALAMAN

Lembaga Pengarah percaya dengan sesungguhnya terhadap kepentingan memiliki sistem kawalan dalaman yang berwibawa untuk melindungi pelaburan pemegang saham dan aset Kumpulan. Lembaga Pengarah juga bertanggungjawab secara menyeluruh ke atas sistem kawalan dalaman MRCB dan memastikan proses kajian dilaksanakan dari semasa ke semasa terhadap sistem berkenaan bagi memastikan agar ia sentiasa relevan dan berkesan bagi menangani keadaan perniagaannya yang berubah-ubah.

ELEMEN UTAMA SISTEM KAWALAN DALAMAN KUMPULAN ADALAH SEPERTI DINYATAKAN DI BAWAH:

- i) Garis autoriti yang ditakrif dengan jelas dalam skstruktur organisasi bahagian telah diwujudkan bagi memudahkan penyeliaan dan pemantauan tatacara dan operasi unit-unit perniagaan secara individu serta jabatan-jabatan perkhidmatan sokongan;
- ii) Had-had Autoriti telah diwujudkan bagi Kumpulan dan syarikat-syarikat subsidiari utama. Had-had Autoriti ini memperincikan pembahagian dan delegasi tanggungjawab yang jelas daripada Lembaga Pengarah kepada Jawatankuasa Lembaga Pengarah dan kepada kakitangan pengurusan dan peringkat kelulusan bagi semua aspek operasi;
- iii) Dokumentasi dasar dan prosedur dalaman yang jelas dibentangkan dalam satu siri manual prosedur piawai operasi. Manual tersebut dikaji dan dipertingkatkan secara berkala agar bersesuaian dengan perubahan dalam struktur dan proses perniagaan serta perubahan persekitaran luar.
- iv) Jawatankuasa Pengurusan Projek Bersama yang meliputi penyertaan rakan-rakan kongsi perniagaan luar, jika perlu, membincangkan dan menilai pihak-pihak yang dijemput untuk mengemukakan sebut harga dan seterusnya pemberian kontrak bagi memastikan ketelusan dan kewibawaan proses pemberian tender;
- v) Belanjawan tahunan untuk tahun berikutnya disediakan terlebih dahulu menggunakan satu proses belanjawan terperinci. Belanjawan ini tertakluk kepada penilaian dan penelitian pasukan pengurusan kanan dan EXCO sebelum ia disyorkan kepada Lembaga Pengarah untuk diluluskan. Prestasi berbanding belanjawan dipantau pada setiap bulan dan setiap setengah tahun di mana satu pelaksanaan kajian belanjawan secara menyeluruh dijalankan;
- vi) Prestasi setiap bahagian dan jabatan serta status projek-projek penting dipantau dan dikaji setiap bulan oleh pasukan pengurusan kanan dalam mesyuarat peringkat bahagian yang dipengerusikan oleh Ketua Pegawai Eksekutif dan jika perlu, pelan tindakan akan disediakan untuk menangani risiko dan isu-isu yang dikenal pasti.
- vii) Maklumat yang kerap dan menyeluruh disediakan oleh Pengurusan kepada Lembaga Pengarah dan Jawatankuasa-jawatankuasanya yang meliputi prestasi kewangan, petunjuk prestasi utama dan prestasi aliran tunai;
- viii) Pelbagai sistem maklumat pengurusan diwujudkan untuk menyediakan maklumat yang tepat dan kena pada masanya berhubung prestasi Kumpulan kepada pihak pengurusan dan bagi membantu pengurusan membuat keputusan yang berkesan;
- ix) Sebuah Rangka Kerja Pengurusan Risiko disediakan dan telah disemak semula pada tahun 2011 untuk mempertingkatkan keberkesanannya dan memastikan agar ia terus bersesuaian dan boleh diaplikasi dengan perubahan dalam struktur, proses dan persekitaran perniagaan Kumpulan; dan
- x) Kunjungan dan kajian secara kerap oleh Audit Dalaman dilaksanakan ke atas bidang-bidang risiko utama bagi menyediakan jaminan bebas terhadap keberkesanan sistem kawalan dalaman Kumpulan serta memberi nasihat yang membina kepada Pengurusan untuk penambahbaikan seterusnya.

Lembaga Pengarah percaya bahawa pembangunan sistem kawalan dalaman merupakan suatu proses berterusan dan telah mengambil langkah untuk menambahbaik sistem kawalan dalaman sepanjang tahun yang ditinjau, dan akan terus melakukan yang sedemikian. Pada tahun yang ditinjau, beberapa aspek yang boleh dipertingkatkan dalam sistem kawalan dalaman telah dikesan. Pengurusan telah bertindak balas terhadap isu-isu yang dibangkitkan dan mengambil langkah-langkah yang sewajarnya untuk menangani aspek-aspek yang boleh dipertingkatkan yang telah dipaparkan tersebut.

Pengaturan bagi pemantauan, kajian dan laporan yang ada menyediakan jaminan munasabah bahawa struktur kawalan dan operasinya adalah bersesuaian dengan operasi Kumpulan dan bahawa risiko berada di paras yang boleh diterima di seluruh perniagaan Kumpulan. Walau bagaimanapun, pengaturan sedemikian tidak menghapuskan kemungkinan kesilapan manusia, pengabaian prosedur kawalan secara sengaja oleh kakitangan dan pihak-pihak lain atau berlakunya peristiwa yang tidak diramal. Lembaga Pengarah berpendapat bahawa sistem kawalan dalaman yang ada pada tahun ditinjau berada dalam keadaan baik dan memuaskan untuk melindungi pelaburan pemegang saham, kepentingan pemegang kepentingan dan aset Kumpulan.

Penyata Kawalan Dalaman ini telah diluluskan oleh Lembaga Pengarah melalui resolusinya pada 14 Februari 2012.

Tan Sri Azlan Zainol
Pengerusi
Malaysian Resources Corporation Berhad

RISK MANAGEMENT REPORT

One of the strategic moves made by the Board in its efforts to protect shareholders value is the establishment of an integrated and structured enterprise risk management process within the Group. Since February 2003, the Board together with the Management have developed and implemented structured Enterprise Risk Management (“ERM”) practices throughout the Group.

To provide a foundation for enterprise risk management in the Group, the Management had designed a Risk Management Framework and Manual (“RMF”) which was approved by the Board on 17 February 2003. This Framework was implemented throughout the Group. In 2011, a comprehensive review of the RMF was undertaken to align the RMF with best practices recommended by the COSO Enterprise Risk Management – Integrated Framework and to ensure that it remains relevant and effective for the pro-active management of risks, particularly the strategic risks of the Group, in its present operating environment.

KEY REVISIONS MADE TO THE RMF WERE AS FOLLOWS:

- a The Group’s policy on managing risk was enhanced with the introduction of the concept of the risk of unrealised opportunities;
- b Risk categories were revised and expanded to reflect the expansion of the Group’s scale and scope of operations;
- c A common set of risk definitions for key risk events were developed to facilitate uniformity of understanding throughout the Group;
- d The granularity of the risk rating scale was expanded from a 2x2 scale to a 4x4 scale in response to management’s improved understanding of risks; and
- e The roles and responsibilities of the various parties involved in risk oversight were refined and aligned with changes in the organization and reporting structure that have taken place since the last review of the RMF.

The Corporate Governance Department is responsible for developing, coordinating and facilitating the ERM processes within the Group.

RISK REPORTING AND MONITORING

The Board has delegated to the AC the responsibility to oversee and monitor all risk management activities of the Group. In this respect, the AC is assisted by the CEO and a Risk Management Working Committee (“RMWC”), which comprises key senior management personnel of the Group.

The RMWC, which meets on a quarterly basis, monitors the effectiveness of the risk mitigating actions that have been proposed by management, evaluates and monitors the risk management infrastructure and facilitates the risk management process throughout the Group.

RISK MANAGEMENT SYSTEM

During the year under review, the Corporate Governance Department had worked with the Information Technology Department to develop an IT-enabled Risk Management System to facilitate the documentation, monitoring and reporting of risks, controls and mitigating action plans throughout the Group. The Risk Management System has been operational since the 3rd Quarter of 2011.

To introduce the revised Risk Management Framework and Risk Management System to the senior and middle management team of the Group, various briefing and system demonstration sessions were conducted by the Corporate Governance Department. The Corporate Governance Department also actively engaged with senior and middle management to share information and current thinking on risk management in an effort to embed risk-consciousness into the culture of the Group.

The MRCB Board and Management constantly reviews the effectiveness of the Group’s risk management system and will continue to devote the appropriate amount of resources to this end.

This Risk Management Report is approved by the Board of Directors via its resolution on 14 February 2012.

Tan Sri Azlan Zainol

Chairman

Malaysian Resources Corporation Berhad

LAPORAN PENGURUSAN RISIKO

Salah satu daripada langkah strategik yang dilakukan oleh Lembaga Pengarah dalam usahanya melindungi nilai pemegang saham adalah mewujudkan proses pengurusan risiko perniagaan yang berwibawa dan tersusun di dalam Kumpulan. Sejak Februari 2003, Lembaga Pengarah berserta Pengurusan telah merangka dan melaksanakan amalan Pengurusan Risiko Perniagaan ("ERM") yang tersusun di seluruh Kumpulan.

Bagi menyediakan asas untuk pengurusan risiko dalam Kumpulan, Pengurusan mewujudkan Rangka Kerja dan Manual Pengurusan Risiko ("RMF") yang telah diluluskan oleh Lembaga Pengarah pada 17 Februari 2003. Rangka Kerja tersebut dilaksanakan di seluruh Syarikat. Pada tahun 2011, satu kajian menyeluruh terhadap RMF telah dilaksanakan untuk menyelaraskan RMF dengan amalan-amalan terbaik yang disarankan oleh COSO Enterprise Risk Management - Integrated Framework dan memastikan supaya ia kekal relevan dan berkesan untuk membolehkan pengurusan risiko yang proaktif, khususnya risiko strategik Kumpulan, dalam persekitaran operasinya masa kini.

SEMAKAN SEMULA UTAMA YANG DIBUAT KE ATAS RMF ADALAH SEPERTI BERIKUT:

- a Dasar Kumpulan berhubung pengurusan risiko telah dipertingkatkan dengan pengenalan konsep risiko peluang tidak direalisasikan;
- b Kategori-kategori risiko disemak semula dan diperluaskan agar bersesuaian dengan pengembangan skala dan skop operasi Kumpulan;
- c Satu set takrifan risiko bagi peristiwa-peristiwa risiko utama telah diwujudkan untuk membentuk keseragaman pemahaman di seluruh Kumpulan;
- d Kebutuhan skala penarafan risiko telah diluaskan daripada skala 2x2 kepada skala 4x4, sejajar dengan peningkatan pemahaman risiko oleh pihak pengurusan; dan
- e Peranan dan tanggungjawab pelbagai pihak yang terlibat dalam pengawasan risiko telah diperhalusi dan diselaraskan dengan perubahan dalam struktur organisasi dan laporan yang telah berlaku sejak kajian terakhir RMF.

Jabatan Tadbir Urus Korporat bertanggungjawab merangka, menyelaraskan dan membantu semua proses ERM di dalam Kumpulan.

LAPORAN DAN PEMANTAUAN RISIKO

Lembaga Pengarah mempertanggungjawabkan Jawatankuasa Audit ("JA") untuk mengawasi dan memantau semua aktiviti pengurusan risiko Kumpulan. Sehubungan itu, JA dibantu oleh Ketua Pegawai Eksekutif dan Jawatankuasa Kerja Pengurusan Risiko ("JKPR") yang terdiri daripada kakitangan pengurusan kanan utama Kumpulan.

JKPR yang bermesyuarat setiap suku tahun, memantau keberkesanan tindakan pengurangan risiko yang telah dicadangkan oleh pengurusan, menilai dan memantau infrastruktur pengurusan risiko dan membantu proses pengurusan risiko di seluruh Kumpulan.

SISTEM PENGURUSAN RISIKO

Pada tahun yang ditinjau, Jabatan Tadbir Urus Korporat telah bekerjasama dengan Jabatan Teknologi untuk membangunkan Sistem Pengurusan Risiko berkemampuan IT bagi memudahkan dokumentasi, pemantauan dan laporan risiko, kawalan dan rancangan tindakan pengurangan di segenap Kumpulan. Sistem Pengurusan Risiko tersebut telah beroperasi sejak Suku Tahun Ketiga 2011.

Beberapa sesi taklimat dan demonstrasi sistem dijalankan oleh Jabatan Tadbir Urus Korporat untuk memperkenalkan Rangka Kerja Pengurusan Risiko dan Sistem Pengurusan Risiko yang telah disemak semula tersebut kepada pasukan pengurusan kanan dan pertengahan Kumpulan. Jabatan Tadbir Urus Korporat juga aktif mengadakan pertemuan dengan pengurusan kanan dan pertengahan untuk berkongsi maklumat dan buah fikiran semasa berhubung pengurusan risiko dalam usaha untuk menerapkan kesedaran risiko ke dalam budaya Kumpulan.

Lembaga Pengarah dan Pengurusan MRCB sentiasa mengkaji keberkesanan sistem pengurusan risiko Kumpulan dan akan terus memperuntukkan sumber yang sewajarnya untuk mencapai hasrat ini.

Laporan Pengurusan Risiko ini diluluskan oleh Lembaga Pengarah melalui resolusinya pada 14 Februari 2012.

Tan Sri Azlan Zainol
Pengerusi
Malaysian Resources Corporation Berhad

ADDITIONAL COMPLIANCE INFORMATION

i) Utilisation of Proceeds Raised from Corporate Proposals

The Company has allotted 455,389,159 new ordinary shares of RM1.00 each on the basis of 1 rights share for every 2 existing ordinary shares of RM1.00 held on 2 February 2010 at an issue price of RM1.12 for each rights share ("Rights Issue").

The status of utilisation of proceeds of the Rights Issue is as follows:

	Proposed utilisation of proceeds (RM'000)	Amount utilised as at 31.12.2011 (RM'000)
Equity investment in Nu Sentral Sdn Bhd	85,000	85,000
Capital expenditure in relation to future business expansion		
Investment in prime land for property development	380,000	380,000
Investment in environmental engineering and infrastructure		
Investment in building services		
Working capital requirements, general corporate purposes and capital expenditure	38,277	38,277
Estimated expenses in relation to the Rights Issue	6,763	6,763
Total	510,040	510,040

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 2011.

iii) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2011 other than the granting of options under ESOS as disclosed in Note 31 to the financial statements (pages 230 to 232 of the Annual Report).

The aggregate maximum and actual ESOS allocation to directors and senior management during the financial year 2011 and since the commencement of the ESOS are as follow:

	Financial Year 2011		Since the commencement of the ESOS	
	Maximum Allowable Allocation (%)	Actual Allocation (%)	Maximum Allocation Applicable (%)	Actual Allocation (%)
Executive directors and senior management*	NIL	NIL	10.35	8.81

*The executive directors and senior management of the Company will be granted the initial 50% of the maximum allowable allotment and the balance 50% will be granted the following year based on performance rating.

(iv) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2011.

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 2011.

vi) Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2011 were RM370,000 and RM198,000 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 2011.

ix) Material Contracts

There has been no material contracts involving directors and major shareholders' interests entered into during the financial year 2011.

x) List of Properties and Revaluation Policy

The list of properties is set out on page 146 to 148 of this Annual Report. There was no revaluation of properties of the Company during the financial year 2011.

xi) Recurrent Related Party Transaction of a Revenue or Trading Nature

There were no recurrent related party transactions during the financial year 2011 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

Syarikat telah memperumpukkan sebanyak 455,389,159 saham biasa baru berharga RM1.00 sesaham pada asas 1 saham hak untuk setiap 2 saham biasa yang sedia ada berharga RM1.00 sesaham yang dipegang pada 2 Februari 2010 pada harga terbitan RM1.12 setiap saham hak ("Penerbitan Hak").

Status penggunaan kutipan Penerbitan Hak adalah seperti berikut:

	Cadangan penggunaan kutipan (RM'000)	Jumlah yang telah digunakan sehingga 31.12.2011 (RM'000)
Pelaburan ekuiti dalam Nu Sentral Sdn Bhd	85,000	85,000
Perbelanjaan modal berkaitan pengembangan pemiagaan masa depan		
<ul style="list-style-type: none"> Pelaburan dalam tanah bertaraf perdana bagi pembangunan hartanah Pelaburan dalam kejuruteraan alam sekitar dan infrastruktur Pelaburan dalam perkhidmatan pengurusan bangunan 	380,000	380,000
Keperluan modal kerja, kegunaan am korporat dan perbelanjaan modal	38,277	38,277
Anggaran perbelanjaan berkaitan Penerbitan Hak	6,763	6,763
Jumlah	510,040	510,040

ii) Pembelian Balik Saham

Syarikat tidak memohon sebarang kelulusan daripada para pemegang saham untuk sebarang cadangan pembelian balik saham pada tahun kewangan 2011.

iii) Opsyen, Waran atau Sekuriti Boleh Ditukar

Syarikat tidak menerbitkan sebarang opsyen, waran atau sekuriti boleh ditukar pada tahun kewangan 2011 selain daripada pemberian opsyen di bawah ESOS seperti yang dinyatakan dalam Nota 31 Penyata Kewangan (muka surat 230 hingga 232 dalam Laporan Tahunan).

	Tahun Kewangan 2011		Sejak ESOS dimulakan	
	Pembahagian Kewangan dibenarkan (%)	Pembahagian Sebenar (%)	Pembahagian Maksimum Diguna Pakai (%)	Pembahagian Sebenar (%)
Pengarah eksekutif dan pengurusan kanan*	Tiada	Tiada	10.35	8.81

Pengarah eksekutif dan pengurusan kanan Syarikat akan menerima 50% daripada perumpukan maksimum yang dibenarkan pada awalnya dan baki 50% akan diberi pada tahun yang berikutnya berdasarkan penilaian prestasi.

iv) American Depository Receipt ("ADR") atau Global Depository Receipt ("GDR")

Syarikat tidak menaja sebarang program ADR atau GDR pada tahun kewangan 2011.

v) Sekatan dan/atau Denda yang Dikenakan

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasaan peraturan berkaitan ke atas MRCB atau syarikat subsidiari, pengarah atau pengurusannya dalam tahun kewangan 2011.

vi) Yuran Bukan Audit

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar bagi tahun kewangan 2011 oleh Kumpulan adalah sebanyak RM370,000 dan oleh Syarikat sebanyak RM198,000.

vii) Perbezaan Keputusan

Tiada perbezaan dalam keputusan kewangan sebanyak 10% atau lebih daripada sebarang keuntungan anggaran/ramalan/unjuran/keputusan tidak diaudit yang diumumkan.

viii) Jaminan Keuntungan

Tiada jaminan keuntungan diberi oleh Syarikat pada tahun kewangan 2011.

ix) Kontrak Penting

Tiada kontrak penting melibatkan kepentingan pengarah atau pemegang saham utama yang telah dimeterai pada tahun kewangan 2011.

x) Senarai Hartanah dan Dasar Penilaian Semula

Senarai hartanah disediakan di muka surat 146 hingga 148 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat pada tahun kewangan 2011.

(xi) Urusniaga Pihak Berkaitan yang Berulangan Berbentuk Hasil atau Perdagangan

Tiada urusniaga pihak berkaitan yang berulangan pada tahun kewangan 2011 melainkan yang didedahkan dalam penyata kewangan beraudit yang dikecualikan di bawah Keperluan Penyenaraian.

MATERIAL CONTRACTS

MRCB (JANUARY 2011 – DECEMBER 2011)

1. Share Sale Agreement between Fadzil bin Ahmad, Usman bin Suratman, Mohd Shamir bin Mohd Hassan and Malaysian Resources Corporation Berhad

Share Sale Agreement dated 7th April 2011 entered into between Fadzil bin Ahmad, Usman bin Suratman, Mohd Shamir bin Mohd Hassan (“Vendors”) and Malaysian Resources Corporation Berhad (“Purchaser”) for the sale and purchase of the 200,000 Ordinary Shares of RM1.00 each (“Shares”) held by the Vendors in 59 INC Sdn Bhd for a total consideration price of RM110,000,000.00 only. The transfer of the Shares have been duly completed.

2. Privatisation Agreement between the Government of Malaysia, Syarikat Tanah dan Harta Sdn Bhd and Country Annexe Sdn Bhd

Malaysian Resources Corporation Berhad has through its subsidiary Country Annexe Sdn Bhd (“Company”) entered into a Privatisation Agreement dated 5th July 2011 with the Government of Malaysia and Syarikat Tanah dan Harta Sdn Bhd (“Hartanah”) for the development of the project known as Little India, Pines Bazaar and Government Quarters (“Project”) on part of the land held under H.S.(D) No. 64420 P.T. 8, Seksyen 95, Bandar Kuala Lumpur for the consideration of the exchange of land known as Lot No. 349 and Lot 266 both located in Seksyen 72, Bandar Kuala Lumpur from Hartanah to the Company. The Project is pending completion.

3. Share Sale Agreement between Pembinaan Redzai Sdn Bhd and Malaysian Resources Corporation Berhad

Share Sale Agreement dated 7th October 2011 (“Agreement”) entered into between Pembinaan Redzai Sdn Bhd (“Vendor”) and Malaysian Resources Corporation Berhad (“Purchaser”) for the sale and purchase of the 4,810,000 Ordinary Shares of RM1.00 each and RM2,590,000.00 loan stocks together with accrued loan stock interest held by the Vendor in Kuala Lumpur Sentral Sdn Bhd for a total purchase consideration of RM12,500,000.00 only. The proposed acquisition was completed on 29th December 2011. The transfer of the acquired shares is in progress.

4. Letter of Award from Kumpulan Wang Simpanan Pekerja to MRCB Engineering Sdn Bhd

Letter of Award dated 8th December 2011 from Kumpulan Wang Simpanan Pekerja (“KWSP”) to MRCB Engineering Sdn Bhd for the design, construction and completion of renovation/upgrading works of KWSP Kota Kinabalu building (“Project”) for a contract value of RM13,928,999.00 only. The Conditions of Contract for the said Project has been executed by both parties on 16th January 2012. The Project is estimated to be completed by 15th July 2013

5. Letter of Award from Syarikat Prasarana Negara Berhad to MRCB Engineering Sdn Bhd

Syarikat Prasarana Negara Berhad (“SPNB”) has on 15th August 2011 issued a Letter of Award to MRCB Engineering Sdn Bhd a wholly owned subsidiary of Malaysian Resources

Corporation Berhad the contract for the construction and completion of facilities works including fabrication and delivery of segmental box graders (Package B) for the Ampang line extension project (“Project”) for the lump sum contract of RM1,326,558,767.63 only. The Project is estimated to be completed within 30 months from the date of site possession.

6. Letter of Award from Syarikat Prasarana Negara Berhad to MRCB Engineering Sdn Bhd

Syarikat Prasarana Negara Berhad (“SPNB”) has on 15th August 2011 issued a Letter of Award to MRCB Engineering Sdn Bhd as a nominated sub-contractor to Sunway Construction Sdn Bhd the sub-contract for the fabrication and delivery of segmental box graders (Package B) for the Kelana Jaya line extension project (“Project”) for the sub-contract sum of RM67,206,713.90 only. The Project is estimated to be completed within 20 months from the commencement date which is defined as anytime within 14 days from the Notice To Proceed.

7. Letter of Award from Department of Irrigation and Drainage to Malaysian Resources Corporation Berhad

The Department of Irrigation and Drainage has on 13th October 2011 issued a Letter of Award to Malaysian Resources Corporation Berhad to carry out “Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang” (“Project”) for the contract sum of RM46.5 million only. The Project is scheduled to be completed by March 2013.

8. Letter of Award from Department of Irrigation and Drainage to Malaysian Resources Corporation Berhad

The Department of Irrigation and Drainage has on 30th November 2011 issued a Letter of Award to Malaysian Resources Corporation Berhad to carry out “Projek Membaikpulih Muara Sungai Perai, Pulau Pinang Secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Fasa 3)” (“Project”) for the contract sum of RM40.33 million only. The Project is scheduled to be completed by March 2013.

9. Joint Venture and Shareholders’ Agreement between Malaysian Resources Corporation Berhad with Ekovest Berhad and Ekovest – MRCB JV Sdn Bhd (Formerly known as KL Bund Sdn Bhd)

Malaysian Resources Corporation Berhad (“MRCB”) has on 29th March 2011 entered into a Joint Venture and Shareholders’ Agreement (“JVSA”) with Ekovest Berhad and Ekovest – MRCB JV Sdn Bhd (“EMJV”) (formerly known as KL Bund Sdn Bhd) in relation to the River of Life project. Pursuant to the JVSA, MRCB will hold 40% equity interest in EMJV. The JVSA was completed on the same date. The allotment of shares by EMJV is in progress.

KONTRAK-KONTRAK PENTING

MRCB (JANUARI 2011 – DISEMBER 2011)

- 1. Perjanjian Penjualan Saham di antara Fadzil bin Ahmad, Usman bin Suratman, Mohd Shamir bin Mohd Hassan dan Malaysian Resources Corporation Berhad**
Perjanjian Penjualan Saham bertarikh 7hb April 2011 yang ditandatangani di antara Fadzil bin Ahmad, Usman bin Suratman, Mohd Shamir bin Mohd Hassan (“Penjual”) dan Malaysian Resources Corporation Berhad (“Pembeli”) bagi penjualan dan pembelian 200,000 unit Saham Biasa bernilai RM1.00 sesaham (“Saham”) yang dipegang oleh Penjual dalam 59 INC Sdn Bhd dengan jumlah harga pembelian RM110,000,000.00 sahaja. Pindahmilik Saham tersebut telah disempurnakan.
- 2. Perjanjian Penswastaaan di antara Kerajaan Malaysia, Syarikat Tanah dan Harta Sdn Bhd dan Country Annexe Sdn Bhd**
Malaysian Resources Corporation Berhad melalui anak syarikatnya Country Annexe Sdn Bhd (“Syarikat”) telah menandatangani satu Perjanjian Penswastaaan bertarikh 5hb Julai 2011 dengan Kerajaan Malaysia dan Syarikat Tanah dan Harta Sdn Bhd (“Hartanah”) untuk pembangunan projek yang dikenali sebagai Little India, Pines Bazaar dan Kuarters Kerajaan (“Projek”) di atas sebahagian daripada tanah dikenali sebagai HS (D) No. 64420 P.T. 8, Seksyen 95, Bandar Kuala Lumpur untuk balasan pertukaran tanah yang dikenali sebagai Lot 349 dan Lot 266 kedua-duanya terletak di Seksyen 72, Bandar Kuala Lumpur daripada Hartanah kepada Syarikat. Projek ini masih dalam peringkat penyempurnaan.
- 3. Perjanjian Penjualan Saham di antara Pembinaan Redzai Sdn Bhd and Malaysian Resources Corporation Berhad**
Perjanjian Penjualan Saham bertarikh 7hb Oktober 2011 yang ditandatangani di antara Pembinaan Redzai Sdn Bhd (“Penjual”) dan Malaysian Resources Corporation Berhad (“Pembeli”) bagi penjualan dan pembelian 4,810,000 unit Saham Biasa bernilai RM1.00 sesaham dan stok pinjaman bernilai RM2,590,000.00 sahaja yang dipegang oleh Penjual dalam Kuala Lumpur Sentral Sdn Bhd dengan jumlah harga pembelian RM12,500,000.00 sahaja. Cadangan pengambilan telah disempurnakan pada 29hb Disember 2011. Pindahmilik saham tersebut masih dalam proses penyempurnaan.
- 4. Surat Tawaran daripada Kumpulan Wang Simpanan Pekerja kepada MRCB Engineering Sdn Bhd**
Surat Tawaran bertarikh 8hb Disember 2011 daripada Kumpulan Wang Simpanan Pekerja (“KWSP”) kepada MRCB Engineering Sdn Bhd untuk merekabentuk, membina dan menyiapkan kerja-kerja pengubahsuaian/ menaiktaraf bangunan KWSP Kota Kinabalu untuk nilai kontrak berjumlah RM13,928,999.00 sahaja. Syarat-syarat Kontrak untuk Projek ini telah ditandatangani oleh kedua-dua pihak pada 16hb Januari 2012. Projek ini dijangka siap pada 15hb Julai 2013.
- 5. Surat Tawaran daripada Syarikat Prasarana Negara Berhad kepada MRCB Engineering Sdn Bhd**
Surat Tawaran bertarikh 15hb Ogos 2011 daripada Syarikat Prasarana Negara Berhad (“SPNB”) kepada MRCB Engineering Sdn Bhd anaksyarikat Malaysian Resources Corporation Berhad kontrak untuk pembinaan dan penyiapan kerja-kerja kemudahan termasuk kerja-kerja pengubahsuaian dan penghantaran “segmental box grids” (Package B) untuk projek laluan tambahan Ampang (“Projek”) untuk nilai kontrak berjumlah RM1,326,558,767.63 sahaja. Projek ini dijangka siap dalam tempoh masa 30 bulan daripada tarikh pengambilan tapak.
- 6. Surat Tawaran daripada Syarikat Prasarana Negara Berhad kepada MRCB Engineering Sdn Bhd**
Surat Tawaran bertarikh 15hb Ogos 2011 daripada Syarikat Prasarana Negara Berhad (“SPNB”) kepada MRCB Engineering Sdn Bhd “nominated sub-contractor” kepada Sunway Construction Sdn Bhd kerja-kerja sub-kontrak untuk pengubahsuaian dan penghantaran “segmental box grids” (Package B) untuk projek laluan tambahan Kelana Jaya (“Projek”) untuk nilai sub-kontrak berjumlah RM67,206,713.90 sahaja. Projek ini dijangka siap dalam tempoh masa 20 bulan daripada tarikh mula kerja yang didefinisikan sebagai 14 hari daripada Notis Mula Kerja.
- 7. Surat Tawaran daripada Jabatan Pengairan dan Saliran kepada Malaysian Resources Corporation Berhad**
Surat Tawaran bertarikh 13hb Oktober 2011 daripada Jabatan Pengairan dan Saliran kepada Malaysian Resources Corporation Berhad untuk Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang (“Projek”) untuk nilai kontrak berjumlah RM46.5 juta sahaja. Projek ini dijadualkan siap pada bulan Mac 2013.
- 8. Surat Tawaran daripada Jabatan Pengairan dan Saliran kepada Malaysian Resources Corporation Berhad**
Surat Tawaran bertarikh 30hb November 2011 daripada Jabatan Pengairan dan Saliran kepada Malaysian Resources Corporation Berhad untuk Projek Membaikpulih Muara Sungai Perai, Pulau Pinang Secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Fasa 3) (“Projek”) untuk nilai kontrak berjumlah RM40.33 juta sahaja. Projek ini dijadualkan siap pada bulan Mac 2013.
- 9. Perjanjian Usahasama dan Pemegang Saham di antara Malaysian Resources Corporation Berhad, Ekovest Berhad dan Ekovest - MRCB JV Sdn Bhd (Dahulunya dikenali sebagai KL Bund Sdn Bhd)**
Malaysian Resources Corporation Berhad (“MRCB”) telah menandatangani satu Perjanjian Usahasama dan Pemegang Saham bertarikh 29hb Mac 2011 dengan Ekovest Berhad dan Ekovest – MRCB JV Sdn Bhd (“EMJV”) (dahulunya dikenali sebagai KL Bund Sdn Bhd) berhubung projek River of Life. Selaras dengan Perjanjian ini, MRCB akan memegang 40% kepentingan ekuiti dalam EMJV. Perjanjian ini telah disempurnakan pada tarikh yang sama. Pengagihan saham oleh EMJV masih dalam proses penyempurnaan.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 JANUARY 2012

Authorised Share Capital	:	2,000,000,000
Issued and Paid-up Share Capital	:	RM1,386,318,087
Type of Shares	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	35,646
Voting Rights	:	One vote for every share

Distribution Of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	4,229	11.87	170,145	0.01
100 to 1,000	9,981	28.00	6,169,513	0.45
1,001 to 10,000	17,172	48.17	66,865,101	4.82
10,001 to 100,000	3,728	10.46	107,680,668	7.77
100,001 to less than 5% of issued shares	535	1.50	620,361,860	44.75
5% and above of issued shares	1	0.00	585,070,800	42.20
Total	35,646	100.00	1,386,318,087	100.00

Substantial Shareholders (5% and above)

Name	No. of Shares	(%)
Employees Provident Fund Board (Shares held in CDS account: Citigroup Nominees (Tempatan) Sdn Bhd)	585,070,800	42.20

Directors' Shareholding

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Azlan Zainol	-	-	-	-
Datuk Mohamed Razeek Md Hussain Maricar	-	-	-	-
Dato' Shahril Ridza Ridzuan	500,000	0.04	-	-
Dato' Abdul Rahman Ahmad	-	-	-	-
Dato' Ahmad Ibnihajar	-	-	-	-
Che King Tow	-	-	-	-
Dato' Chong Pah Aung	-	-	-	-
Jamaludin Zakaria	-	-	-	-

ANALISA PEGANGAN SAHAM

PADA 31 JANUARI 2012

Modal Saham Dibenarkan	:	2,000,000,000
Modal Saham Terbitan dan Berbayar:	:	RM1,386,318,087
Jenis Saham	:	Saham Biasa bernilai RM1.00 setiap satu
Bil. Pemegang Saham	:	35,646
Hak Mengundi	:	Satu undi untuk setiap saham

Pecahan Pegangan Saham

Saiz Pegangan Saham	Bilangan Pemegang Saham	%	Bilangan Saham	%
Kurang dari 100	4,229	11.87	170,145	0.01
100 hingga 1,000	9,981	28.00	6,169,513	0.45
1,001 hingga 10,000	17,172	48.17	66,865,101	4.82
10,001 hingga 100,000	3,728	10.46	107,680,668	7.77
100,001 hingga kurang dari 5% saham terbitan	535	1.50	620,361,860	44.75
5% dan lebih saham terbitan	1	0.00	585,070,800	42.20
Jumlah	35,646	100.00	1,386,318,087	100.00

Pemegang Saham Utama (5% Dan Ke Atas)

Nama	Bilangan Saham	(%)
Employees Provident Fund Board (Saham yang dipegang dalam akaun CDS: Citigroup Nominees (Tempatan) sdn Bhd)	585,070,800	42.20

Pegangan Saham Pengarah

Nama	Kepentingan Langsung		Kepentingan Tidak Langsung	
	Bilangan Saham	%	Bilangan Saham	%
Tan Sri Azlan Zainol	-	-	-	-
Datuk Mohamed Razeek Md Hussain Maricar	-	-	-	-
Dato' Shahril Ridza Ridzuan	500,000	0.04	-	-
Dato' Abdul Rahman Ahmad	-	-	-	-
Dato' Ahmad Ibnihajar	-	-	-	-
Che King Tow	-	-	-	-
Dato' Chong Pah Aung	-	-	-	-
Jamaludin Zakaria	-	-	-	-

TOP 30 LARGEST SHAREHOLDERS

AS AT 31 JANUARY 2012

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 Employees Provident Fund Board	585,070,800	42.20
2. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges BK Lend)	49,577,000	3.58
3. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Ittikal Fund (N14011970240)	43,200,000	3.12
4. Lembaga Tabung Haji	32,862,773	2.37
5. AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	22,030,300	1.59
6. AmanahRaya Trustees Berhad Public Savings Fund	14,216,600	1.03
7. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Saudi Arabia)	13,806,600	1.00
8. AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	12,423,400	0.90
9. Citigroup Nominees (Asing) Sdn Bhd CBHK For Kuwait Investment Authority (Fund 202)	12,137,700	0.88
10. AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad For CIMB Islamic DALI Equity Growth Fund (UT-CIMB-DALI)	10,175,000	0.73
11. AmanahRaya Trustees Berhad Public Islamic Select Enterprises Fund	8,840,300	0.64
12. HSBC Nominees (Asing) Sdn Bhd Exempt An For CACEIS Bank Luxembourg (CLT ACCT-LUX)	8,644,500	0.62
13. AmanahRaya Trustees Berhad Public Islamic Equity Fund	8,629,550	0.62
14. AmanahRaya Trustees Berhad Public Islamic Dividend Fund	8,467,500	0.61
15. AmanahRaya Trustees Berhad PB Growth Fund	8,327,300	0.60
16. Valuecap Sdn Bhd	8,101,600	0.58

Name	No of Shares	%
17. AmanahRaya Trustees Berhad Public Islamic Optimal Growth Fund	7,232,150	0.52
18. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	7,176,100	0.52
19. CIMB Group Nominees (Tempatan) Sdn Bhd AmTrustee Berhad For CIMB Islamic DALI Equity Theme Fund	5,798,700	0.42
20. Mayban Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Family PRF EQ)	5,460,200	0.39
21. AmanahRaya Trustees Berhad Public Sector Select Fund	5,313,400	0.38
22. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)	5,285,850	0.38
23. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	5,270,350	0.38
24. AmanahRaya Trustees Berhad Public Index Fund	4,955,900	0.36
25. HSBC Nominees (Asing) Sdn Bhd NTGS LDN For Fonds Voor Gemene Rekening Beroepsvervoer	4,896,100	0.35
26. Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Par Fund)	4,600,000	0.33
27. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Telstra Superannuation Scheme	4,358,300	0.31
28. Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds Malaysia	3,966,150	0.29
29. Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	3,959,050	0.29
30. AmanahRaya Trustees Berhad Public Islamic Mixed Asset Fund	3,919,900	0.28

30 PEMEGANG SAHAM TERBESAR

PADA 31 JANUARI 2012

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 Employees Provident Fund Board	585,070,800	42.20
2. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges BK Lend)	49,577,000	3.58
3. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Ittikal Fund (N14011970240)	43,200,000	3.12
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Nama	Bilangan Saham	%
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27. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Telstra Superannuation Scheme	4,358,300	0.31
28. Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds Malaysia	3,966,150	0.29
29. Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	3,959,050	0.29
30. AmanahRaya Trustees Berhad Public Islamic Mixed Asset Fund	3,919,900	0.28

PROPERTIES OF THE GROUP

31 DECEMBER 2011

Description/ Existing Use	Location	Area	Net Book Value As At 31/12/2011 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building	Encumbrance
Kompleks Sentral - 6 storey industrial buildings/flatted factories and warehouse	33, Jalan Segambut Atas, Segambut 51200 Kuala Lumpur, Wilayah Persekutuan.	72,098 sq. metres	33,158	1982	Leasehold 66 years expiring on 2.2.2044	26 years	Yes
Land for proposed mixed housing development	PT. No. 35730, 33745, 33746, 33747, 35759, 33632, 33653, 33654, 33468 And 6748 (Part), Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	3.364 hectares	7,448	1987	Freehold	–	Nil
Land for proposed condominium development	Country Lease No. 015146120, Minicipality And District of Kota Kinabalu, Sabah.	1.10 hectares	0	1989	Leasehold 999 years expiring on 4.7.2918	–	Nil
Land for proposed mixed commercial development	H.S. (D) 79956 PT. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	1.21 hectares	12,633	1992	Leasehold 99 years expiring on 15.9.2092	–	Nil
Plaza Alam Sentral - 7 level shopping complex	H.S. (D) 79956 PT. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	68,233 sq. metres	80,071	1992	Leasehold 99 years expiring on 15.9.2092	12 years	Yes
Land for proposed high-end residential development at Batu Feringghi, Penang	Lot-Lot 365, 366, 461 (PT 100), 465 And 467 (PT 102) Seksyen 1, Bandar Batu Feringghi, Daerah Timur Laut, Pulau Pinang.	1.352 hectares	27,836	2009	Freehold	–	Nil
Development land for proposed combines lifestyle facilities with green office campus	Lot 73 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	49,260 sq. metres	364,984	10.3.1999	Freehold	–	Yes

Description/ Existing Use	Location	Area	Net Book Value As At 31/12/2011 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building	Encumbrance
Development land and infrastructure surrounding Kuala Lumpur central station	Lot 74 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	23,080 sq. metres	495,179	10.3.1999	Freehold	–	Nil
Industrial land	Plot No. 143 & 145, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,692 sq. metres	6,269	2.12.1997	Freehold	–	Nil
4 storey shop office	Sub Lot No. 4, 5 & 6 H.S. (D) 49729, Lot PT 33487, Taman Kajang Utama Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan.	1,485 sq. metres	1,104	28.12.1999	Freehold	12 years	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 Ridzwan.	156 sq. metres	193	27.5.2005	Leasehold 99 years expiring on 18.3.2102	9 years	Nil
Several parcels of land for proposed mixed development	PT 1-282, 1123, 1133, PT 1141, 926-1113, PT1128, 1135, PT 1137-1139, PT 2974, 2981 PT 2984, PT 2988-2991, PT 3031-3049, PT 3058-3061,3080 PT 7432-7547, PT 7549-7653, PT 7746-7777, PT 8308-8380, KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzwan.	577,499 sq. metres	30,541	2001, 2002, 2009 & 2010	Leasehold 99 years expiring between 13.3.2100 to 18.10.2109	–	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2011

Description/ Existing Use	Location	Area	Net Book Value As At 31/12/2011 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building	Encumbrance
Sooka Sentral - 6 storey clubhouse	Geran 46225, Lot 77 Sek 70, Bandar Kuala Lumpur, District of Kuala Lumpur, Kuala Lumpur, Wilayah Persekutuan.	5,661 sq. metres	52,420	9.3.2007	Freehold	4 years	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.	8,174 sq. feet	2,624	17.01.2008	Freehold	5 years	Nil
Development land for proposed commercial buildings and service apartments	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	8,475 sq. metres	285,884	2007	Freehold	–	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 sq. metres	157,097	2011	Leasehold 99 years expiring on 4.7.2110	–	Nil
Land for proposed mixed development	PN No: 27016, Lot 82, Seksyen 63, Bandar and Mukim of Kuala Lumpur, Wilayah Persekutuan.	4,072 sq. metres	34,347	2011	Leasehold 99 years expiring on 9.8.2021	–	Nil

FINANCIAL REPORT 2011

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163	Company Statements of Changes in Equity
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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 2011.

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 the 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	77,462	62,937
Non-controlling interests	14,463	–
	<u>91,925</u>	<u>62,937</u>

DIVIDENDS

The Company paid a first and final dividend in respect of the financial year ended 31 December 2010 of 1.5% or 1.5 sen per ordinary share less income tax of 25%, amounting RM15,570,656 on 4 May 2011.

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2011 of 2.0% or 2.0 sen per ordinary share less income tax of 25%, amounting to approximately RM20,795,000 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

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)
 Datuk Mohamed Razeek Md Hussain Maricar (Chief Executive Officer)
 Dato' Shahril Ridza Ridzuan
 Dato' Ahmad Ibnihajar
 Dato' Abdul Rahman Ahmad
 Che King Tow
 Dato' Chong Pah Aung (appointed on 21 June 2011)
 Jamaludin Zakaria (appointed on 24 August 2011)
 Datuk Ahmad Zaki Zahid (Executive Director) (resigned on 15 October 2011)
 Dr. Roslan A Ghaffar (retired on 4 April 2011)

DIRECTORS (cont'd)

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Shahril Ridza Ridzuan and Dato' Ahmad Ibhijajar 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, Dato' Chong Pah Aung and Jamaludin Zakaria who were 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 themselves 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 13 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.

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 options over shares in the Company and its related corporations were as follows:

Company

	← No. of ordinary shares of RM1.00 each →			
	At 1.1.2011	Acquired	Sold	At 31.12.2011
Dato' Shahril Ridza Ridzuan	2,000,000	–	(1,500,000)	500,000

	← Number of options over ordinary shares of RM1.00 each →				
	At 1.1.2011	Granted	Exercised	Lapsed	At 31.12.2011
Datuk Mohamed Razeek Md Hussain Maricar	2,000,000	–	–	–	2,000,000

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

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.

The details of the 2007/2012 ESOS are contained in the Bye-Laws and the salient features thereof are set out in Note 31 to the financial statements.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose in this report the names of the persons to whom options less than 120,000 have been granted during the financial year and details of their holdings.

The names and the number of options granted and accepted during the financial year in respect of the 2007/2012 ESOS, for 120,000 options and in excess are as follows:

Name	Number of options over ordinary shares of RM1.00 each
Ahmad Sharifuddin Abdul Rahman	178,750
Faizah Ainal Yahya	165,000
Lee Siew Mann	165,000
Anuarulhadi Abu	137,500
Kamal Ezany Ab Rashid	137,500
Asrar Ma'sum	120,000
MD Fadzilah Yunus	120,000
Mohd Arif Ahmad	120,000
Mohd Ghazali Kadir	120,000
Mohd Yusoff Kassim	120,000

Details of options granted to the Directors are disclosed in the section on Directors' Benefits in 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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.

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.

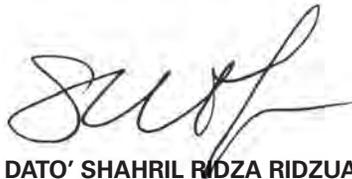
AUDITORS

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

In accordance with a resolution of the Board of Directors dated 14 February 2012.



**DATUK MOHAMED RAZEEL MD
HUSSAIN MARICAR**
Chief Executive Officer



DATO' SHAHRIL RIDZA RIDZUAN
Director

STATEMENTS BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

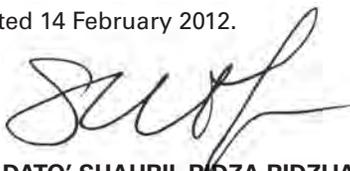
We, **Datuk Mohamed Razeek Md Hussain Maricar** and **Dato' Shahril Ridza Ridzuan**, two of the Directors of **Malaysian Resources Corporation Berhad**, state that, in the opinion of the Directors, the financial statements set out on pages 157 to 257 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 14 February 2012.



DATUK MOHAMED RAZEEM MD HUSSAIN MARICAR
Chief Executive Officer



DATO' SHAHRIL RIDZA RIDZUAN
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Chong Chin Ann**, 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 157 to 258 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.



CHONG CHIN ANN

Subscribed and solemnly declared by the abovenamed **Chong Chin Ann** at **Kuala Lumpur**, Malaysia on 14 February 2012.

Before me,

**Y.M TENGKU FARIDDUDIN
BINTENGKU SULAIMAN**
205, Bangunan Loke Yew
4, Jalan Mahkamah Persekutuan
50050 Kuala Lumpur



205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur

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 157 to 257, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the 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 that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 and for such internal control as the directors determine are 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 have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

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 and the auditors' reports 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 258 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

Kuala Lumpur
14 February 2012

THAYAPARAN A/L S.SANGARAPILLAI

(No. 2085/09/12 (J))

Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	8	1,213,077	1,067,579	267,269	344,332
Cost of sales	9	(993,101)	(873,016)	(240,458)	(283,651)
Gross profit		219,976	194,563	26,811	60,681
Other income:					
- gain on disposal	10	5,290	–	39,115	–
- others	10	23,319	21,754	15,976	15,414
Selling and distribution costs		(10,600)	(2,898)	(1,081)	(854)
Administrative expenses		(71,030)	(61,120)	(26,576)	(21,217)
Other operating expenses:					
- allowance for impairment losses		(8,220)	(5,379)	(93,781)	(1,548)
- write back of/(allowance for) doubtful debts					
• subsidiaries		–	–	22,657	8,283
• others		4,142	(932)	(43)	185
- others		(40,015)	(36,235)	85,577	(18,045)
Finance income	10	23,923	30,847	20,655	29,076
Finance costs	14	(35,213)	(31,449)	(24,462)	(23,243)
Share of results of associates	22	(1,469)	(5,530)	–	–
Share of results of jointly controlled entities	23	(2,852)	(6,046)	–	–
Profit before income tax	11	107,251	97,575	64,848	48,732
Income tax expense	15	(15,326)	(23,781)	(1,911)	(9,300)
Profit for the financial year		91,925	73,794	62,937	39,432
Other comprehensive income for the financial year, net of tax					
- Revaluation reserve arising from acquisition of subsidiary		–	28,090	–	–
- Currency translation differences		419	1,467	–	–
- Share of an associate's other comprehensive income		1,164	–	–	–
Total comprehensive income for the financial year, net of tax		93,508	103,351	62,937	39,432

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit attributable to:					
Equity holders of the Company		77,462	67,268	62,937	39,432
Non-controlling interests		14,463	6,526	–	–
		91,925	73,794	62,937	39,432
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company		78,916	96,385	62,937	39,432
Non-controlling interests		14,592	6,966	–	–
		93,508	103,351	62,937	39,432
Earnings per share attributable to the ordinary equity holders of the Company during the financial year (sen)					
- Basic earnings per share	16	5.59	5.19		
- Diluted earnings per share	16	5.58	5.18		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	17	206,731	198,705	17,128	16,476
Investment properties	18	652,976	359,208	41,766	42,656
Land held for property development	19(a)	766,400	599,949	34,347	–
Service concession asset	20	1,265,658	925,047	–	–
Subsidiaries	21	–	–	605,045	775,973
Associates	22	117,603	105,605	165,490	144,490
Jointly controlled entities	23	96,725	93,398	102,000	96,007
Available for sale financial assets	24	577	482	577	482
Intangible assets	7	95,736	58,554	–	–
Deferred tax assets	25	29,452	29,790	–	–
		3,231,858	2,370,738	966,353	1,076,084
Current assets					
Inventories	26	16,753	17,865	7,220	7,220
Property development costs	19(b)	408,497	367,139	–	–
Trade and other receivables	27	1,120,472	807,614	134,232	144,638
Amounts due from subsidiaries	27	–	–	745,330	647,986
Amounts due from jointly controlled entities	27	2,841	21,699	99,703	81,779
Tax recoverable		10,018	3,673	2,400	–
Financial assets at fair value through profit or loss	29	4,545	4,608	4,217	4,232
Deposits, cash and bank balances	30	616,188	795,004	192,432	330,345
		2,179,314	2,017,602	1,185,534	1,216,200
Total assets		5,411,172	4,388,340	2,151,887	2,292,284

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	31	1,386,155	1,382,432	1,386,155	1,382,432
Accumulated losses		(202,850)	(265,905)	(218,059)	(265,425)
Other reserves		176,818	169,698	145,839	140,529
		1,360,123	1,286,225	1,313,935	1,257,536
Non-controlling interests		38,131	35,252	–	–
Total equity		1,398,254	1,321,477	1,313,935	1,257,536
LIABILITIES					
Non-current liabilities					
Loan stocks at cost	33	7,000	9,590	–	–
Senior and Junior Sukuk	35	1,058,485	828,633	–	–
Post-employment benefit obligations	36	12,478	11,507	3,908	3,497
Long term borrowings	37	1,317,688	813,624	449,000	499,000
Long term liabilities	38	111,616	107,715	–	–
Deferred tax liabilities	25	50,619	32,912	–	–
		2,557,886	1,803,981	452,908	502,497
Current liabilities					
Provisions for other liabilities and charges	34	31,050	12,409	7,000	–
Trade and other payables	39	1,069,086	888,911	206,294	209,399
Amounts due to subsidiaries	39	–	–	156,750	261,758
Current tax liabilities		2,665	6,931	–	1,894
Short term borrowings	41	352,231	354,631	15,000	59,200
		1,455,032	1,262,882	385,044	532,251
Total liabilities		4,012,918	3,066,863	837,952	1,034,748
Total equity and liabilities		5,411,172	4,388,340	2,151,887	2,292,284

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Attributable to equity holders of the Company							Total equity RM'000		
	Share Capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000		Total RM'000	Non- controlling interests RM'000
At 1 January 2011	1,382,432	130,774	28,090	101	978	9,755	(265,905)	1,286,225	35,252	1,321,477
Comprehensive income										
- Profit for the financial year	-	-	-	-	-	-	77,462	77,462	14,463	91,925
Other comprehensive income										
- Currency translation differences	-	-	-	-	290	-	-	290	129	419
- Share of an associate's other comprehensive income	-	-	-	-	-	-	1,164	1,164	-	1,164
Total comprehensive income	-	-	-	-	290	-	78,626	78,916	14,592	93,508
Transactions with owners										
Issue of shares	3,723	1,452	-	-	-	-	-	5,175	-	5,175
- exercise of ESOS options										
Employees' share option scheme (Note 31)										
- options granted	-	-	-	-	-	3,858	-	3,858	-	3,858
Issue of shares	-	-	-	-	-	-	-	-	90	90
Acquisition of additional interest in subsidiaries	-	-	-	1,520	-	-	-	1,520	(8,708)	(7,188)
Dividends (Note 51)										
- financial year ended 31 December 2010	-	-	-	-	-	-	(15,571)	(15,571)	-	(15,571)
Profit distribution by a jointly controlled entity										
- financial year ended 31 December 2011	-	-	-	-	-	-	-	-	(3,095)	(3,095)
Total transactions with owners	3,723	1,452	-	1,520	-	3,858	(15,571)	(5,018)	(11,713)	(16,731)
At 31 December 2011	1,386,155	132,226	28,090	1,621	1,268	13,613	(202,850)	1,360,123	38,131	1,398,254

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Attributable to equity holders of the Company							Total equity RM'000		
	Share Capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000		Total controlling interests RM'000	Non- controlling interests RM'000
At 1 January 2010	907,625	79,913	-	-	(49)	7,835	(322,893)	672,431	18,489	690,920
Comprehensive income										
- Profit for the financial year	-	-	-	-	-	-	67,268	67,268	6,526	73,794
Other comprehensive income										
- Revaluation reserve arising from acquisition of a subsidiary (previously an associate)	-	-	28,090	-	-	-	-	28,090	-	28,090
- Currency translation differences	-	-	-	-	1,027	-	-	1,027	440	1,467
Total comprehensive income	-	-	28,090	-	1,027	-	67,268	96,385	6,966	103,351
Transactions with owners										
Issue of shares										
- right issue	455,389	54,647	-	-	-	-	-	510,036	-	510,036
- exercise of ESOS options	19,418	2,977	-	-	-	-	-	22,395	-	22,395
Share issue expenses	-	(6,763)	-	-	-	-	-	(6,763)	-	(6,763)
Employees' share option scheme (Note 31)										
- options granted	-	-	-	-	-	1,920	-	1,920	-	1,920
Acquisition of additional interest in subsidiaries	-	-	-	101	-	-	-	101	12,901	13,002
Dividends										
- financial year ended 31 December 2009	-	-	-	-	-	-	(10,280)	(10,280)	-	(10,280)
Profit distribution by a jointly controlled entity										
- financial year ended 31 December 2010	-	-	-	-	-	-	-	-	(3,104)	(3,104)
Total transactions with owners	474,807	50,861	-	101	-	1,920	(10,280)	517,409	9,797	527,206
At 31 December 2010	1,382,432	130,774	28,090	101	978	9,755	(265,905)	1,286,225	35,252	1,321,477

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	← Non-distributable →			Accumulated losses RM'000	Total RM'000
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Share option reserve RM'000		
At 1 January 2011	1,382,432	130,774	9,755	(265,425)	1,257,536
Comprehensive income					
- Profit for the financial year	-	-	-	62,937	62,937
Total comprehensive income	-	-	-	62,937	62,937
Transactions with owners					
Issue of shares					
- exercise of ESOS options	3,723	1,452	-	-	5,175
Employees' share option scheme (Note 31)					
- options granted	-	-	3,858	-	3,858
Dividend (Note 51)					
- financial year ended 31 December 2010	-	-	-	(15,571)	(15,571)
Total transactions with owners	3,723	1,452	3,858	(15,571)	(6,538)
At 31 December 2011	1,386,155	132,226	13,613	(218,059)	1,313,935

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	← Non-distributable →				
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2010	907,625	79,913	7,835	(294,577)	700,796
Comprehensive income					
- Profit for the financial year	-	-	-	39,432	39,432
Total comprehensive income	-	-	-	39,432	39,432
Transactions with owners					
Issue of shares					
- rights issue	455,389	54,647	-	-	510,036
- exercise of ESOS options	19,418	2,977	-	-	22,395
Share issue expenses	-	(6,763)	-	-	(6,763)
Employees' share option scheme (Note 31)					
- options granted	-	-	1,920	-	1,920
Dividend					
- financial year ended 31 December 2009	-	-	-	(10,280)	(10,280)
Total transactions with owners	474,807	50,861	1,920	(10,280)	517,308
At 31 December 2010	1,382,432	130,774	9,755	(265,425)	1,257,536

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Note	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
OPERATING ACTIVITIES				
Profit attributable to equity holders of the Company	77,462	67,268	62,937	39,432
Adjustments for:				
Tax	15,326	23,781	1,911	9,300
Non-controlling interests	14,463	6,526	–	–
Share of results of:				
- associates	1,469	5,530	–	–
- jointly controlled entities	2,852	6,046	–	–
Dividend income	(114)	(167)	(11,114)	(14,255)
Finance costs	35,213	31,449	24,462	23,243
Fair value adjustment	(1,398)	(1,581)	(216)	(50)
Impairment losses on:				
- subsidiaries	–	–	94,306	3,371
- associate	8,696	7,120	–	–
Fair value (gain)/loss of financial assets at fair value through profit or loss	63	(1,462)	15	(1,544)
Discount for investment	(21)	(77)	(64)	(77)
Allowance/(write back) for doubtful debts	(4,142)	932	(22,614)	(8,468)
Inventories recovered	–	–	–	–
Property, plant and equipment:				
- depreciation	7,798	10,133	371	1,113
- impairment	–	1,715	–	–
- written off	36	12	2	0
- net (gain)/loss on disposal	(55)	(44)	(0)	–
Depreciation of investment properties	3,410	3,409	890	890

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Note	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
OPERATING ACTIVITIES (cont'd)				
Provision for:				
- liabilities and charges	18,050	624	7,000	-
- post-employment benefits	1,994	1,968	635	608
Gain on disposal/dilution of				
- subsidiaries	-	-	(33,825)	-
- an associate	(5,290)	-	(5,290)	-
Finance income	(23,923)	(30,847)	(21,869)	(30,289)
Employees' share option scheme				
- value of service provided	3,858	1,920	596	496
Unrealised (gain)/loss on currency translation differences	(102)	1,467	(101)	-
Unrealised gains on transactions with an associate	-	(1,365)	-	-
	155,645	134,357	98,032	23,770
Changes in working capital:				
Property development costs	9,713	90,847	-	-
Inventories	1,112	1,210	-	-
Receivables	(188,891)	(455,881)	14,123	(379)
Amounts due from subsidiaries (net)	-	-	(179,738)	(187,470)
Amounts due from associates (net)	10	4,963	-	-
Amount due from jointly controlled entities (net)	18,859	27,928	(17,924)	12,245
Amounts due to related parties (net)	(5,026)	(1,472)	(1,827)	(1,505)
Payables	112,428	284,582	10,637	30,220
Net cash from operations	103,850	86,534	(76,697)	(123,119)

Note	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
OPERATING ACTIVITIES (cont'd)				
Finance income received	23,923	30,847	21,869	30,289
Dividends received from:				
- a subsidiary	-	-	8,250	9,000
- an associate	-	2,100	-	2,100
- financial assets at fair value through profit or loss	176	161	176	161
Tax refunded	408	482	-	475
Tax paid	(31,988)	(26,920)	(3,455)	(10,280)
Interest expenses paid	(152,404)	(120,563)	(23,976)	(25,211)
Credit facilities arrangement fees paid	(1,430)	(85)	(430)	(85)
Retirement benefits paid	(1,023)	(1,515)	(224)	(476)
Liability and charges paid	(409)	(355)	-	-
Released/(pledged) of bank balances and fixed deposits as security value	62,618	265,931	(8,916)	(12,002)
Net cash flow from operating activities	3,721	236,617	(83,403)	(129,148)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
INVESTING ACTIVITIES					
Proceeds from disposal of Junior Sukuk		230,000	–	230,000	–
Redemption of preference shares in an associate		5,000	2,100	5,000	2,100
Proceeds from disposal of property, plant and equipment		80	152	1	–
Net cash flow from acquisition of interest in subsidiaries	5	(79,230)	(39,977)	–	–
Purchase of land held for property development		(34,460)	–	(34,347)	–
Purchase of property, plant and equipment		(15,885)	(12,296)	(1,026)	(326)
Purchase of investment properties		(297,178)	(105,030)	–	–
Purchase of balance of equity in a subsidiary		–	(146)	–	–
Increase of service concession asset		(340,611)	(358,004)	–	–
Balance of payment for acquisition of a subsidiary in prior year		(51,700)	–	(51,700)	–
Redemption of available for sale financial assets		449	243	449	243
Subscription of shares in					
- subsidiaries		–	–	(80,210)	(64,124)
- associates		(21,000)	(21,000)	(21,000)	(21,000)
- jointly controlled entities		(5,993)	(58,268)	(5,993)	(58,268)
- available for sale financial assets		(4)	(2)	(4)	(2)
Net cash flow from investing activities		(610,532)	(592,228)	41,170	(141,377)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
FINANCING ACTIVITIES					
Proceeds from term loans		822,487	203,817	50,000	15,000
Repayment of term loans		(318,473)	(105,786)	(144,200)	(4,800)
Proceeds from rights issue and share options exercised		5,175	525,667	5,175	525,667
Issue of share capital of a subsidiary		90	–	–	–
Dividend paid		(15,571)	(10,280)	(15,571)	(10,280)
Profit distribution by a jointly controlled entity		(3,095)	(3,104)	–	–
Net cash flow from financing activities		490,613	610,314	(104,596)	525,587
CHANGES IN CASH AND CASH EQUIVALENTS		(116,198)	254,703	(146,829)	255,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		487,274	232,571	314,710	59,648
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42	371,076	487,274	167,881	314,710

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

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, jointly controlled entities 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 the Bursa Malaysia Securities Berhad.

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

Level 21, 1 Sentral
Jalan Travers
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 14 February 2012.

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), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 Financial Reporting Standards 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 accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 BASIS OF PREPARATION (cont'd)

(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 2011 are as follows:

- The revised FRS 1 "First-time Adoption of Financial Reporting Standards"
- The revised FRS 3 "Business Combinations"
- The revised FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 2 "Share-based Payments: Group Cash Settled Share-based Payment Transactions"
- Amendments to FRS 7 "Financial Instruments: Disclosures" – Improving Disclosures about Financial Instruments"
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 132 "Financial Instruments: Presentation - Classification of Right Issue"
- IC Interpretation 4 "Determining whether an Arrangement contains a Lease"
- IC Interpretation 12 "Service Concession Arrangements"
- Improvements to FRSs (2010)

The new accounting standards, amendments and improvements to published standards and interpretations do not have a material impact on the financial statements of the Group and the Company.

(b) Standards early adopted by the Group

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 but not yet effective

In the next financial year, the Group and the Company will continue to apply the Financial Reporting Standards framework. The Group and the Company will apply the following new standards, amendments to standards and interpretations:

Financial year beginning on/after 1 January 2012

- The revised FRS 124 "Related Party Disclosures"
- Amendments to FRS 112 "Income Taxes"
- Amendments to IC Interpretation 14 "FRS 119 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction"
- Amendment to MFRS 7 "Financial instruments: Disclosures on Transfer of Financial Assets"

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 BASIS OF PREPARATION (cont'd)

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

Financial year beginning on/after 1 January 2013

In the financial year beginning on/after 1 January 2013, the Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). MFRS 1 "First-time Adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

- IC Interpretation 15 "Agreements for Construction of Real Estates"
- MFRS 9 "Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities"
- MFRS 10 "Consolidated Financial Statements"
- MFRS 11 "Joint Arrangements"
- MFRS 12 "Disclosures of Interests in Other Entities"
- MFRS 13 "Fair Value Measurement"
- The revised MFRS 127 "Separate Financial Statements"
- The revised MFRS 128 "Investments in Associates and Joint Ventures"
- Amendments to MFRS 1 "First Time Adoption on Fixed Dates and Hyperinflation"
- Amendments to MFRS 7 "Financial Instruments: Disclosures on Transfer of Financial Assets"
- Amendment to MFRS 101 "Financial Statements Presentation"
- Amendment to MFRS 119 "Employee Benefits"

2.2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to govern the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting.

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

The Group has taken advantage of the exemption 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

Under the purchase 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.

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 subsidiary 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.

Change in accounting policy

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 (that is zero).

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.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds of the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary and is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss.

(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) Jointly controlled entities

Jointly controlled entities are corporations, partnership or other entities over which there is a contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

Investments in jointly controlled entities are stated at cost. 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 jointly controlled entities are equity accounted in the venturer's financial statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Jointly controlled entities (cont'd)

Equity accounting involves recognising the venturer's share of the post acquisition results of jointly controlled entities 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 jointly controlled entities 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 Malaysia, 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	31.12.2011 RM	31.12.2010 RM
100 Thai Baht	9.90	10.15
1 Australian Dollar	3.21	3.15
1 UK Pound	4.88	4.79

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 FOREIGN CURRENCIES (cont'd)

(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, jointly controlled entities 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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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 principally 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 of 50 years.

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.

2.7 INTANGIBLE ASSETS

(a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities 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.

(b) Development rights – definite life

The Group capitalises purchased development rights. The development rights, which has definite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method 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 indication exists, the carrying amount of the development rights is assessed and written down immediately to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 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.

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.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

(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; property development costs on the development units sold are recognised when incurred.

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 over 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 EMPLOYEE BENEFITS (cont'd)

(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 benefit 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 August 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 23 October 2009.

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 arise from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise. The amount of net actuarial gains and losses recognised in the profit or loss is based on the expected average remaining working lives of the related employees participating in the defined benefit plan.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 EMPLOYEE BENEFITS (cont'd)

(c) Share-based compensation (cont'd)

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 project.

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.

Bank overdrafts are presented within borrowings in current liabilities on the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 INCOMETAX

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.

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 substantially enacted by the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 INTEREST CAPITALISATION

Interest incurred on borrowings to finance the construction of property, plant and equipment 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 accrual basis
Interest income	–	on the effective interest rate method
Dividend income	–	when the shareholder's right to receive payment is established
Building services	–	on the accrual basis
Management fees	–	on the accrual basis

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 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 investments: Available-for-sale investments 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 investment matures 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.

Subsequent measurement – gain 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.

Offsetting financial instruments

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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 FINANCIAL ASSETS (cont'd)

Impairment of financial assets

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 reorganisation;
- 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 statement 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 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.

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.

3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely 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:

(a) Impairment of development cost and property, plant and equipment

The Group carried out the impairment test based on a variety of estimation including value-in-use of the cash generating unit (CGU) to which the development costs and property, plant and equipment 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 revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (cont'd)

(b) Revenue recognition (cont'd)

Property development and Construction Contracts (cont'd)

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 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.

(c) 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 is based on circumstances of the projects and specific past experiences with the employers.

(d) Fair value of ESOS

In determining the fair value of options as disclosed in Note 31 to the financial statements, judgement is required in respect of assumptions used in arriving at the fair value. In arriving at the assumptions used, the Group relied on past experience and work of specialists.

3.2 CRITICAL JUDGEMENT IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group. The following accounting policies require subjective judgement, often as a result of the need to make estimates about the effect of the matters that are inherently uncertain.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

4 FINANCIAL RISK MANAGEMENT

(a) The Group's activities expose it to a variety of financial risks, including interest rate 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.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest rate risk (cont'd)

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 RM annual interest rates increase/decrease by 1% respectively (2010: 1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 4% (2010: 5%) as a result of higher/lower interest expense on these borrowings.

(ii) 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 balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Group			
At 31 December 2011			
Trade and other payables	1,059,444	492	–
Borrowings	394,784	907,663	26,469
Sukuk	81,843	327,374	1,611,580
	1,536,071	1,235,529	1,638,049
At 31 December 2010			
Trade and other payables	864,686	1,225	13
Borrowings	409,170	640,621	299,696
Sukuk	81,843	327,374	1,693,424
	1,355,699	969,220	1,993,133

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4 FINANCIAL RISK MANAGEMENT (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Company			
At 31 December 2011			
Trade and other payables	203,623	-	-
Amounts due to subsidiaries	156,750	-	-
Borrowings	36,399	514,152	-
	396,772	514,152	-
At 31 December 2010			
Trade and other payables	209,351	-	-
Amounts due to subsidiaries	261,758	-	-
Borrowings	83,007	324,894	261,441
	554,116	324,894	261,441

(iii) 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 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.

(iv) 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.

(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 group companies) and short term borrowings.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Fair values (cont'd)

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 assets and liabilities that are measured at fair value at 31 December 2011.

	2011 RM'000	2010 RM'000
ASSETS		
Level 1		
Available for sale financial assets	577	482
Financial assets at fair value through profit or loss	4,545	4,608

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.

The Group does not hold any financial assets or liabilities that are fair valued at Level 2 and Level 3.

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.

NOTES TO THE FINANCIAL STATEMENTS

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5 ACQUISITION OF SUBSIDIARIES

Financial year ended 31 December 2011

- (i) On 31 March 2011, the Company's wholly owned subsidiary, Transmission Technology Sdn. Bhd. (TTSB) entered into a Termination & Settlement Agreement with Sharikat Permodalan Kebangsaan Berhad and Komunikasi SPK Sdn. Bhd. (SPK) to have mutual termination of the Consortium Agreement dated 18 July 2001.

Pursuant to the agreement, SPK will waive all future interest, rights and benefits of the consortium. All monies paid to date to SPK as distribution of profits or capital or advances shall be full and final settlement of claims and disputes between the parties. SPK will be released from all obligations, liabilities and responsibilities of the consortium. Consequently, SPK became wholly controlled by the Group.

- (ii) On 7 April 2011, the Company entered into a Share Sale Agreement with 3 individuals to acquire the entire equity interest represented by 200,000 ordinary shares of RM1.00 each in 59 INC Sdn. Bhd. for a cash consideration of up to RM110 million.

Financial year ended 31 December 2010

- (i) On 11 October 2010, Bitar Enterprises Sdn. Bhd., a wholly owned subsidiary of the Company acquired 70% of the enlarged equity interest in MRCB Land (Australia) Pty. Ltd. for cash consideration of A\$6.28 million (RM18,663,807).
- (ii) On 29 October 2010, the Company acquired the remaining 60% equity interest not owned by the Company in 348 Sentral Sdn. Bhd. (formerly known as GSB Sentral Sdn. Bhd.) for cash consideration of RM105.0 million.

The purchase consideration was revised to RM104.2 million during the final cash settlement in the financial year.

- (iii) On 30 December 2010, the Company acquired additional 18% equity interest in Cosy Bonanza Sdn. Bhd. (CBSB) for cash consideration of RM7.8 million. With this acquisition, CBSB became a 65.7% subsidiary of the Company.

5 ACQUISITION OF SUBSIDIARIES (cont'd)

	At date of acquisition 2011 RM'000	At date of acquisition 2010 RM'000
Fair value of net assets acquired:		
Property, plant and equipment	–	111,332
Investment property	–	92,328
Land held for property development	155,200	26,293
Goodwill on consolidation	–	6
Property development costs	–	200,392
Trade and other receivables	35,281	13,913
Amount due from a joint venture partner	188	–
Deposits with finance companies	–	12,286
Bank balances	770	30,380
Trade and other payables	(94,147)	(24,082)
Long term borrowings	–	(271,427)
Deferred tax liabilities	(24,347)	–
Non-controlling interests	–	(13,148)
	72,945	178,273
Fair value of net assets acquired		
Development rights	36,867	–
Goodwill on acquisition	188	58,548
Post acquisition revaluation reserve	–	(28,090)
	110,000	208,731
Purchase consideration		
Less:		
Cash and cash equivalents of subsidiaries acquired:		
- deposits with finance companies	–	(12,286)
- cash and bank balances	(770)	(30,380)
Purchase consideration paid in previous financial years	–	(73,588)
Balance of purchase consideration outstanding	(30,000)	(52,500)
	79,230	39,977
Cash outflow on acquisition		

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

5 ACQUISITION OF SUBSIDIARIES (cont'd)

The fair value of the net assets acquired were determined based on provisional fair values assigned to the identifiable assets and liabilities as at the date of acquisition. Any adjustments to these provisional values upon finalisation of the fair value of the net assets acquired have to be recognised within next 12 months from the date of acquisition.

The effects of the above acquisitions on the financial results of the Group from the date of the respective acquisitions which occurred during the financial year are as follows:

	2011 RM'000	2010 RM'000
Other operating income	577	76
Operating costs	–	(66)
Profit on operations	577	10
Finance cost	–	(173)
Profit/(loss) before taxation	577	(163)
Taxation	–	(52)
Net profit/(loss) attributable to shareholders	577	(215)

The effects of the above acquisitions on the financial position of the Group as at 31 December 2011 were as follows:

	At 31.12.2011 RM'000	At 31.12.2010 RM'000
Property, plant and equipment	–	111,330
Investment property	–	102,771
Land held for property development	157,098	28,103
Development rights	36,867	–
Goodwill on consolidation	–	58,554
Property development costs	–	200,392
Trade and other receivables	29,186	681
Deposits and bank balances	59	41,393
Trade and other payables	(14,150)	(33,765)
Current tax liabilities	–	(52)
Long term borrowings	–	(265,195)
Long term liabilities	(24,347)	(961)
	184,713	243,251
Non-controlling interests	–	(13,588)
Increase in the Group's net assets	184,713	229,663

6 DISPOSAL OF SUBSIDIARY

There were no disposals for the financial year ended 31 December 2011.

7 INTANGIBLE ASSETS

The carrying amount of goodwill on consolidation is as follows:

	2011 RM'000	2010 RM'000
Cost		
At 1 January	68,707	10,153
Goodwill arising on consolidation	188	58,554
Adjustment to goodwill	315	–
At 31 December	69,210	68,707
Accumulated impairment loss		
At 1 January	(10,153)	(10,153)
Additions	(188)	–
At 31 December	(10,341)	(10,153)
Development rights	58,869	58,554
	36,867	–
Total	95,736	58,554

The goodwill is arising mainly from the acquisition of 348 Sentral Sdn. Bhd., a property development and outsourcing activities company in 2010. Based on the impairment assessment, no impairment is required as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

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8 REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property development	433,156	169,190	–	–
Construction contracts	679,579	821,118	228,660	299,522
Building services	59,675	45,319	–	–
Rental income	38,055	29,379	2,736	4,560
Rendering of other services	1,658	1,286	–	–
Dividend income (gross)	114	167	11,114	14,255
Management fees	–	–	23,546	24,782
Other income	840	1,120	1,213	1,213
	1,213,077	1,067,579	267,269	344,332

9 COST OF SALES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property development	298,779	113,154	–	–
Construction contract	628,495	705,655	238,555	282,477
Building services	37,288	26,317	–	–
Investment holding	15,952	14,769	1,903	1,174
Cost of inventories sold	1,115	2,232	–	–
Others	11,472	10,889	–	–
	993,101	873,016	240,458	283,651

10 OTHER INCOME

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gain on disposal of:				
- an associate (Note 48 (a))	5,290	-	5,290	-
- Junior Sukuk	-	-	33,825	-
	5,290	-	39,115	-
Others comprise:				
Rental income:				
- land and buildings	15,068	15,019	15,162	15,028
- other assets	22	27	-	-
	15,090	15,046	15,162	15,028
Others	8,229	6,708	814	386
	23,319	21,754	15,976	15,414
Finance income from:				
- fixed deposits	5,029	3,384	3,296	8,641
- others	18,894	27,463	17,359	20,435
	23,923	30,847	20,655	29,076

NOTES TO THE FINANCIAL STATEMENTS

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11 PROFIT BEFORE INCOMETAX

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before income tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	536	477	103	104
- other services	370	279	198	74
Staff costs (including remuneration of executive directors) (Note 12)	92,562	73,892	20,285	18,157
Property, plant and equipment:				
- depreciation	7,798	10,132	372	1,113
- impairment	-	1,715	-	-
- written off	36	12	2	-
- net gain on disposal	(55)	(44)	(0)	-
Depreciation of investment properties	3,410	3,409	890	890
Impairment losses/(write back) on:				
- subsidiaries	-	-	94,306	3,371
- associate	8,696	7,120	-	-
- available for sale financial assets	(539)	(279)	(539)	(279)
Fair value (gain)/loss of financial assets at fair value through profit or loss	63	(1,462)	15	(1,544)
Rental of:				
- premises	11,836	12,009	11,251	10,891
- office equipment	426	521	111	79
Capital repayment from a subsidiary (Note 48(h))	-	-	(104,318)	-
Provision for liabilities and charges	18,050	624	7,000	-
Net realised loss on foreign exchange	1	772	-	770
Unrealised gain on foreign exchange	(102)	-	(101)	-

Direct operating expenses from investment properties that generated rental income of the Group and of the Company during the financial year amounted to RM15,779,270 (2010: RM12,369,863) and RM1,902,756 (2010: RM1,173,780) respectively.

12 STAFF COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries and bonus	68,554	55,292	14,227	12,866
Defined contribution plan	8,922	6,683	2,007	1,734
Defined benefit plan (Note 36)	1,994	1,968	635	608
Share options (Note 31)	3,858	1,920	596	496
Other employee benefits	9,234	8,029	2,820	2,453
	92,562	73,892	20,285	18,157

The number of persons employed by the Group and the Company at the end of the financial year was 1,218 (2010: 1,136) and 164 (2010: 165) respectively.

13 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)
 Dato' Shahril Ridza Ridzuan
 Dato' Abdul Rahman Ahmad
 Dato' Ahmad Ibnihajar
 Che King Tow
 Dato' Chong Pah Aung (appointed on 21 June 2011)
 Jamaludin Zakaria (appointed on 24 August 2011)
 Dr. Roslan A Ghaffar (retired on 4 April 2011)

Executive Directors

Datuk Mohamed Razeek Md Hussain Maricar (Chief Executive Officer)
 Datuk Ahmad Zaki Zahid (Executive Director) (resigned on 15 October 2011)

NOTES TO THE FINANCIAL STATEMENTS

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13 DIRECTORS' REMUNERATION (cont'd)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-executive Directors:				
- fees	403	547	399	532
- emoluments	180	219	180	219
	583	766	579	751
Executive Directors:				
- salaries and bonus	1,445	1,033	1,445	1,033
- defined contribution plan	310	231	310	231
- share options	-	238	-	238
- other employee benefits	169	177	169	177
	1,924	1,679	1,924	1,679
	2,507	2,445	2,503	2,430
Benefits-in-kind				
Executive directors	31	18	31	18

14 FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Arrangement fees for borrowings	1,430	85	430	85
Interest expense on:				
- term loans	26,069	23,206	24,032	23,158
- hire purchase	154	137	-	-
- loan stock	672	672	-	-
- others	-	11	-	-
Amortisation of loan issuance cost	2,262	2,933	-	-
Accretion of liability (Note 38)	4,626	4,405	-	-
	35,213	31,449	24,462	23,243

15 INCOMETAX EXPENSE**(a) Tax charged/(credited) for the financial year**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In Malaysia:				
Current tax	22,972	24,509	2,533	9,803
Over provision in prior years	(1,344)	(661)	(622)	(503)
	21,628	23,848	1,911	9,300
Deferred tax (Note 25)	(6,302)	(67)	-	-
Income tax expense	15,326	23,781	1,911	9,300
Current tax				
Current year	22,972	24,509	2,533	9,803
Over provision in prior years	(1,344)	(661)	(622)	(503)
	21,628	23,848	1,911	9,300
Deferred tax				
Origination net of reversal of temporary differences				
Current year	(2,116)	(67)	-	-
Over provision in prior years	(4,186)	-	-	-
	(6,302)	(67)	-	-
	15,326	23,781	1,911	9,300

NOTES TO THE FINANCIAL STATEMENTS

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15 INCOMETAX EXPENSE (cont'd)

(b) Numerical reconciliation of income tax expense

The explanation of the relationship between income tax expense and profit before income tax is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before income tax	107,251	97,575	64,848	48,732
Tax calculated at the Malaysian tax rate of 25% (2010: 25%)	26,813	24,394	16,212	12,183
Tax effects of:				
Income not subject to tax	(8,553)	(7,457)	(36,357)	(3,041)
Expenses not deductible for tax purposes	15,351	14,356	22,112	165
Utilisation of previously unrecognised tax losses	(10,029)	(7,553)	–	–
Movement of previously unrecognised deductible temporary differences	(2,955)	(1,630)	141	26
Over provision of tax in prior years	(1,344)	(661)	(622)	(503)
Over provision of deferred tax in prior years	(4,186)	0	–	–
Tax credit	(2,750)	(3,000)	–	–
Current year tax losses not utilised	2,237	4,604	–	–
Group relief	–	–	(99)	(258)
Tax on share of income in jointly controlled entities	742	728	524	728
Income tax expense	15,326	23,781	1,911	9,300

16 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit 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	
	2011	2010
Profit attributable to the equity holders of the Company (RM'000)	77,462	67,268
Weighted average number of ordinary shares in issue ('000)	1,384,969	1,296,145
Basic earnings per share (sen)	5.59	5.19

(b) Diluted earnings per share

Profit attributable to the equity holders of the Company (RM'000)	77,462	67,268
Weighted average number of ordinary shares in issue ('000)	1,384,969	1,296,145
Adjustment for ESOS ('000)	2,138	1,732
Adjusted weighted average number of ordinary shares in issue ('000)	1,387,107	1,297,877
Diluted earnings per share (sen)	5.58	5.18

For the purpose of calculating diluted earnings 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 (ESOS) granted to employees.

Certain tranches of ESOS options were not included in the calculation because the fair value of the issued ordinary shares as at 31 December 2011 was lower than the said option prices.

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17 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Leasehold land 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
2011							
Cost/valuation							
At 1.1.2011	157,577	30,417	11,051	58,459	9,981	3,648	271,133
Additions	-	-	6,010	5,923	134	3,818	15,885
Disposals	-	-	(31)	(728)	(266)	-	(1,025)
Written off	-	-	-	(264)	(8)	-	(272)
Reclassification	-	-	3,648	-	-	(3,648)	-
Acquisition of a subsidiary	-	-	-	243	262	-	505
At 31.12.2011	157,577	30,417	20,678	63,633	10,103	3,818	286,226
Accumulated depreciation							
At 1.1.2011	688	6,270	2,544	46,854	6,816	-	63,172
Charge for the financial year	146	335	1,656	4,434	1,227	-	7,798
Released on disposal	-	-	(16)	(718)	(266)	-	(1,000)
Written off	-	-	-	(228)	(8)	-	(236)
Acquisition of a subsidiary	-	-	-	243	262	-	505
At 31.12.2011	834	6,605	4,184	50,585	8,031	-	70,239

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land and buildings RM'000	Leasehold land 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
2011							
Accumulated impairment losses							
At 1.1.2011/31.12.2011	-	6,825	-	2,431	-	-	9,256
Net book value							
At 31.12.2011	156,743	16,987	16,494	10,617	2,072	3,818	206,731

NOTES TO THE FINANCIAL STATEMENTS

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17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land and buildings RM'000	Leasehold land 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
2010							
Cost/valuation							
At 1.1.2010	46,301	30,417	5,722	56,356	9,716	24,756	173,268
Additions	-	-	5,443	2,725	480	3,648	12,296
Acquisition of a subsidiary	111,276	-	-	74	-	-	111,350
Reclassified to investment properties	-	-	-	-	-	(24,756)	(24,756)
Disposals	-	-	-	(157)	(215)	-	(372)
Written off	-	-	(114)	(539)	-	-	(653)
At 31.12.2010	157,577	30,417	11,051	58,459	9,981	3,648	271,133
Accumulated depreciation							
At 1.1.2010	542	5,935	1,898	40,134	5,418	-	53,927
Charge for the financial year	146	335	760	7,375	1,516	-	10,132
Acquisition of a subsidiary	-	-	-	18	-	-	18
Released on disposal	-	-	-	(146)	(118)	-	(264)
Written off	-	-	(114)	(527)	-	-	(641)
At 31.12.2010	688	6,270	2,544	46,854	6,816	-	63,172

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land and buildings RM'000	Leasehold land 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
2010							
Accumulated impairment losses							
At 1.1.2010	-	6,825	-	716	-	-	7,541
Additions	-	-	-	1,715	-	-	1,715
At 31.12.2010	-	6,825	-	2,431	-	-	9,256
Net book value							
At 31.12.2010	156,889	17,322	8,507	9,174	3,165	3,648	198,705

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Details of the freehold land and buildings of the Group are as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
2011			
Cost			
At 1.1.2011/31.12.2011	152,824	4,753	157,577
Accumulated depreciation			
At 1.1.2011	–	688	688
Charge for the financial year	–	146	146
At 31.12.2011	–	834	834
2010			
Cost			
At 1.1.2010	41,548	4,753	46,301
Acquisition of subsidiary	111,276	–	111,276
At 31.12.2010	152,824	4,753	157,577
Accumulated depreciation			
At 1.1.2010	–	542	542
Charge for the financial year	–	146	146
At 31.12.2010	–	688	688
Net book value			
At 31.12.2011	152,824	3,919	156,743
At 31.12.2010	152,824	4,065	156,889

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Details of the leasehold land of the Group are as follows:

	← Leasehold land →		
	At 1982 valuation RM'000	At cost RM'000	Total RM'000
Group			
2011			
Cost/valuation			
At 1.1.2011/31.12.2011	10,823	19,594	30,417
Accumulated amortisation			
At 1.1.2011	4,468	1,802	6,270
Charge for the financial year	210	125	335
At 31.12.2011	4,678	1,927	6,605
Accumulated impairment losses			
At 1.1.2011/31.12.2011	515	6,310	6,825
2010			
Cost/valuation			
At 1.1.2010/31.12.2010	10,823	19,594	30,417
Accumulated amortisation			
At 1.1.2010	4,281	1,654	5,935
Charge for the financial year	187	148	335
At 31.12.2010	4,468	1,802	6,270
Accumulated impairment losses			
At 1.1.2010/31.12.2010	515	6,310	6,825
Net book value			
At 31.12.2011	5,630	11,357	16,987
At 31.12.2010	5,840	11,482	17,322

NOTES TO THE FINANCIAL STATEMENTS

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17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company				
2011				
Cost				
At 1.1.2011	16,000	7,525	172	23,697
Additions	-	1,026	-	1,026
Disposals	-	(145)	-	(145)
Written off	-	(2)	-	(2)
At 31.12.2011	16,000	8,404	172	24,576
Accumulated depreciation				
At 1.1.2011	-	7,132	89	7,221
Charge for the financial year	-	337	35	372
Released on disposal	-	(145)	-	(145)
Written off	-	-	-	-
At 31.12.2011	-	7,324	124	7,448

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company				
2010				
Cost				
At 1.1.2010	16,000	7,199	220	23,419
Additions	–	326	–	326
Disposals	–	–	(48)	(48)
At 31.12.2010	16,000	7,525	172	23,697
Accumulated depreciation				
At 1.1.2010	–	6,053	103	6,156
Charge for the financial year	–	1,079	34	1,113
Released on disposal	–	–	(48)	(48)
At 31.12.2010	–	7,132	89	7,221
Net book value				
At 31.12.2011	16,000	1,080	48	17,128
At 31.12.2010	16,000	393	83	16,476

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Property, plant and equipment with net book value amounting to RM163,542,252 (2010: RM163,877,198) of the Group and of the Company have been charged as security for borrowings and other credit facilities (Notes 37 and 41).

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	
	2011 RM'000	2010 RM'000
Group		
Motor vehicles	1,196	2,385

The net book value of the revalued leasehold land, had this asset been carried at cost less accumulated amortisation and impairment losses, is as follows:

	2011	2010
	RM'000	RM'000
Group		
Leasehold land	3,041	3,155

The leasehold land of a subsidiary is stated at Directors' valuation based on a valuation by independent valuer in 1982 using the fair market value basis. In accordance with the transitional provision allowed by MASB upon first adoption of FRS 116 "Property, Plant and Equipment", the valuation of the leasehold land has not been updated, and they continue to be stated at its existing carrying amount less accumulated amortisation and impairment losses.

The leasehold land have unexpired periods of leases ranging from 33 years to 81 years.

18 INVESTMENT PROPERTIES

Buildings and improvements

	Buildings	Construction	Total
	RM'000	in progress RM'000	RM'000
Group – 2011			
Cost			
At 1.1.2011	118,283	324,491	442,774
Additions	–	297,178	297,178
Reclassification upon completion	154,609	(154,609)	–
At 31.12.2011	272,892	467,060	739,952

18 INVESTMENT PROPERTIES (cont'd)**Buildings and improvements (cont'd)**

	At 1.1.2011 RM'000	Charge for the financial year RM'000	At 31.12.2011 RM'000
Accumulated depreciation	46,552	3,410	49,962
Accumulated impairment losses	37,014	–	37,014

	Building RM'000	Construction in progress RM'000	Total RM'000
Group – 2010			
Cost			
At 1.1.2010	93,527	127,133	220,660
Additions	–	105,030	105,030
Acquisition of a subsidiary	–	92,328	92,328
Reclassified from property, plant and equipment	24,756	–	24,756
At 31.12.2010	118,283	324,491	442,774

	At 1.1.2010 RM'000	Charge for the financial year RM'000	At 31.12.2010 RM'000
Accumulated depreciation	43,143	3,409	46,552
Accumulated impairment losses	37,014	–	37,014

	2011 RM'000	2010 RM'000
Net book value		
31 December	652,976	359,208

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18 INVESTMENT PROPERTIES (cont'd)

	At 1.1.2011 RM'000	Additions RM'000	At 31.12.2011 RM'000
Company – 2011			
At cost	44,510	–	44,510
	1,854	890	2,744
	44,510	–	44,510
	964	890	1,854
		2011 RM'000	2010 RM'000
Net book value		41,766	42,656
31 December		41,766	42,656

The properties of the Group with net book value of RM652,975,908 (2010: RM359,207,627) have been charged as security for term loan facilities of the Company (Notes 37 and 41).

The fair value of the properties as at the statement of financial position date was estimated at RM755,951,190 (2010: RM461,955,224) by the Directors. The valuation was based on an active market for all properties.

Borrowings costs of RM18,714,194 (2010: RM5,021,793) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2011, there were no contractual obligations for future repairs and maintenance (2010: RM Nil).

19 PROPERTY DEVELOPMENT ACTIVITIES

19 (a) Land held for property development

	Group		Company
	2011	2010	2011
	RM'000	RM'000	RM'000
Freehold land, at cost	185,157	210,162	–
Freehold land, at valuation	6,687	6,687	–
Leasehold land, at cost	201,307	15,973	34,347
Leasehold land, at valuation	42,356	42,356	–
Development expenditure	362,019	355,897	–
	797,526	631,075	34,347
Less: Accumulated impairment losses	(31,126)	(31,126)	–
	766,400	599,949	34,347
At start of financial year	599,949	569,451	–
Acquisition of freehold land	113	–	–
Acquisition of leasehold land	34,347	8,130	34,347
Development expenditure incurred	8,194	5,356	–
Transfer to property development costs (Note 19(b))	(31,403)	(9,281)	–
Upon acquisition of a subsidiary			
- freehold land, at cost	–	23,664	–
- leasehold land, at cost	155,200	–	–
- development costs	–	2,629	–
At end of financial year	766,400	599,949	34,347

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

19 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

19 (a) Land held for property development (cont'd)

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 RM495,179,220 (2010: RM494,031,740) 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 and a transportation hub. The expected completion date of the entire development is 2018. The subsidiary's directors have reviewed and approved a seven (7) year period cash flow projection in deriving the value in use calculation. The cash flow projections were based on financial budgets approved by the subsidiary's directors. Key assumptions used in the cash flows/value in use calculations are as follows:

- (i) Discount rate at 7.7%
- (ii) The projects will be launched on the assumed due dates and the project cash flows will occur as projected.
- (iii) Proceeds from sales will be received as projected.
- (iv) The subsidiary will be engaged in property development.

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.

19 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

19 (b) Property development costs

	Group	
	2011	2010
	RM'000	RM'000
At start of financial year		
- land, at cost	240,250	130,449
- development costs	267,780	133,334
- accumulated costs charged to profit or loss	(140,891)	(63,415)
	367,139	200,368
Costs incurred during the financial year		
- transfer from land held for property development (Note 19(a))		
- land, at cost	28,282	8,426
- development costs	3,121	855
	31,403	9,281
- development costs	332,789	109,499
	364,192	118,780
Foreign currency translation		
- land, at cost	409	-
- development costs	64	-
	473	-
Upon acquisition of a subsidiary		
- land, at cost	-	106,340
- development costs	-	59,870
	-	166,210
Costs charged to profit or loss	(323,307)	(117,197)
Transfer to inventories		
- land, at cost	-	(40)
- development costs	-	(982)
	-	(1,022)
Reversal upon completion of projects		
- land, at cost	(6,916)	(4,925)
- development costs	(45,324)	(34,796)
- accumulated costs charged to profit or loss	52,240	39,721
At end of financial year	408,497	367,139

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19 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

19 (b) Property development costs (cont'd)

	Group	
	2011	2010
	RM'000	RM'000
Analysed as follows:		
- land, at cost	262,025	240,250
- development costs	558,430	267,780
- accumulated costs charged to profit or loss	(411,958)	(140,891)
	408,497	367,139

Included in development expenditure are the following charges made during the financial year:

	Group	
	2011	2010
	RM'000	RM'000
Interest capitalised	23,202	22,375

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 (Note 37 and 41).

20 SERVICE CONCESSION ASSET

	Group	
	2011	2010
	RM'000	RM'000
Service Concession Asset	1,265,658	925,047

The Service Concession Asset (SCA) is in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd., a wholly owned subsidiary of the Group, and the Government of Malaysia in connection with the construction, operation, maintenance and toll collection of the Eastern Dispersal Link Expressway for a concession period of 34 years, ending in 2042.

Borrowing costs of RM83,209,186 (2010: RM81,998,110) has been capitalised in the construction cost in relation to the SCA during the financial year.

The project has been charged as security for the Sukuk Istisna' as disclosed in Note 35.

21 SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares at cost in Malaysia	799,050	1,016,075
Less: Accumulated impairment losses		
- At start of financial year	(240,102)	(236,731)
- Charge for the financial year	(94,306)	(3,371)
- Write off upon member's voluntary liquidation	137,813	-
	(196,595)	(240,102)
	602,455	775,973
Loan stocks at cost	19,923	17,333
Less: Accumulated impairment losses		
- At 31 December	(17,333)	(17,333)
	2,590	-
	605,045	775,973

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.

Included in the cost of investment in unquoted shares as at 31 December 2010 was RM195,810,779 being the Junior Sukuk issued by a subsidiary which was fully subscribed by the Company (Note 35). The Junior Sukuk was disposed off by the Company on 30 September 2011.

The Group's effective equity interest in the subsidiaries, their respective principal activities and country of incorporation are set out in Note 46 to the financial statements.

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22 ASSOCIATES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In Malaysia				
Unquoted investments at cost	172,607	156,016	165,490	148,899
Share of post-acquisition accumulated loss	(21,085)	(22,065)	–	–
Unrealised gains	(16,398)	(16,398)	–	–
	135,124	117,553	165,490	148,899
Less: Accumulated impairment losses	(17,521)	(11,948)	–	(4,409)
	117,603	105,605	165,490	144,490

	Group	
	2011 RM'000	2010 RM'000
Analysis of associates is as follows:		
Group's share of tangible assets	117,449	105,451
Goodwill on acquisition	154	154
	117,603	105,605

The Group's share of revenue, results, assets and liabilities of the associates are as follows:

	Group	
	2011 RM'000	2010 RM'000
Revenue	21,996	19,053
Share of losses of associates	(1,469)	(5,530)
Non-current assets	347,966	341,387
Current assets	89,997	83,307
Current liabilities	(46,727)	(34,600)
Non-current liabilities	(257,388)	(268,245)
	133,848	121,849
Goodwill on acquisition	154	154
Unrealised gains	(16,399)	(16,398)
Net assets	117,603	105,605

The Group's effective equity interest in the associates, their respective principal activities and country of incorporation are set out in Note 46 to the financial statements.

23 JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share of net assets of a jointly controlled entity	96,725	93,398	102,000	96,007

The Group's share of the assets and liabilities of jointly controlled entities are as follows:

	Group	
	2011 RM'000	2010 RM'000
Non-current assets	4	5
Current assets	180,197	106,050
Current liabilities	(4,331)	(12,657)
Non-current liabilities	(79,145)	–
	96,725	93,398

The Group's share of the revenue and expenses of jointly controlled entities are as follows:

	Group	
	2011 RM'000	2010 RM'000
Revenue	–	–
Other operating income	273	18
Other operating expense	(3,125)	(6,064)
Share of losses of jointly controlled entities	(2,852)	(6,046)

The Group's effective equity interest in the jointly controlled entities, their respective principal activities and country of incorporation are set out in Note 46 to the financial statements.

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24 AVAILABLE FOR SALE FINANCIAL ASSETS

	Group and Company	
	2011	2010
	RM'000	RM'000
At 1 January	482	444
Additions	4	2
Redemption of redeemable preference shares	(343)	(243)
Reversal of impairment losses	434	279
	<hr/>	<hr/>
At 31 December	577	482
	<hr/>	<hr/>
Available for sale financial assets include the following:		
Shares in a corporation, quoted outside Malaysia	910	910
Less: Accumulated impairment losses	(642)	(748)
	<hr/>	<hr/>
	268	162
	<hr/>	<hr/>
Unquoted investments	9,910	10,355
Less: Accumulated impairment losses	(9,601)	(10,035)
	<hr/>	<hr/>
	309	320
	<hr/>	<hr/>
Total	577	482
	<hr/>	<hr/>
Available for sale financial assets are denominated in the following currencies:		
Ringgit Malaysia	309	320
UK Pound	268	162
	<hr/>	<hr/>
Total	577	482
	<hr/>	<hr/>

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.

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	
	2011 RM'000	2010 RM'000
Deferred tax assets	29,452	29,790
Deferred tax liabilities	(50,619)	(32,912)
	(21,167)	(3,122)

The movements during the financial year relating to deferred tax are as follows:

At start of financial year	(3,122)	(3,189)
Credited to profit or loss (Note 15)		
Property, plant and equipment	(207)	45
Development property	(482)	-
Accruals	39	-
Provisions	(67)	22
Tax losses	6,946	-
Capital allowance	73	-
	6,302	67
Acquisition of a subsidiary	(24,347)	-
At end of financial year	(21,167)	(3,122)

Subject to income tax

Deferred tax assets (before offsetting)

Property, plant and equipment	14	39
Development property	28,346	28,828
Accruals	382	701
Provisions	823	531
Tax losses	6,946	-
Capital allowance	73	-
	36,584	30,099
Offsetting	(7,132)	(309)
Deferred tax asset (after offsetting)	29,452	29,790

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25 DEFERRED TAX (cont'd)

	Group	
	2011 RM'000	2010 RM'000
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	(2,193)	(2,010)
Development property	(55,558)	(31,211)
	(57,751)	(33,221)
Offsetting	7,132	309
Deferred tax liabilities (after offsetting)	(50,619)	(32,912)

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 follow:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deductible temporary differences	72,883	84,708	6,782	6,216
Tax losses	169,393	200,559	-	-

26 INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Completed properties for sale	13,330	14,442	7,220	7,220
Raw materials	2,925	2,925	-	-
Land held for sale	498	498	-	-
	16,753	17,865	7,220	7,220

The carrying value of inventories included RM6,148,271 (2010: RM6,455,551) 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 RM Nil (2010: RM Nil).

There were no inventories of the Group and of the Company pledged as security for bank borrowings (2010: RM Nil).

27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	157,685	159,218	7,876	25,498
Less: Provision for impairment of trade receivables	(18,178)	(22,995)	(2,364)	(2,364)
	139,507	136,223	5,512	23,134
Amounts due from customers on contracts (Note 28)	517,369	411,688	82,753	75,663
Accrued billings in respect of property development	385,186	102,629	–	–
Amounts due from associates	517	528	–	–
Amounts due from related parties	3,579	153	344	117
Deposits	15,917	16,300	2,036	2,282
Prepayments	113	1,205	–	–
Other receivables	107,129	187,446	71,476	71,288
Less: Provision for impairment of other receivables	(48,845)	(48,558)	(27,889)	(27,846)
	74,314	156,393	45,623	45,724
	1,120,472	807,614	134,232	144,638
Amounts due from subsidiaries			998,047	942,649
Less: Provision for impairment of amount due from subsidiaries			(252,717)	(294,663)
			745,330	647,986
Amounts due from jointly controlled entities	2,841	21,699	99,703	81,779

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.

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27 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are neither past due nor impaired

Credit terms of trade receivables range from 30 to 60 days (2010: 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.

As at 31 December 2011, the Group's and the Company's trade receivables of RM55,936,904 (2010: RM44,800,465) and RM1,378,000 (2010: RM13,589,581) were past due their contractual payment date but not impaired. These relate 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Less than three months	8,183	15,402	–	294
Between three to six months	3,873	6,342	635	24
Between six months and one year	5,852	16,832	–	13,242
More than one year	38,029	6,224	743	29
	55,937	44,800	1,378	13,589

As at 31 December 2011, the Group's and the Company's trade receivables of RM18,178,696 (2010: RM 22,995,163) and RM2,364,332 (2010:RM2,364,332) were impaired and provided for. The ageing of these receivables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Within 6 months	–	–	–	–
More than 6 months	18,178	22,995	2,364	2,364
	18,178	22,995	2,364	2,364

27 TRADE AND OTHER RECEIVABLES (cont'd)

Movements of the provision for impairment of trade receivables during the year are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At start of financial year	22,995	21,948	2,364	2,364
Provision for impairment of receivables	632	1,221	-	-
Reversal of impairment	(5,123)	(174)	-	-
Written off	(326)	-	-	-
At end of financial year	18,178	22,995	2,364	2,364

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 2011 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral.

Amounts due from subsidiaries, associates 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.

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28 CONSTRUCTION CONTRACTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Aggregate costs incurred to date	3,725,183	2,854,097	1,081,697	1,527,853
Attributable profits on contract works performed to date	263,893	218,627	20,450	50,201
Less: Provision for foreseeable losses	(19,278)	(14,826)	(4,500)	(48)
	3,969,798	3,057,898	1,097,647	1,578,006
Less: Progress billings	(3,460,402)	(2,656,251)	(1,017,565)	(1,502,391)
	509,396	401,647	80,082	75,615
Amounts due from customers on contracts (Note 27)	517,369	411,688	82,753	75,663
Amounts due to customers on contracts (Note 39)	(7,973)	(10,041)	(2,671)	(48)
	509,396	401,647	80,082	75,615
Retention sum on contracts, included under trade receivables	49,841	46,391	–	–

No borrowing costs has been capitalised in construction contracts during the financial year (2010: RM Nil).

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Shares in corporations, quoted in Malaysia	4,545	4,608	4,217	4,232

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

30 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	294,871	457,601	38,975	271,816
Deposit with licensed financial institutions	123,334	88,174	123,334	2,474
Cash held under Housing Development Accounts	17,787	3,474	–	–
Cash and bank balances	180,196	245,755	30,123	56,055
	616,188	795,004	192,432	330,345

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 RM245,112,533 (2010: RM307,730,091) and RM24,551,098 (2010: RM15,635,319) respectively, (Note 42) 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 Highway 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.

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	615,205	794,049	192,401	329,132
Australian Dollar	241	194	31	1,213
Thai Baht	742	761	–	–
	616,188	795,004	192,432	330,345

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30 DEPOSITS, CASH AND BANK BALANCES (cont'd)

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	
	2011 %	2010 %	2011 %	2010 %
Deposits with licensed banks	3.16	3.09	2.75	3.08
Deposits with licensed financial institutions	3.36	3.19	3.36	1.97

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

	Group		Company	
	2011 Days	2010 Days	2011 Days	2010 Days
Deposits with licensed banks	2 – 365	4 – 365	4 – 365	7 – 365
Deposit with licensed financial institutions	4 – 31	3 – 57	4 – 31	3

Bank balances are held at call except for the restricted monies.

31 SHARE CAPITAL

	Group and Company	
	2011 RM'000	2010 RM'000
Authorised:		
2,000,000,000 ordinary shares of RM1.00 each	2,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At 1 January	1,382,432	907,625
Right issue	–	455,389
Exercise of option under 2007/2012 ESOS	3,723	19,418
At 31 December	1,386,155	1,382,432

31 SHARE CAPITAL (cont'd)

Employees' Share Option Scheme

The Company proposed a new 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.

The details of the 2007/2012 ESOS are contained in the Bye 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 2007/2012 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 five (5) 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 2007/2012 ESOS.
- (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 2007/2012 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 2012.
- (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 2007/2012 ESOS shall rank pari passu in all respects with the existing ordinary shares of the Company.

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31 SHARE CAPITAL (cont'd)

Employees' Share Option Scheme (cont'd)

Options expiring on 30 October 2012

Set out below are details of options over the ordinary shares of the Company granted under the 2007/2012 ESOS:

Tranche	Date	Price*	No. of ordinary shares of RM1.00 each covered under options				
			At 1.1.2011	Granted	Exercised	Lapsed	At 31.12.2011
1	21 Dec 2007	RM2.79	32,885,880	–	–	(2,384,280)	30,501,600
2	28 Apr 2009	RM1.14	4,372,091	–	(2,640,904)	(37,094)	1,694,093
3	24 Aug 2010	RM2.00	26,916,000	–	(1,082,500)	(1,388,500)	24,445,000
4	27 June 2011	RM2.48	–	18,669,000	–	(116,000)	18,553,000
			64,173,971	18,669,000	(3,723,404)	(3,925,874)	75,193,693

* The options prices for tranche 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.

All options granted during the financial year were vested. Year end outstanding options included 75,193,693 units of the options which are exercisable.

3,723,404 options were exercised during the financial year and the options outstanding at year end have remaining contractual life of 10 months.

All options granted during the option period will expire on 30 October 2012.

The fair value of the 18,669,000 options granted during the financial year determined using the Black-Scholes valuation model was RM0.21 per option. The significant inputs into the model are as follows:

	2011
Valuation assumptions:	
- expected volatility	32.59%
- expected dividend yield	–
- expected option life	6 months
Market closing share price at date of offer	RM2.20/share
Risk-free interest rate (per annum)	3.09%

32 SHARE PREMIUM

	Group and Company	
	2011	2010
	RM'000	RM'000
At 1 January	130,774	79,913
Rights issue	–	54,647
Exercise of options under 2007/2012 ESOS	1,452	2,977
Less: Shares issue expenses	–	(6,763)
At 31 December	132,226	130,774

33 LOAN STOCKS AT COST

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 →			Company Liquidated ascertained damages RM'000
	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000	
At 1 January 2011	409	12,000	12,409	–
Charged to profit or loss	18,050	–	18,050	7,000
Reclassification from other payables	1,000	–	1,000	–
Utilised during the financial year	(409)	–	(409)	–
At 31 December 2011	19,050	12,000	31,050	7,000
At 1 January 2010	140	12,000	12,140	–
Charged to profit or loss	624	–	624	–
Utilised during the financial year	(355)	–	(355)	–
At 31 December 2010	409	12,000	12,409	–

(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 a provision made by a subsidiary for potential remedial works on the freehold land held by the subsidiary based on the estimate made by an external consultant.

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35 SENIOR AND JUNIOR SUKUK

Group

	2011 RM'000	2010 RM'000
Senior Sukuk		
Nominal value	845,000	845,000
Less: Unamortised cost of issue	(15,321)	(16,367)
	829,679	828,633
Senior Sukuk	845,000	845,000
Less: Issuance expenses	(18,710)	(18,710)
Net proceeds	826,290	826,290
Accumulated amortisation of issuance expenses	3,389	2,343
	829,679	828,633
Junior Sukuk		
Nominal value	230,000	-
Less: Issuance expenses	(300)	-
Net proceeds	229,700	-
Accumulated amortisation of issuance expenses	21	-
Less: accumulated unwinding of premium	(915)	-
	228,806	-
Total Senior and Junior Sukuk	1,058,485	828,633

35 SENIOR AND JUNIOR SUKUK (cont'd)

- (i) In 2008, a subsidiary issued RM845 million Senior Sukuk and RM199 million Junior Sukuk which proceeds were used to finance the Eastern Dispersal Link Highway (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) The Senior and Junior Sukuk are secured by the EDL project (Note 20) and repayable in series of yearly redemption commencing from year 2018.
- (iv) The Junior Sukuk was fully subscribed by the Company (Note 21) 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 is 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.

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 August 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 23 October 2009.

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36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (cont'd)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Defined benefit plan				
At 1 January	11,507	11,054	3,497	3,365
Charged to profit or loss (Note 12)	1,994	1,968	635	608
Utilised during the financial year	(1,023)	(1,515)	(224)	(476)
At 31 December	12,478	11,507	3,908	3,497

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 23 October 2009:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current				
Present value of unfunded obligations	12,478	11,507	3,908	3,497

The expenses recognised in the Group's and the Company's profit or loss are analysed as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current service cost	1,112	1,126	345	339
Interest cost	839	788	276	252
Actuarial loss recognised	43	54	14	17
Total included in staff costs (Note 12)	1,994	1,968	635	608

The above charge to the profit or loss was included in administrative expenses of the year.

The principal actuarial assumptions used by the valuers in the valuation carried out on 23 October 2009 in respect of the Group's and the Company's defined benefit plan is as follows:

	Group and Company
	%
Discount rate	6.2
Expected rate of salary increases	4.0

There is no material effect to the defined benefit obligations should there a 1% movement in the above assumed discounted rate.

37 LONG TERM BORROWINGS – SECURED

(a)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Term loans	1,663,502	1,114,833	449,000	499,000
Less: Unamortised cost of issue	(8,583)	(6,232)	–	–
	1,654,919	1,108,601	449,000	499,000
Less: Due within 12 months (Note 41)	(337,231)	(294,977)	–	–
	1,317,688	813,624	449,000	499,000
Term loans	1,663,502	1,114,833	449,000	499,000
Less: Issuance expenses	(11,272)	(7,271)	–	–
Net proceed	1,652,230	1,107,562	449,000	499,000
Accumulated amortisation of issuance expenses	2,689	1,039	–	–
	1,654,919	1,108,601	449,000	499,000
Less: Due within 12 months	(337,231)	(294,977)	–	–
	1,317,688	813,624	449,000	499,000

(b) The repayment period of the term loans (before issuance cost) are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Analysis of term loans:				
Payable within one year	337,898	294,977	–	–
Payable between one and two years	653,652	27,795	49,000	–
Payable between two and five years	671,952	505,611	400,000	249,000
Payable after five years	–	286,450	–	250,000
	1,663,502	1,114,833	449,000	499,000
Representing term loans:				
Due within 12 months	337,898	294,977	–	–
Due after 12 months	1,325,604	819,856	449,000	499,000
	1,663,502	1,114,833	449,000	499,000

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37 LONG TERM BORROWINGS – SECURED (cont'd)

(b) The repayment period of the term loans (before issuance cost) are as follows: (cont'd)

The long term loans were secured by:

- first fixed charge over certain assets of the Company and its subsidiaries (Notes 17 and 18)
- first fixed charge over certain freehold property development land of certain subsidiaries (Note 19(b))
- assignment of rental income from certain properties
- assignment of the Company's investments

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
(c) Weighted average year end effective interest rates per annum	4.85	4.79	4.96	4.69

(d) All borrowings are denominated in Ringgit Malaysia.

38 LONG TERM LIABILITIES

	Group	
	2011	2010
	RM'000	RM'000
Guaranteed return to a minority shareholder	105,517	101,112
Cost of accretion of liability (Note 14)	4,626	4,405
	110,143	105,517
Hire purchase creditors due after 12 months (Note 40)	492	1,238
Minority shareholders' advances	981	960
	111,616	107,715

39 TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	750,224	621,892	107,713	140,240
Amounts due to customers on contracts (Note 28)	7,973	10,041	2,671	48
Progress billings in respect of property development	1,669	14,184	–	–
Amounts due to related parties	–	1,600	–	1,600
Hire purchase creditors due within 12 months (Note 40)	535	806	–	–
Other payables	236,206	163,207	57,932	55,595
Accruals	64,300	49,508	37,153	11,147
Accrued interest payable	8,179	27,673	825	769
	1,069,086	888,911	206,294	209,399
Amounts due to subsidiaries			156,750	261,758

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 range from 14 days to 90 days (2010: 14 days to 90 days).

Credit terms of other payables for the Group range from 14 days to 90 days (2010: 14 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

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40 HIRE PURCHASE CREDITORS

	Group	
	2011 RM'000	2010 RM'000
Analysis of hire purchase creditors:		
Payable within one year	610	926
Payable between one and two years	490	751
Payable between two and five years	82	657
Payable after five years	–	8
	1,182	2,342
Less: Finance charges	(155)	(298)
	1,027	2,044
Present value of hire purchase creditors:		
Payable within one year	535	806
Payable between one and two years	424	659
Payable between two and five years	68	566
Payable after five years	–	13
	1,027	2,044
Representing hire purchase creditors:		
Due within 12 months (Note 39)	535	806
Due after 12 months (Note 38)	492	1,238
	1,027	2,044

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 2.90% to 5.83% (2010: 2.90% to 5.83%) 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.

41 SHORT TERM BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Secured:				
Short term borrowings and other credit facilities	–	9,654	–	9,200
Term loans due within 12 months (Note 37)	337,231	266,400	–	–
	337,231	276,054	–	9,200
Unsecured:				
Short term borrowings and other credit facilities	15,000	50,000	15,000	50,000
Term loans due within 12 months (Note 37)	–	28,577	–	–
	15,000	78,577	15,000	50,000
Total	352,231	354,631	15,000	59,200

The short term borrowings of the Group and the Company are secured by:

- first fixed charge over certain assets of the Company and its subsidiaries (Notes 17 and 18)
- first fixed charge over certain freehold property development land of certain subsidiaries (Note 19(b))
- assignment of contract proceeds and memorandum of fixed deposits

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Weighted average year end effective interest rates				
Short term borrowings and other credit facilities	4.34	4.17	4.34	4.01
Term loan	4.83	6.51	–	–

All short term borrowings were denominated in Ringgit Malaysia.

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42 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits, cash and bank balances (Note 30)	616,188	795,004	192,432	330,345
Less: Cash and bank balances and fixed deposits held as security value (Note 30)	(245,112)	(307,730)	(24,551)	(15,635)
	371,076	487,274	167,881	314,710

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), which is deemed to be related by virtue of Dato' Shahril Ridza Ridzuan being common Director of both MPB and the Company.
The New Straits Times Press (Malaysia) Berhad (NSTP)	An associate of MPB, which is deemed to be related by virtue of Dato' Shahril Ridza Ridzuan being common Director of MPB, NSTP and the Company.
Kumpulan Wang Simpanan Berhad (KWSP)	Shareholders of the Company, which is deemed to be related by virtue of Tan Sri Azlan Mohd Zainol and Dato' Shahril Ridza Ridzuan being common Board members of both KWSP and the Company.

The related party transactions were carried out based on terms and conditions negotiated and agreed upon between the parties. The significant related party transactions other than mentioned elsewhere in the financial statements are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(a) Transactions with related parties				
Rental income from STMB	1,356	1,238	1,356	1,238
Purchase of advertisement from NSTP and STMB	51	122	2	13
Management fees from subsidiaries	–	–	23,546	24,782
Provision of building maintenance services to KWSP	3,659	3,639	–	–
Provision of security services to KWSP	–	194	–	–

43 RELATED PARTY DISCLOSURES (cont'd)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(b) Key management compensation (including Executive Directors)				
Salaries and other short term employee benefits	6,153	5,840	4,087	3,695
Progress billings charged to the directors and key management of the Group and the Company	947	–	–	–
Post employment benefits	882	949	534	602
Share based payments	22	318	22	250

At as 31 December 2011, there were no amount outstanding arising from the progress billings to the directors and key management.

44 CONTINGENT LIABILITIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unsecured corporate guarantees given to financial institutions for:				
- credit facilities granted to subsidiaries	–	–	45,000	45,000
- trade and performance guarantees extended to third parties	308,096	334,494	257,202	283,612
Unsecured guaranteed return given to a minority shareholder	–	–	115,000	115,000
Litigations arising from business transactions	97,376	100,136	–	–

The unsecured guaranteed return is a contractual obligation made by the Company to a minority shareholder to guarantee the minimum return to their investment in the KL Sentral development project which is payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever shall be the earlier. As at financial year end, the net present value of this guaranteed sum accounted for in the Group is RM110,142,859 (2010: RM105,517,007) (Note 38).

The litigation arising from business transactions and share of liquidated ascertained damages of a jointly controlled entity 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.

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45 CAPITAL COMMITMENT

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Authorised capital expenditure not contracted for:				
- property, plant and equipment	30,193	11,563	5,588	4,695

46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The Group's effective equity interest in the subsidiaries and associates as at 31 December 2011, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
SUBSIDIARIES:				
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development	Malaysia	60.00	60.00
348 Sentral Sdn. Bhd. (formerly known as GSB Sentral Sdn. Bhd.)	Property related development and outsourcing activities	Malaysia	100.00	100.00
Held through 100% ownership by 348 Sentral Sdn. Bhd.				
- 348 Sentral Office Sdn. Bhd. (formerly known as GSB Sentral Office Sdn. Bhd.)	Pre-operating	Malaysia	100.00	100.00
- 348 Sentral Service Residence Sdn. Bhd. (formerly known as GSB Sentral Service Residence Sdn. Bhd.)	Pre-operating	Malaysia	100.00	100.00
KONSORTIUM KOP-HG-MRCB-ISOPLAS	Design and build transmission line and substation	Unincorporated	100.00	100.00
Kuala Lumpur Sentral Sdn. Bhd.	Property development	Malaysia	74.00	64.38

46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.				
- Unity Portfolio Sdn. Bhd.	Property management	Malaysia	74.00	64.38
Landas Utama Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
MRCB Utama Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Country Annexe Sdn. Bhd. property development	Construction and	Malaysia	70.00	100.00
MRCB Sentral Properties Sdn. Bhd. and property investment	Property development	Malaysia	100.00	100.00
59 INC Sdn. Bhd. and property investment	Property development	Malaysia	100.00	–
MRCB Engineering Sdn. Bhd. construction services	Engineering and	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Engineering Sdn. Bhd.				
- MRCB (Thailand) Ltd. B	Pre-operating	Thailand	100.00	100.00
MRCB Environmental Services Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 55% ownership by MRCB Environmental Services Sdn. Bhd.				
- MRCB Environment Sdn. Bhd. environmental engineering	Infrastructure and	Malaysia	55.00	55.00
MRCB Prasarana Sdn. Bhd. and investment holding	Project management	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Prasarana Sdn. Bhd.				
- MRCB Lingkar Selatan Sdn. Bhd.	Design, development, construction, project management, operations and maintenance of the expressway known as Eastern Dispersal Link, Johor Bahru	Malaysia	100.00	100.00

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46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.				
- 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
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- Bitar Enterprises Sdn. Bhd.*	Property development and investment holding	Malaysia	100.00	100.00
Held through 70% ownership by Bitar Enterprises Sdn. Bhd.				
- MRCB Land (Australia) Pty. Ltd.	Property development	Australia	70.00	70.00
Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.				
- MRCB Project Incorporated Pty. Ltd.	Property development	Australia	70.00	70.00
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- MR Properties Sdn. Bhd.*#	Property development	Malaysia	100.00	100.00
- Golden East Corporation Sdn. Bhd.*	Property development and management	Malaysia	100.00	100.00
- Seri Iskandar Utilities Corporation Sdn. Bhd.#	Pre-operating	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

46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
Held through 100% ownership by MRCB Property Development Sdn. Bhd.				
- MRCB Cahaya Mutiara Sdn. Bhd.*#	Property development and management	Malaysia	100.00	100.00
Held through 70% ownership by Malaysian Resources Development Sdn. Bhd.				
- 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
Onesentral Park Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Prema Bonanza Sdn. Bhd.	Property development	Malaysia	51.00	51.00
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
Semasa District Cooling Sdn. Bhd.*	One-stop card technology service provider	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.	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

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46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
Transmission Technology Sdn. Bhd.	Engineering and construction services to power transmission systems and buildings	Malaysia	100.00	100.00
TTSB-SPK Consortium	Design and build transmission line and substation	Unincorporated	100.00	50.00
MRCB Technologies Sdn. Bhd.	Information technology services and professional outsourcing	Malaysia	100.00	100.00
MRCB Green Energy Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
Held through 100% ownership by Region Resources Sdn. Bhd.				
- Syarikat Gemilang Quarry Sdn. Bhd.*#	Quarry operations	Malaysia	100.00	100.00
MR Enterprises Sdn. Bhd.*#	Construction	Malaysia	100.00	100.00
MR Management Sdn. Bhd.*#	Investment holding and management services	Malaysia	100.00	100.00
MRCB Dotcom Sdn. Bhd.*#	Planning and management services	Malaysia	100.00	100.00
MRCB Intelligent System and Control Sdn. Bhd.*#	System maintenance and application services and other technological applications	Malaysia	100.00	100.00
MRCB Trading Sdn. Bhd.*#	Trading in building materials	Malaysia	100.00	100.00
Harmonic Fairway Sdn. Bhd.*#	Investment holding	Malaysia	100.00	100.00
Semasa ACE Urusharta Sdn. Bhd.#	Pre-operating	Malaysia	100.00	100.00
MRCB Energy International Sdn. Bhd.#	Pre-operating	Malaysia	100.00	100.00
Mafira Holdings Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00

46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
Held through 38.6% ownership by Mafira Holdings Sdn. Bhd.				
- Zen Concrete Industries Sdn. Bhd. * ^β	Manufacturing and sale of pre-stressed spun concrete poles	Malaysia	38.60	38.60
MR Securities Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MR Securities Sdn. Bhd.				
- Semasa Security Sdn. Bhd.	Security guard services	Malaysia	100.00	100.00
MR-H Piling and Civil Engineering (M) Sdn. Bhd.* [~]	Piling and civil engineering	Malaysia	51.00	51.00
MRCB Ceramics Sdn. Bhd.*	Manufacturing, distribution and sale of ceramic tiles	Malaysia	100.00	100.00
MRCB Land Sdn. Bhd.*	Project management and development services	Malaysia	100.00	100.00
MRCB Property Management Sdn. Bhd. *	Property investment and management	Malaysia	100.00	100.00
MR Construction Sdn. Bhd.* [~]	Construction	Malaysia	50.80	51.00
Cheq Point (M) Sdn. Bhd.* [~]	Charge card services and investment holding	Malaysia	75.00	75.00
Sibexlink Sdn. Bhd.* ^α	Sale of business information and website development	Malaysia	100.00	100.00

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46 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2011 %	2010 %
ASSOCIATES:				
Nuzen Corporation Sdn. Bhd. ^β	Investment holding	Malaysia	30.00	30.00
One IFC Sdn. Bhd. ^β	Investment holding	Malaysia	30.00	30.00
Penang Sentral Sdn. Bhd. ^β	Property development	Malaysia	49.00	49.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Ekovest-MRCB JV Sdn. Bhd. (formerly known as KL Bund Sdn. Bhd.) ^β	Property development	Malaysia	40.00	–
Multimedia Consulting Sdn. Bhd. ^{^ β}	Applications services relating to information and technologies	Malaysia	–	29.00
Kota Francais (M) Sdn. Bhd.* ^β	Franchising property management and consultancy	Malaysia	20.00	20.00
JOINTLY CONTROLLED ENTITIES:				
Nu Sentral Sdn. Bhd.	Property investment and management	Malaysia	51.00	51.00
Bisraya Construction-MRCB Engineering Consortium [@]	Engineering services and construction	Unincorporated	30.00	30.00

* Dormant

^α This subsidiary is under creditors voluntary liquidation[^] This associate was disposed off during the financial year[#] The subsidiaries are under members' voluntary liquidation[~] The subsidiaries have been placed under members' voluntary liquidation after year end[@] The Group has full control on this consortiumAll companies are audited by PricewaterhouseCoopers, Malaysia except for those indicated in ^β

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, infrastructure and environmental, building services and investment holding divisions.

Segment results are defined as operating income before interest income.

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 RM1,213,076,918 (2010: RM1,067,578,585), and the total of revenue from external customers from other countries is RM Nil (2010: RM Nil).

Inclusive in the Group's non-current assets is RM Nil (2010: RM22,734,376) located in countries other than Malaysia.

There are no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue except for revenue of RM152,957,000 (2010: RM195,394,000) from the construction of a hospital to a customer in Johor Bahru, which approximate 12.6% (2010: 18.3%) to the Group's revenue.

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
Year ended 31 December 2011						
Revenue						
Total revenue	1,362,396	481,629	28,619	94,415	28,344	1,995,403
Inter-segment revenue	(711,436)	(7,920)	-	(34,740)	(28,230)	(782,326)
External revenue	650,960	473,709	28,619	59,675	114	1,213,077
Results						
Segment results	12,167	124,683	(1,390)	7,044	(19,642)	122,862
Finance income						23,923
Finance costs						(35,213)
Share of results of jointly controlled entities and associates	(186)	(4,135)	-	-	-	(4,321)
Profit before income tax						107,251
Income tax expense						(15,326)
Profit after tax						91,925
Non-controlling interests						(14,463)
Net profit for the financial year						77,462

NOTES TO THE FINANCIAL STATEMENTS

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47 SEGMENT REPORTING (cont'd)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
At 31 December 2011						
Other information						
Assets						
Segment assets	730,256	2,746,586	1,310,688	57,457	312,386	5,157,373
Jointly controlled entities and associates	–	155,481	58,848	–	–	214,329
Tax recoverable and deferred tax assets						39,470
Total assets						5,411,172
Liabilities						
Segment liabilities	608,241	334,519	13,557	44,985	221,900	1,223,202
Interest bearing instruments						2,736,432
Current and deferred tax liabilities						53,284
Total liabilities						4,012,918
Other disclosures						
Capital expenditure	2,957	298,013	10	11,057	1,026	313,063
Depreciation and amortisation	3,138	3,669	1,001	1,964	1,435	11,207

47 SEGMENT REPORTING (cont'd)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
Year ended 31 December 2010						
Revenue						
Total revenue	1,126,623	210,777	103,476	76,876	33,140	1,550,892
Inter-segment revenue	(409,007)	(10,318)	–	(31,557)	(32,431)	(483,313)
External revenue	717,616	200,459	103,476	45,319	709	1,067,579
Results						
Segment results	65,035	48,553	3,059	1,521	(8,415)	109,753
Finance income						30,847
Finance costs						(31,449)
Share of results of jointly controlled entities and associates	(1,316)	(8,116)	(2,144)	–	–	(11,576)
Profit before income tax						97,575
Income tax expense						(23,781)
Profit after tax						73,794
Non-controlling interests						(6,526)
Net profit for the financial year						67,268

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47 SEGMENT REPORTING (cont'd)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
At 31 December 2010						
Other information						
Assets						
Segment assets	689,971	1,781,160	1,175,149	42,393	467,201	4,155,874
Jointly controlled entities and associates	–	132,623	66,380	–	–	199,003
Tax recoverable and deferred tax assets						33,463
Total assets						4,388,340
Liabilities						
Segment liabilities	459,036	307,279	11,018	25,762	215,403	1,018,498
Interest bearing instruments						2,008,522
Current and deferred tax liabilities						39,843
Total liabilities						3,066,863
Other disclosures						
Capital expenditure	6,715	105,379	405	4,501	326	117,326
Depreciation and amortisation	2,726	3,830	1,239	1,624	4,122	13,541

Capital expenditure consists of additions to property, plant and equipment and investment properties (Note 17 and 18).

The Group's business segments operate in Malaysia only.

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 30 September 2009, the Company entered into a Settlement Agreement with Irshad Consulting Sdn. Bhd. (Irshad) and Multimedia Consulting Sdn. Bhd. (MCSB), an associate of the Company for the disposal of its entire 29% equity interest in MCSB, represented by 1,450,000 ordinary shares of RM1.00 each to Irshad for a cash consideration of RM290,000. The carrying value of the said investment has been fully impaired in the previous years.

The disposal was completed in March 2011. The transfer of the disposed shares is in progress.

- (b) On 31 January 2011, Cosy Bonanza Sdn. Bhd., a subsidiary of the Company had early redeemed its Murabahah Tawarruq Facility of RM169,976,912 with a new long term bridging loan facility. The total new facility amount is RM400 million.
- (c) The Company had on 29 March 2011 entered into a Joint Venture & Shareholders' Agreement (JVSA) with Ekovest Bhd and Ekovest – MRCB JV Sdn. Bhd. (EMJV) (formerly known as KL Bund Sdn. Bhd.) in relation to the River of Life project. Pursuant to the JVSA, the Company will hold 40% equity interest in EMJV. The JVSA will enable both parties to regulate their rights and obligations as shareholders of EMJV which will act as the project delivery partner for the project.

The JVSA was completed on the same date. The allotment of shares by EMJV is in progress.

- (d) On 7 April 2011, the Company entered into a Share Sale Agreement (SSA) with three (3) individuals to acquire the entire equity interest represented by 200,000 ordinary shares of RM1.00 each in 59 INC Sdn. Bhd. (59INC) for a cash consideration of up to RM110 million.

59INC has a conditional approval from the land office to be the legal and beneficial owner of 3 plots of vacant government land at Mukim Setapak measuring 27.41 acres for mixed development.

The acquisition was completed on the same date. As at year end, 59INC had obtained the legal title to the said land.

- (e) The Company had on 11 April 2011 entered into a Joint Venture & Shareholders' Agreement (JVSA) with DMIA Sdn. Berhad to set up a 70:30 shareholding joint venture company to undertake the Little India project in Jalan Tun Sambanthan. A pre-operating subsidiary, Country Annexe Sdn. Bhd. (CASB) was assigned as the joint venture company.

On 5 July 2011, CASB entered into a Land Swap Privatization Agreement with the Government of Malaysia and Syarikat Tanah dan Harta Sdn. Bhd. for the project.

The JVSA was completed on 5 July 2011.

- (f) The Company had on 30 September 2011 via a Junior Sukuk Transfer Agreement disposed its entire investment in Junior Sukuk to The National Agricultural Cooperative Federation (Purchaser) for a cash consideration of RM230 million. The Purchaser is the trustee for HanaDaol Landchip Malaysia JB Private Real Estate Fund Investment Trust No.34 (REFTrust) of Korea.

The Junior Sukuk was issued by the Company's wholly owned subsidiary, MRCB Southern Link Berhad on 23 June 2008.

The disposal was completed on 30 September 2011.

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48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (g) The Company had on 7 October 2011 entered into a Share Sale Agreement with Pembinaan Redzai Sdn. Bhd. to acquire its entire 9.62% equity interest in Kuala Lumpur Sentral Sdn. Bhd. (KLSSB) represented by 4,810,000 ordinary shares of RM1.00 each and RM2,590,000 loan stock together with accrued loan stock interest for a purchase consideration of RM12.5 million.

Upon completion of the acquisition, the Company's effective equity interest in KLSSB will be increased from 64.38% to 74%.

The Proposed Acquisition was completed on 29 December 2011. The transfer of the acquired shares is in progress.

- (h) The Company had on 9 November 2011 applied to Companies Commission of Malaysia to effect its thirteen (13) wholly owned subsidiaries under members' voluntary liquidation pursuant to section 254(1)(b) of the Companies Act, 1965. These subsidiaries are Harmonic Fairway Sdn. Bhd., MR Enterprises Sdn. Bhd., MR Management Sdn. Bhd., MR Properties Sdn. Bhd., MRCB Cahaya Mutiara Sdn. Bhd., MRCB Dotcom Sdn. Bhd., MRCB Energy International Sdn. Bhd., MRCB Intelligent System and Control Sdn. Bhd., MRCB Trading Sdn. Bhd., Semasa ACE Urusharta Sdn. Bhd., Seri Iskandar Utilities Corporation Sdn. Bhd., Syarikat Gemilang Quarry Sdn. Bhd. and Taiyee Development Sdn. Bhd.

At the date of this report, these subsidiaries are still in the process of liquidation.

49 SIGNIFICANT EVENTS SUBSEQUENT TO FINANCIAL YEAR

- (a) On 18 January 2012, three (3) levels on the upper floor of the building under construction of our wholly owned subsidiary, 348 Sentral Sdn. Bhd. was on fire. As at the date of this report, the Group is still assessing the impact of the damage.
- (b) The Company had on 8 February 2012 applied to Companies Commission of Malaysia to effect its three (3) non-wholly owned subsidiaries under members' voluntary liquidation pursuant to section 254(1)(b) of the Companies Act, 1965. These subsidiaries are Cheq Point (M) Sdn. Bhd., MR-H Piling and Civil Engineering (M) Sdn. Bhd. and MR Construction Sdn. Bhd.

At the date of this report, these subsidiaries are still in the process of liquidation.

50 COMPARATIVES

Comparative figures have been adjusted or extended to conform with changes in presentation and to comply with the additional disclosure requirements of the revised FRSs that are applicable for the financial year ended 31 December 2011.

51 DIVIDENDS

	2011		2010	
	Gross dividend per share sen	Amount of dividend (net of tax) RM'000	Gross dividend per share sen	Amount of dividend (net of tax) RM'000
Proposed a first and final dividend - net of 25% income tax	2.0	20,795	1.50	15,571

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2011 of 2.0% or 2.0 sen per ordinary share less income tax of 25%, amounting to approximately RM20,795,000 which is subject to the approval of the members at the forthcoming Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

52 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised accumulated 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 the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total accumulated losses:				
- realised	(108,636)	(277,125)	(220,006)	(267,387)
- unrealised	(30,913)	(12,805)	1,947	1,962
Total share of accumulated losses from associates:				
- realised	(5,657)	(969)	-	-
- unrealised	-	-	-	-
Total share of accumulated losses from jointly controlled entities:				
- realised	(5,463)	(6,268)	-	-
- unrealised	-	-	-	-
Add: Consolidation adjustments	(52,181)	31,262	-	-
Total Group accumulated losses	(202,850)	(265,905)	(218,059)	(265,425)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the 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 2011 relates mainly to provision of remedial works of RM12,000,000 (2010: RM12,000,000) (Note 34) and net deferred tax liabilities of RM21,167,482 (2010: RM3,122,593).

PROXY FORM

(Please see the notes below before completing the form)

I/We (FULL NAME IN CAPITAL LETTERS) _____
of (FULL ADDRESS) _____

being a member/members of Malaysian Resources Corporation Berhad hereby appoint *the Chairman of the Meeting
and/or (FULL NAME) _____
of (FULL ADDRESS) _____

and/or failing him (FULL NAME) _____
of (FULL ADDRESS) _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 41st Annual General Meeting of the Company to be held on Tuesday, 3 April 2012 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 receive and adopt the Statutory Financial Statements and Reports of the Directors and Auditors thereon for the financial year 2011		
2	To approve a first and final dividend of 2% or 2 sen per ordinary share less 25% income tax for the financial year 2011		
3	To re-elect the following Directors under Article 106: Dato' Chong Pah Aung		
4	Jamaludin Zakaria		
5	To re-elect the following Directors under Articles 101 and 102: Dato' Ahmad Ibnihajar		
6	Dato' Shahril Ridza Ridzuan		
7	To approve the Directors' Fees of RM398,713 for the financial year 2011.		
8	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		

Dated this _____ day of _____ 2012

Number of shares held

Signature of Shareholders

* DELETE IF NOT APPLICABLE

Notes :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited at the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

General Meeting Record of Depository

For the purpose of determining a member who shall be entitled to attend the 41st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 27 March 2012. Only a depositor whose name appears on the Record of Depositors as at 27 March 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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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)

Saya/Kami (NAMA PENUH DENGAN HURUF BESAR) _____
yang beralamat di (ALAMAT PENUH) _____

sebagai ahli/ahli-ahli Malaysian Resources Corporation Berhad, dengan ini melantik *Pengerusi Mesyuarat dan/atau (NAMA PENUH) _____
yang beralamat di (ALAMAT PENUH) _____

dan/atau sebagai penggantinya (NAMA PENUH) _____
yang beralamat di (ALAMAT PENUH) _____

sebagai proksi saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat Ke-41 yang akan diadakan pada hari Selasa, 3 April 2012 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 mengundi ataupun tidak.

No	Resolusi	Menyokong	Menentang
1	Untuk menerima dan meluluskan Penyata Kewangan Syarikat dan Laporan-Laporan Berkanun Bagi Tahun Kewangan 2011		
2	Untuk meluluskan bayaran dividen pertama dan terakhir sebanyak 2% atau 2 sen sesaham biasa yang ditolak cukai pendapatan sebanyak 25% bagi tahun kewangan 2011		
3	Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 106 Tataurusan Syarikat: Dato' Chong Pah Aung		
4	Jamaludin Zakaria		
5	Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurusan Syarikat: Dato' Ahmad Ibnihajar		
6	Dato' Shahril Ridza Ridzuan		
7	Untuk meluluskan yuran Pengarah-Pengarah sebanyak RM398,713 bagi tahun kewangan 2011		
8	Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan ganjaran mereka.		

Bertarikh _____ hb. _____ 2012

Bilangan Saham Dipegang

Tandatangan Pemegang Saham

* POTONG YANG MANA TIDAK PERLU

Nota-Nota :

- Ahli Syarikat yang berhak menghadiri dan mengundi di mesyuarat ini, berhak melantik seorang atau lebih proksi (atau melantik seorang wakil, bagi syarikat yang diperbadankan) untuk menghadiri dan mengundi bagi pihaknya. Seorang proksi tidak semestinya seorang ahli Syarikat ini.
- Borang Proksi mestilah ditandatangani oleh orang yang melantiknya atau wakilnya yang diberi kuasa secara bertulis. Bagi syarikat yang diperbadankan, ia hendaklah dilaksanakan dengan menggunakan Cop Mohor atau ditandatangani oleh wakilnya yang diberi kuasa secara bertulis atau oleh pegawainya, bagi pihak syarikat tersebut.
- Surat perlantikan seorang proksi hendaklah dikemukakan ke Pendaftar Saham, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia tidak kurang dari 48 jam sebelum waktu yang telah ditetapkan bagi mesyuarat tersebut atau sebarang penangguhannya.

Rekod Depositori Mesyuarat Agung

Bagi tujuan menentukan sama ada seseorang ahli layak untuk menghadiri Mesyuarat Agung Tahunan ke-41, Syarikat akan meminta Bursa Malaysia Depository Sdn Bhd mengeluarkan satu Rekod Pendeposit Mesyuarat Agung pada tarikh 27 Mac 2012. Hanya pendeposit yang namanya tersenarai di dalam Rekod Pendeposit pada 27 Mac 2012 sahaja layak menghadiri mesyuarat tersebut atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihak beliau.

Lipat sini



Setem

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
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Selangor Darul Ehsan
Malaysia

Lipat sini



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