

## SUSTAINABILITY REPORT



In line with Mah Sing's Mission, the Board of Directors promotes sustainability in the conduct of the Group's businesses.

Sustainability efforts and initiatives are embedded in the day-to-day operational activities or are organized via special programs for specific sustainability cause. By achieving a satisfactory balance on bottom-line growth, welfare safeguard of people and community within a harmonious state of the environment, such efforts are intended to benefit the shareholders/ investors, operating environment, society, employees, customers, business partners, contractors, suppliers and other stakeholders.

This Sustainability Report ("SR") provides a brief write-up on the Group's sustainability efforts and initiatives.

#### A. ENVIRONMENT

The Group reaches out to the environment via its support towards various environmental initiatives. Where possible, the Group incorporates green features in its property products and promotes environmentally friendly processes in producing plastics products.

#### PROPERTY DIVISION

The Group continues to work on ever-improving designs, layouts and green features and will continue to build eco-sensitive and environmentally friendly property developments so that homebuyers can enjoy life in harmony with nature.

#### Green Products

The Group has identified a few development projects in the Klang Valley and Penang Island for green certification benchmarked against green compliance standards recognized by the World Green Building Council. Those green compliance standards included Malaysia's Pertubuhan Arkitek ("PAM") Green Building Index ("GBI"), Singapore's Building and Construction Authority ("BCA") Green Mark; or United States' Green Building Council ("USGBC") Leadership in Energy and Environmental Design ("LEED").

These green building rating systems provide comprehensive framework for assessing environmental impact and performance in various categories such as energy efficiency, water efficiency, environmental protection, indoor environmental quality and innovation credits.

## SUSTAINABILITY REPORT

Amongst the key green features that have been captured during the project design & planning stage are:-

### Energy Efficiency

- Use of solar photovoltaic panels, energy efficient air-conditioning system and lifts/escalators
- Lighting power density reduction through selection of highly efficient T5 and LED fittings
- Motion sensors for common areas by switching on lighting only when traffic is present
- Use of high performance glazing and roof insulation to reduce the heat gain through building envelope and eventually reduce Air Conditioning Mechanical Ventilation (ACMV) usage
- Naturally ventilated and day-lit car park/common areas such as lift lobbies, corridors and staircases to reduce need for electrical lighting thus energy consumption
- Reflective cool paint on external wall to reduce cooling load requirement

Use of solar photovoltaic panel at Khirra Residence Phase 3A

Use of energy efficient air-conditioning system at Icon City 100m Residence Type D1

### Water Efficiency

- Rain water harvesting system to reduce potable water usage for landscape irrigation
- Drip irrigation system to minimise water consumed for irrigation needs
- Rain water harvesting tank to collect rainwater for irrigation
- Selection of drought tolerant plants to reduce irrigation demand
- Water efficient sanitary fittings to reduce water consumption
- Provision of sub-meters for irrigation, swimming pool, water features, rainwater harvesting tank and fire-fighting system to enable early water leakage detection

Use of rain water harvesting tank at Garden Residence Precinct A

### Environmental Protection

- Use of recycled content materials with green labels
- Extensive greenery, roof garden to reduce urban heat island effect
- Use of organic compost in lieu of synthetic fertilizers
- Adoption of Construction Quality Assessment System ("CONQUAS") to ensure excellence in construction and workmanship
- Sustainability efforts led by Green Building specialists
- Provision of recycling facilities allowing residents to participate in sustainable efforts

### Indoor Environment Quality

- Use of low Volatile Organic Compounds ("VOC") paints at appropriate internal wall surfaces to maintain good indoor air quality
- Use of Carbon Monoxide ("CO") sensors to regulate car park exhaust system
- Natural ventilation and day lighting in dwelling units and common areas
- Locating refuse chutes outside dwelling units in a natural ventilated space to enhance indoor air quality

### Green Innovations

- Covered walkway to public transport station, pneumatic waste conveyancing system to appropriate projects
- Provision of sheltered bicycle racks
- Use of siphonic rainwater drainage system to improve water drainage from roofs
- Redevelopment from brownfield/ existing sites
- Provision of eco-pond to promote a self-sustainable ecological system
- Provision of compost bins to manage horticultural waste

## SUSTAINABILITY REPORT

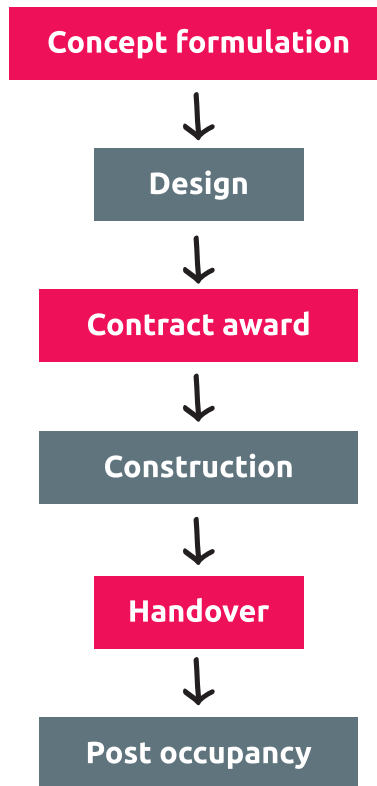
**Green Compliance**

Figure 1: Green compliance at every stage of development process

The Group continues to monitor green compliance at every stage of development process to achieving the targeted green certification in the various components.

For the green projects, professional Green Building Consultants had been engaged as early as the concept formulation stage to assist the project design team in ensuring compliance with the respective green guidelines and certification standards.

Criteria for selection and evaluation of contractors during contract award stage includes track record in good environmental site management. Waste and site management targets are set for contractors who are required to comply with all green building requirements on site.

Environmental friendly and sustainable construction practices are adopted during construction to reduce polluting effects. Environmental Management Plan ("EMP") is prepared for each project site based on the recommendations in the Environmental Impact Assessment ("EIA") so as to comply with the authority's environmental requirements. The EMP will address the major construction activities associated with the proposed projects that have the potential to be a source of environmental impacts.

During handover, relevant user manuals documenting environmental friendly facilities and features will be distributed to property owners for their information and as a guide to sustain the intended environmental performance during occupancy.

Post-occupancy monitoring and maintenance will be initiated to verify the actual efficiencies achieved against target ratings within 12 months of practical completion of properties or upon more than 50% occupancy.



## SUSTAINABILITY REPORT

### Green Certification

For projects registered for green assessment, pre-assessment will be conducted by Green Building Consultant to the Green Certifier. During concept briefing, all necessary data including current achievement/target for those developments will be presented to Green Certifier so as to achieve the most potential and practical green features for the developments.

Certification level will then progress to actual assessment upon documents submission. If successful, provisional certification will be awarded.

Final certification will be issued upon verification of green features by Green Assessor at project completion stage. The certification process will only be completed upon final assessment of development projects within 12 months of practical completion of properties or upon more than 50% occupancy.

Southbay Plaza, Penang Island and Icon Residence Mont' Kiara, Klang Valley are now BCA's Green Mark certified projects upon their receipt of provisional certifications during their construction stage in 2012.

Southbay Plaza was awarded with the Green Mark (Gold) Provisional Certificate and Icon Residence Mont' Kiara was awarded with the Green Mark (Certified) Provisional Certificate after assessment of documents by BCA of Singapore.

Both projects which are targeting for PAM's GBI Certified level are now in progress of collecting documents for final assessment.



Artist's impression of Southbay Plaza



Artist's impression of Icon Residence Mont' Kiara

## SUSTAINABILITY REPORT



Artist's impression of M-City

M-City project at Jalan Ampang, Kuala Lumpur was conferred by The Malaysian Reserve Editors Choice Property Awards 2012 as the Most Iconic Green Development. The project embraces environmental sustainability and excellence towards globally-recognized green building standards of BCA's Green Mark (Certified) and PAM's GBI (Certified).

M-City project stands out in terms of both iconic design and green features with its multi-level thematic hanging gardens such as Sky Garden at Level 23 & 35 and Tropical Sanctuary at Level 29. Also deemed as contributing to the iconic status of M-City is the four-tiered private resident clubhouse, Altitude Sky Club on Levels 23-26.



Artist's impression of Icon City

In its pre-assessment stage of the green certification process, Icon City at Petaling Jaya, Klang Valley is pending for value engineering confirmation as a measurement for cost effective building design.

If awarded, Icon City project will be envisaged as a world within a world, offering unparalleled convenience and the integration of every lifestyle desire. This project is poised to be one of the first mixed development in Southeast Asia to achieve triple-certifications under PAM's GBI, BCA's Green Mark and USGBC's LEED for various certification criteria such as:- LEED New Construction, LEED Core and Shell, Green Mark Residential Building, GBI Residential New Construction, GBI Non-residential New Construction.



Ferringhi Residence in Penang Island was identified in 2012 for green certification, targeting for BCA's Green Mark Gold. Design is still at the preliminary stage, targeting for BCA's Green Mark assessments in 2013.

Icon Residence Penang which was identified for green certification during design & planning stage in 2011 is pending building plan approval. The project is registered for BCA's Green Mark (Gold) assessment and PAM's GBI (Certified) assessment in 2013.

### Green Practices

Recycling bins are located at gated & guarded precincts in Sri Pulai Perdana 1 & 2 and Austin Perdana, Johor Bahru whereby recycled items will be collected and sold by a charitable organization for orphanage homes. After handed over to the residents, the Residents' Association has continued with the initiative for the betterment of the environment.



One of recycling bins located at gated & guarded precinct in Johor Bahru.



## SUSTAINABILITY REPORT

## PLASTICS DIVISION

## ISO 14001:2004 Environmental Management System Certified

The Group's plastics division manufactures a wide range of its own brand of proprietary products that are growing in popularity due to its economical, ergonomic and environmentally friendly benefits. Plastics pallets which can be reused and recycled compared to more conventional wood-based alternatives are being promoted not just locally but overseas through participation at conferences and exhibitions.



Asia Petrochemical Industry Conference Exhibition ("APIC") at Kuala Lumpur Convention Centre ("KLCC") on 17 & 18 May 2012.



Australia Fine Food Exhibition at the Melbourne Exhibition and Convention Centre from 10 to 13 September 2012.

The division is also a significant player in the Original Equipment Manufacturer ("OEM") markets. The Malaysian plant focuses in electronic & electrical ("E&E") products and the Indonesian facility supplies parts and components mainly for the automotive industries.

Besides complying with all applicable environmental legislation and statutory regulations pertaining to the preservation and protection of the environment, the Group's plastics division, both the Malaysian and Indonesian operations strive to go beyond and have achieved the ISO 14001:2004 international certification since 2007 in managing environmental impact.

The Management is committed to optimizing environmental performance throughout the manufacturing processes. Appreciating the environmental benefits of conserving resources, both the Malaysian and Indonesian operations have constantly sought alternative options such as strategic investments in plant and technology to help deliver energy-efficient improvement and reduced impacts from the operations and manufacturing processes wherever practical. In-line with this philosophy, the plastics division has invested into a total of 20 units of new injection moulding machines with energy saving features as well as sound reducing (low noise). These new energy-efficient injection machines which came into operation since year 2008 could reduce electricity consumption by an average of 25% as compared to the traditional hydraulic machines. Analysis performed on electricity consumption by all the existing machines including those machines with energy saving features showed a lower quantity of power required of 0.16kw/tonnage output in 2012 as compared to 0.19kw/tonnage output in 2007.

## SUSTAINABILITY REPORT

### GROUP WIDE ENVIRONMENTAL OUTREACH EFFORTS

The Group promotes the awareness of greener environment by continuing with its environmental outreach efforts to inculcate a culture of preserving the environment in the workplace.

#### Essential Electrical and Electronic Equipment

The Group's employees are constantly reminded and encouraged to conserve energy consumption. These include:-

- Turning off lightings, air-conditioning and other essential electrical equipment during lunch breaks and absences.
- Split-unit air-conditioning system that allows prudent use of electricity as usage can be controlled and confined to specific work area and time.
- Use of LCD monitors as well as reduction in the number of servers via virtualisation to reduce energy consumption.

#### Reduce, Reuse & Recycle

The Group's employees are strongly encouraged to reduce, reuse and recycle paper usage in their daily operation. Amongst the initiatives taken thus far include:-

- Use of shared-drive and centralised system for document and resource management.
- Abridged version of annual report together with CD-ROM. Full version will be given only upon shareholders' request.
- Practice of double-sided printing, recycle used paper for in-house photocopying and printing.
- Arrangement of waste recycling by allocating recycling bins for paper, plastics and other materials at Mah Sing HQ.

To create greater environmental awareness, and as a show of support towards the plastics industry's commitment towards 3Rs ("Reduce-Reuse-Recycle"), the plastics division participated in the "Larian Jom Kitar Semula" organized by the Malaysian Plastics Manufacturer Association ("MPMA") at Putrajaya on 17 November 2012.

This event was held in conjunction with the National Recycle Day 2012 by Solid Waste Management & Public Cleansing Corporation, Ministry of Housing & Local Government.



Mah Sing team in support of MPMA "Larian Jom Kitar Semula".



MPMA participants holding the "Don't be a litterbug" banner.



Practice of recycle used paper for in-house photocopying and printing at Mah Sing HQ.



Recycling bins for paper, plastics and other materials at Mah Sing HQ.

## SUSTAINABILITY REPORT



Earth Hour banner on www.mahsing.com.my

## Other Initiatives

- The Group has been participating in the annual Earth Hour, a global initiative by World Wide Fund for Nature ("WWF"). The Group's HQ participated in the turning off of non-essential lights for an hour on Earth Hour day. The Group also displayed the Earth Hour banner on its website days prior to the actual day. Residents and tenants of Mah Sing's properties were also encouraged to do the same.

## B. COMMUNITY

The Group firmly believes in giving back to the community. Through Mah Sing Foundation and its programs; certain community outreach initiatives surrounding its development projects; and other CSR activities, the Group had gone beyond just the structures that it builds but benefitting the greater communities that live within and around them.

## CSR via MAH SING FOUNDATION

Mah Sing Foundation through which Corporate Social Responsibility activities of the Group are conducted is the brainchild of the Group Managing Director/ Group Chief Executive, Tan Sri Dato' Sri Leong Hoy Kum who believes that a consolidated effort in CSR will be more effective and impactful in benefiting the needy.

Established in the year 2005, the Foundation is an approved tax-exempted charitable organization. All donations made to the Foundation by any corporation or individual will be tax exempted.

Objective of Mah Sing Foundation

The Foundation is a charitable trust established by Mah Sing Group Berhad to receive and administer funds solely for medical, educational and charitable purposes. It also seeks to raise more funds via annual fund raising activities and events.

CSR Activities of Mah Sing Foundation

Since its inception in 2005 and till early May 2013, the Foundation has made charitable cash contributions exceeding RM4 million to the less fortunate amongst us, both in Malaysia and abroad, for opportunities to improve their quality of life. Mah Sing is active not only in the social and cultural development of our local community but has also been concerned with communities abroad. In this regard our contributions in the past years included the Somalia Humanitarian Aid and aiding the Japanese people who were affected by earthquake and tsunami, channeled through the Japan Red Cross via the Tabung Bencana Pandu-Puteri-Maybank.

Year 2012 was another eventful year for Mah Sing Foundation. As with the past 7 years, various activities were organized that included monetary assistance & relief schemes for the poor and distress; education assistance in the form of subsidies and donations to schools; and medical assistance to those who are medically ill. Support was also given to social and sports activities, especially those that help to promote national unity.



## SUSTAINABILITY REPORT

Month	Recipients/ Activities	Category of Assistance
March	Yayasan Sin Chew in conjunction with its charity shows organized to raise fund for the construction of a retirement home for senior citizens, namely The Harmony Home in Semenyih, Selangor.	Underprivileged
April	Tabung Projek Jiwa Murni for building of a shelter at the assembly area and floor refurbishment in classrooms of Sekolah Kebangsaan Leftenant Adnan, Kajang, Selangor.	Education
June	15 charitable organizations that benefitted from Mah Sing Foundation's fundraising event "An Unforgettable Night of Sharing".	Education, medical & underprivileged
July	Yayasan Nanyang Press (China Press) for the family of Ms Ngeo Jia Yee in support of her cancer treatment related expenses.	Medical
August	Buddhist Tzu-Chi Merits Society Malaysia in conjunction with its charity concert to raise funds for the to-be constructed dialysis centre and education centre.  An employee of the Group in aid of surgery expenses incurred for his daughter.  Xin Shuo Group Sdn Bhd for sponsoring fundraising event "Beijing Voice of Disability Charity Show"	Medical & education  Medical  Underprivileged
September	National Stroke Association of Malaysia ("NASAM") in conjunction with the Star Publications's Penang Starwalk 2012. Funds received went towards helping stroke survivors recover from the debilitating effects of stroke and to raise awareness of stroke and stroke prevention.  Tabung Rayuan Hari Pahlawan for sponsorship of pin bunga raya during Warrior's Day Appeal 2012 in aid of Angkatan Tentera Malaysia veterans.  Real Estate & Housing Developers' Association ("REHDA") Malaysia in conjunction with REHDA Youth's charity initiative in aid of selected children orphanages.	Medical  Underprivileged  Underprivileged
November	Newspaper-in-Education ("NiE") school sponsorship program by the Star Publications which aim to improve the proficiency of the English language amongst students in Chinese primary schools.  Chong Hwa Independent High School, Kuala Lumpur.  Yayasan Bakti Khidmat Masyarakat Malaysia ("YBKMM") Cancer Care Fund.	Education  Education  Medical
December	Dignity for Children Foundation, Kuala Lumpur.	Education

## SUSTAINABILITY REPORT

### Mah Sing Foundation's Fundraising Event "An Unforgettable Night of Sharing"

On 15 June 2012, Mah Sing Foundation organized its inaugural fundraising event. The fundraising event which was themed "An Unforgettable Night of Sharing" featured a line up of local and international artistes who performed for an audience of over 600.

This event was not only a chance for Mah Sing Foundation to continue its CSR deeds, but also provided an opportunity for its corporate and business partners to take part and support its inaugural fundraising event.

On the night of the fundraising, Mah Sing Foundation successfully raised slightly more than RM2.8 million in donation from Mah Sing Group Berhad, its corporate and business partners as well as personal contribution by the Group Managing Director/ Group Chief Executive. The monies collected will be disbursed in accordance with objectives of the Foundation.



Group Managing Director/Group Chief Executive Tan Sri Dato' Sri Leong Hoy Kum presenting a mock cheque to Mah Sing Foundation's Chairman, Yang Berbahagia Dato' Syed Norulzaman Bin Kamarulzaman at the fundraising event.



Charitable organizations posed for group photos after mock cheque presentation at the fundraising event

On the night of the event, fifteen (15) deserving organizations with either national or regional initiatives and which are registered non-governmental and non-profit outfits with the Social Department of Malaysia benefitted from the fundraising event. The charitable organizations included Persatuan Kanak-Kanak Istimewa Kajang, Selangor, JJ Lions Dialysis Centre, Persatuan Peniaga-Peniaga Cacat Selangor, Persatuan Orang Cacat Johor Bahru, Persatuan Pembantuan Kristian Malaysia ("Malaysian Care"), Malaysian Association for the Blind ("MAB"), Pertubuhan Membantu Pesakit Parah Miskin Malaysia, Development of Human Resources for Rural Areas, Malaysia, Persatuan Kebajikan Shan De Johor Bahru, Persatuan Pusat Kebajikan Insan Malaysia, Persatuan Kebajikan HOPE Worldwide Kuala Lumpur, National Council of Senior Citizens Organisations Malaysia, Pink Ribbon Wellness (L) Foundation, Chong Hwa Independent High School, Kuala Lumpur and Sekolah Jenis Kebangsaan (Cina) Wangsa Maju.

## SUSTAINABILITY REPORT

### Contribution to Fundraising Event “Beijing Voice of Disability Charity Show”

Mah Sing Foundation was honored to be the Main Sponsor of the Beijing Voice of Disability Charity Show which was held in Kuala Lumpur on 19 October 2012. The Foundation's donation in the amount of RM137,500 brought a group of renowned disabled artistes from Beijing, China to present cultural performances here, which the Foundation hopes will inspire the physically challenged in Malaysia and China through the unique performing arts of the disabled whilst improving the working relationship of the two countries via cultural exchange. Proceeds from the show were channeled to charity organizations for the disable both in Malaysia and China, working towards helping those with physical disabilities and supporting them to access the care services they need.



Mah Sing Foundation's Chairman, Yang Berbahagia Dato' Syed Norulzaman Bin Kamarulzaman presented the pre-event mock cheque to the event organizer of the Beijing Voice of Disability Charity Show.

### Education Aid to Chong Hwa Independent High School, Kuala Lumpur

Mah Sing Foundation continues its noble endeavour to contribute to nation-building with its donation of RM230,000 towards the development fund of Chong Hwa Independent High School in November 2012. All donations will be utilised by the school to build an indoor sports complex.



### Education Aid to Dignity for Children Foundation (“Dignity”), Kuala Lumpur

Mah Sing Foundation's 12-month CSR project from November 2012 to October 2013 with Dignity was established to provide financial aid in support of two (2) of their projects which are Primary Education Program and Faisal Cup 2013. A total of RM140,663.32 were disbursed as at early May 2013.

Dignity is a teaching facility with a mission to break the cycle of poverty through quality education and care from Montessori preschool to secondary level for children of the urban poor and underprivileged. Currently, Dignity is a large facility with approximately 700 students and 60 teachers including administrative staff. In addition, Dignity also supports 74 other learning centres for refugees across the Klang Valley through their teachers' training and development. The donation was utilized by the school management towards the Primary Education Program's building rental, salaries of teachers, stationery, food, transportation, books and teaching materials.

Faisal Cup being the first and only football and netball tournament of its kind in Malaysia, acts as a voice of freedom and opportunity for underprivileged children. 600 children will benefit from the Faisal Cup and sport program which runs during the weekend beginning July 2013 to November 2013. Funding will be utilised for training/practice's field rental, transportation, meals, first aids and football referees.





## SUSTAINABILITY REPORT

### COMMUNITY OUTREACH INITIATIVES SURROUNDING DEVELOPMENT PROJECTS

Mah Sing uses its expertise and resources to undertake community development activities that would not only improve the well-being of community but also to foster a good and harmonious relationship with the local community.

During the year, various community development activities were carried out across the Group's development projects:-

- After several drowning incidents, more than 5,000 residents of Desa Mentari low-cost flats at Taman Desa Mentari, Petaling Jaya finally had their wish fulfilled with proper fencing built around monsoon drain beside a playground in the area. When the Group was first told about the plea, the Company responded to the problem without delay as a community service such as this can help save lives. To improve on faulty design and safety aspects of the fencing, Mah Sing spent some RM30,000 to install new metal rails to fill the gaps in the fence and a new lock to keep the gates closed at all times.



New metal rails being put on paint.



New lock that will keep the gate closed at all time.



Monsoon drain at the Desa Mentari low-cost flats is now all fenced up with the newly installed steel barricades.

- Supplying labour, equipment and machinery to lay premix at car park area of the apartment Pangsapuri SS8 opposite the Icon City project.



Pothole patching work in progress and completed at car area of Pangsapuri SS8

- Adjoining to the Icon City project is an Indian temple ("Kuil Sri Sakthi Easwari"). One unit of passenger lift facility was constructed at the "Sri Sakthi Easwari Wedding Hall" for the convenience of especially the elderly devotees when there are functions held at the temple.
- A token of contribution was extended to Persatuan Penganut Sri Maha Muniswarar for their annual festive celebration at the "Kuil Sri Maha Muniswarar Swamy" in Rawang.
- In Penang, a RM1.65 million was spent to shift and upgrade a Chinese temple. A donation of RM80,000 was also contributed for the construction of road leading to the main entrance of the temple.

## SUSTAINABILITY REPORT

### OTHER CSR ACTIVITIES

- Since 2008, the plastics division had sponsored students from lower income families for technical apprentice course in plastics injection moulding. Employment service shall continue for qualified students after completion of the apprentice course including a 1-year contract service.

In November 2012, a total of 10 students from lower income families were sponsored for 2-year technical apprentice course in plastics injection moulding through "Skim Perantis PIMAS".



Trainee is given on-job training at production floor

- In support of Yayasan Bursa Malaysia, the Community Foundation of Bursa Malaysia where funds will benefit selected charitable organisations all over the country, the Group has contributed RM18,000 to Bursa Malaysia's RAT Race 2012, a run jointly organized by The Edge and Bursa Malaysia to raise fund for charity.

### CUSTOMER RELATIONSHIP MANAGEMENT ("CRM") AND LOCAL COMMUNITY EVENTS

Mah Sing recognizes the need to engage and reach out to its customers and to promote community living amongst the house owners.

Periodically, the Group's CRM team organizes community events at residential areas as value-adding services to Mah Sing project's communities and locals.

#### Home Improvement Roadshow

**@ Perdana Residence 2, Selayang (22 & 23 September 2012)**  
**@ Kinrara Residence, Kinrara (14 July 2012)**

CRM brought home improvement roadshows for the benefit of new property owners at Kinrara Residence and Perdana Residence 2. The roadshows involved a wide range of exhibition on home improvement products and services by participating merchants of Mah Sing's M CLUB Loyalty Program and M CARE Property Support Services. Through CRM events such as this, Mah Sing hopes to better serve its customers.

Products and services exhibited were interior design services, wallpaper, curtain & fabric, home decor, gardening services, telecommunication services, real estate agencies, kitchen appliances, tinted film, build-in cabinet, home services, solar heater, timber flooring and wardrobe.

Owners and their families had the opportunity to know more of the home products and services while enjoying the promotion offered by the participating merchants. Kids' colouring and drawing corner was also available to keep the little ones occupied.





## SUSTAINABILITY REPORT

**Mah Sing Kids Drawing Contest "My House, My Paradise"  
@ closing date at end of May 2012**

Mah Sing's CRM team organized an exciting Kids Drawing Contest via the Mah Sing Community Website where participation was opened to Mah Sing's communities. Children between the ages of 6 - 9 years old and 10 - 13 years old were required to submit their artwork in line with the theme of the contest - "My House, My Paradise".

After much deliberation from the panel of judges since many excellent works of art were submitted, Master Leem Jia Zhen, 10 years old, from Hijauan Residence, Cheras won the grand prize of AEON shopping voucher worth RM120. Congratulations to Master Leem and his family. Whilst to the rest of the participants, thank you for the time, effort and hard work that went into your submissions of artwork.

**Gotong Royong  
@ Hijauan Residence, Cheras (7 April 2012)**

On 7 April 2012, the residents of Hijauan Residence gathered for a Gotong-Royong community program.

The program which was a joint effort with the local authority, Majlis Perbandaran Kajang (MPKj), was organized by Mah Sing as part of its customer relationship building effort to promote the well-being of the community at Hijauan Residence.

The residents, from all walks of life, demonstrated great enthusiasm in a variety of activities which included cleaning of common areas and drain and rejuvenation and beautification of the Residence's park.



Master Leem's winning artwork





## SUSTAINABILITY REPORT

**C. WORKPLACE****Human Capital Management**

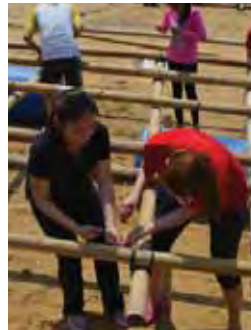
The Group believes that an effective workforce is essential to the success of an organization. Initiatives have been taken to manage employee training needs and well-being in line with the organization's strategic direction.

Learning & Development

Trainings in 2012 focused and targeted towards developing competencies, skills and knowledge of Mah Sing's employees. Technical and soft skill training programs were introduced and conducted in-house and externally.

- Some of the new training programs introduced in 2012 were customized towards specific departmental needs such as:-
  - "Microsoft Project 2010" and "Gemba Kaizen for Improvements" (Project Department);
  - "Achieving Breakthrough Service" (Sales & Marketing Department);
  - "iOS mobile Development" (IT Department);
  - "Customer Service – The Way Forward" (Sales & Marketing, Project and Customer Care Departments).
- A talk entitled "The Quality Evolution – Big Q vs. Small Q" was attended by the Senior Management team of Mah Sing.

- In line with Mah Sing's vision and efforts towards transformation, the Company embarked on a series of teambuilding programs in 2012. These highly interactive programs were designed to facilitate team members to a unique process for team development and performance in a positive working culture and environment. The Company-wide initiative involved a total of 515 employees, including senior management, which was carried out through a total of 11 sessions in Port Dickson, Negeri Sembilan. The programs incorporated key learning points on leadership, communication, teamwork and group synergy with the aims to promote and strengthen teamwork amongst all staff; to heighten level of communication, trust, respect and commitment amongst staff; to align staff towards the Company's Vision of becoming a world class regional property developer.



The talk "The Quality Evolution - Big Q vs Small Q" in session

## SUSTAINABILITY REPORT

- Mah Sing Property made a factory visit to Mah Sing Plastics to learn safety, 5S and Kaizen practices at the division; it was also to promote interaction amongst staff from different divisions.



- Trainings at Mah Sing Plastics covered various topics:-
  - A talk on SOCSO's duties and responsibility, types of claim and reimbursement procedures was organized for all department heads, executive level and selected staffs.
  - 4 technical staffs attended a talent development program "Advanced Scientific Moulding Certification" at the German-Malaysian Institute. The program which was organised by the Malaysian Plastics Manufacturer Association ("MPMA") was designed to develop higher skills workers.
  - 24 executive level staffs from each department attended an in-house training "Supervisory & Leadership Skills" conducted by an external trainer. Training topics cover effective time management, effective communication, people handling, self-motivation and right attitudes.



Group in discussion

Staff Recognition & Welfare

To motivate employees towards better performance through greater dedication and loyalty, Mah Sing has in place performance review process whereby deserving employees are rewarded with competitive basic remuneration packages, annual increment, bonus incentives, or the grant of the Group's employee share options ("ESOS"). For better working environment, work space and facilities are continuously refurbished and upgraded.

Long service awards were conferred to employees during the Group's annual dinners as a show of appreciation for their loyalty and contribution.

Long Service Award  
Presentation during  
Mah Sing 2012 Annual  
Dinner

Work-Life Balance

The Group organised get-together activities that bring everyone closer together, to develop team spirit, healthy lifestyle and promote social interactive among staff.



Mah Sing team in high spirit at the Edge-Bursa  
Malaysia Kuala Lumpur Rat Race 2012

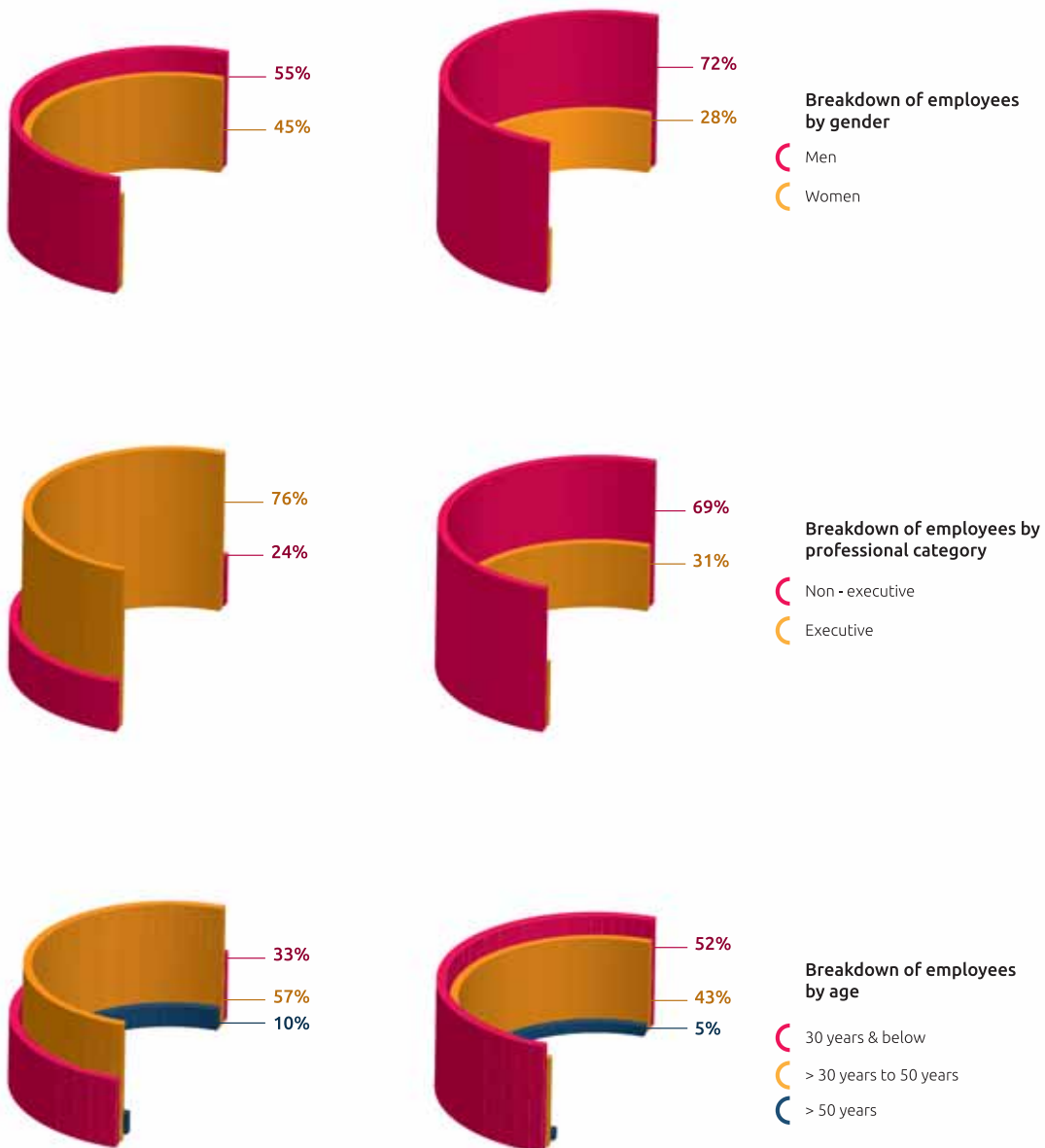
## SUSTAINABILITY REPORT

### Workplace Diversity

The Group recognizes that diversity in workforce provides opportunities for creative solutions and allows the Group to become more responsive in today's global and dynamic business environment. A healthy mix of employees, regardless of gender, professional level or age group, promotes productivity that has enabled the Group to sustain a healthy growth in the industries that it operates in:-

Property & Investment Holding Division

Total Group (including Plastics)





## SUSTAINABILITY REPORT

**Health & Safety**

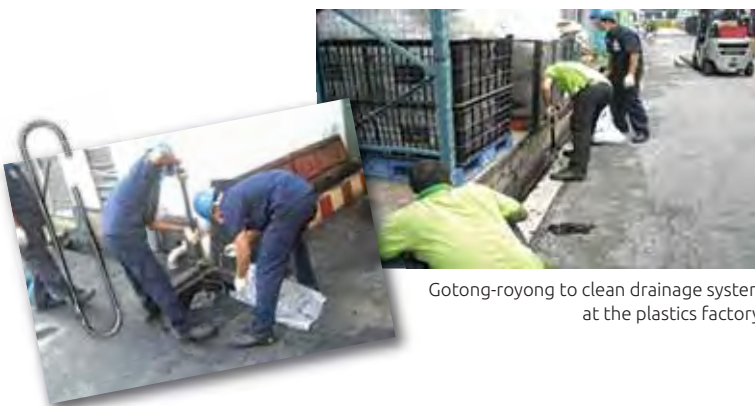
The Group places high emphasis on health and safety at workplace and aims to achieve excellence in occupational safety, health and environment at workplace. The Group is also committed to inculcate a sense of awareness amongst its employees and to accept responsibilities in occupational safety, health and environmental matters.

With (i) prevention of accident, (ii) prevention & mitigation of occupational illnesses and (iii) prevention of environmental pollutions as objectives, the Group has in place a Safety, Health and Environment Policy Statement. The management and employees are jointly committed to:

- (i) Comply with provisions of all existing laws including Occupational Safety & Health Act 1994, Factories & Machinery Act 1967 and its regulations, relevant codes of practice and guidelines
- (ii) Provide information, training and facilities to all parties including employees and contractors
- (iii) Increase awareness and establish accountability by employees and contractors on safety, health and environmental matters
- (iv) Continuously monitor and regularly review the performance of safety, health and environment

Regular tool-box meetings on safety procedures are conducted at construction site for staff and site workers. Relevant personnel are also sent for safety trainings on chemical spillage handling, use of fire extinguisher and first aid knowledge. Fire drills are conducted regularly to prepare for any fire emergencies and to ensure that all fire prevention systems such as alarms, lift and escalator, fire extinguishers, sprinklers, smoke and heat detectors are in proper working order.

Much emphasis is also placed on maintaining a clean, safe and orderly working environment. During the year, initiatives such as gotong-royong to clean up the main walkway from the gate entrance to the main office and factory drainage system were also organized at the plastics factory.



Gotong-royong to clean drainage system at the plastics factory.

As for office buildings, safety measures in place include security guards and surveillance equipment at relevant work locations; proper lighting at high risk areas such as car park and staircase.

## SUSTAINABILITY REPORT

### D. CUSTOMERS

With a Vision to become a world class regional property developer, Mah Sing does not merely build homes, but living spaces that are complete with parks, clubhouses and other lifestyle facilities. Mah Sing aims to earn the loyalty of its customers and strongly believes in good after-sales services, which it is always working to improve on.

#### Customer Care

The Group goes the extra mile for customers by offering value-added services like M CARE and M CLUB in addition to the dedicated team of customer service staff and e-customer service system that is put in place to enable more effective management of recording, filtering, tracking and analysis of customer complaints and feedback.

##### M CARE Property Support Services



M CARE Property Support Services ("M CARE") which was introduced in year 2011 continues to be the one-stop professional service in all facets of property ownership and management provided for Mah Sing's property owners. Consultation services range from pre-sales to after-sales such as general legal and mortgage matters, liaising with professionals for property inspection and maintenance, assisting in sourcing for tenants/secondary buyers, as well as rental collection, relocation, renovation, monthly property maintenance, concierge and butler services.

##### M CLUB Loyalty Rewards Programme



The M CLUB Loyalty Rewards Programme is a distinctive programme specially created for direct purchasers of Mah Sing properties to enjoy privileges and benefits such as buyer repeat purchase discounts, buyer-get-buyer rewards and birthday surprises. Other secondary benefits including discounts and freebies at well-known lifestyle and retail merchants across the Klang Valley are also part of the program.

To-date, privileges and benefits have been enhanced with over 70 lifestyle brands offering discounts and freebies for home improvement, health & beauty, dining, vacation and shopping. Up-to-date information are provided to M CLUB members, merchants and the general public via Mah Sing Community Website at [www.mahsingcommunity.com.my](http://www.mahsingcommunity.com.my). The website has also helped promote a charity live show entitled "A Laugh for Charity" by REHDA YOUTH to M CLUB community.



#### Product Quality

High on the Group's priority list is to provide its customers with excellent quality products. In ensuring uncompromising commitment towards total customer satisfaction, both the property and plastics divisions are ISO 9001:2008 Quality Management System certified. The property division has also adopted the Construction Quality Assessment System ("CONQUAS") standards for both residential and commercial development projects.

##### Property Division

The property division's commitment to quality and reliability in delivery has made it one of the leading property developers in Malaysia. The overwhelming response the Group receives at its project previews and launches shows the confidence buyers have in what it offers in terms of the ability to conceptualize, design and deliver quality products with unique and innovative concepts on a timely basis in good locations and its commendable sales services.

Over the past 18 years, Mah Sing has received over 90 local and international awards for its corporate performance, branding and projects, including The Edge's Top Property Developers Awards. These serve as a good gauge for buyers selecting property developers.

As testament to its commitment, the Group is recognized in the industry for its excellence in many aspects:-

- The BrandLaureate Award 2012-2013 – "Best Property Company"
- The Edge's "Top Property Developers Award 2012 – Listed Top 10"
- Euromoney Real Estate Awards 2012 – "Best Industrial Property Award"
- Overseas Property Professional (OPP) Awards for Excellence 2012 – "Gold Award for Best Use of Social Media", "Silver Award for Best Luxury Developer Worldwide"
- The Malaysian Reserve Editors Choice Property Awards 2012 "Most Iconic Green Development" – M-City
- Asia Pacific Property Awards – "Best Leisure Development – Legenda @Southbay"
- Putra Brand Awards – "Property Development"

## SUSTAINABILITY REPORT

Since the very first CONQUAS-assessed project in 2009, namely The Icon Tun Razak, Mah Sing now has many of its development projects in the Klang Valley, Penang and Johor that are assessed by the Building and Construction Authority ("BCA") of Singapore's CONQUAS on the architectural stage. Structural assessment on the related development projects was performed in-house by the consultants.

Mah Sing's contractors of those CONQUAS-assessed projects are required to comply with CONQUAS requirements, allowing Mah Sing to set targets on the desired standard and quality of its developments. As a measure of product quality, more than 80% of the CONQUAS-assessed projects are above 70 points, both architectural and structural scoring combined.

### Plastics Division

The Group's plastics division demonstrated its continual commitment to ensuring the highest standards in the product delivery processes and systems towards meeting customers' satisfaction with PT Mah Sing's accreditation of ISO/TS 16949:2009 "Quality Management Systems – Particulars requirements for the application of ISO 9001:2008 for automotive production and relevant service part organisations" in June 2012.



The ISO/TS 16949:  
2009 Certificate

As recognition for its excellence in operation and manufacturing practices, the plastics division in Malaysia has garnered various awards from Samsung Electronics (M) Sdn. Bhd. for fulfilling the quality requirements and acquired stable quality assurance system and process enabling to produce uniform products through self quality assurance activities:-

- "Best Vendor for the months of June, August and December 2012"
- "Best Supplier Quality for the month of August 2012"
- "Best Quality Performance for 3 consecutive months in the Year 2012"
- "Best Vendor of the Year 2012"

### **E. CONTRACTORS/ SUPPLIERS**

Evaluation and selection of contractors/ suppliers are based on formal competitive bidding procedures. Periodical assessments are done through the annual contractor performance evaluation and compliance audits according to ISO quality objectives.

With efficient management of contractors/ suppliers, Mah Sing endeavors to ensure the most reliable delivery of its products and at the same time compliance with all requirements with respect to safety, health and environment.

The procurement process is carried out by the Group's in-house procurement function together with expertise from various functions of the business units with the aim to support the Group's objectives in terms of pricing (via economies of scale), quality (reliable source), availability (choice) and timely delivery (efficiency). The procurement process of the Group is managed to ensure that purchased materials or services meet the requirements of the customers and specifications of the contract. This process will also allow continuous monitoring and identification of new resources at best value in terms of cost and quality through strategic sourcing and purchasing.

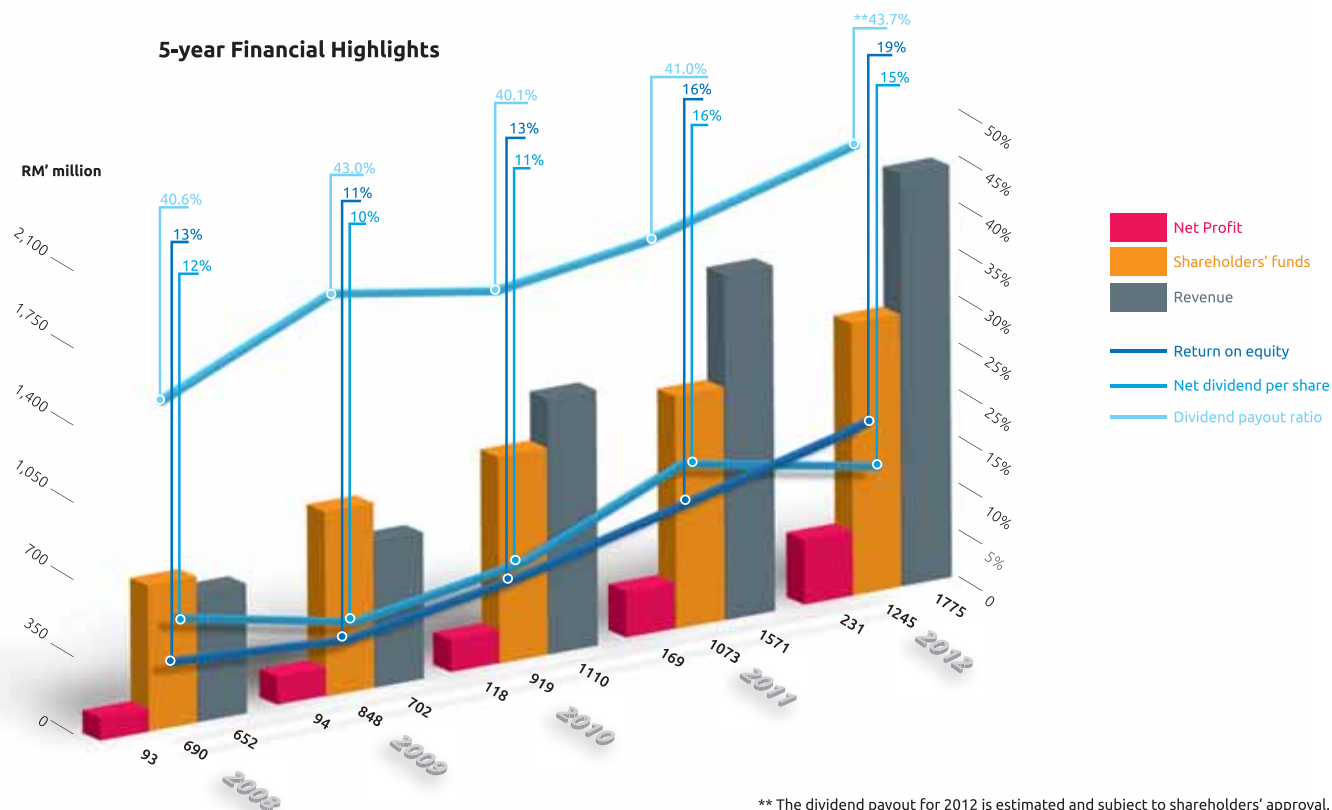
The procurement process of the Group covers areas such as identification and selection of suitable sources of materials and order processes, requests for tenders and quotations, evaluation and selection of sub-contractors/ suppliers based on established criteria, periodical assessments and updates of approved suppliers lists. This will continue to establish a wider network of suppliers, manufacturers, dealers and agents which represents good value for money and also providing valuable information to the Group.

The introduction of e-trading system in the procurement process has also become significant as it enables the procurement to employ technology to enhance the process, improve staff efficiency and productivity.



## SUSTAINABILITY REPORT

## 5-year Financial Highlights



\*\* The dividend payout for 2012 is estimated and subject to shareholders' approval.

## F. SHAREHOLDERS

## Corporate Governance

Mah Sing is committed to ensuring the highest standards of corporate governance in the areas of board effectiveness, relationship with shareholders and investors, accountability and audit.

Set out on pages 64 to 75 of this Annual Report is the Corporate Governance Statement detailing the Group's corporate governance practices.

As testimony of the Group's commitment to good governance, responsible management and communication to shareholders, the Group is proud to receive during the year:-

- (i) National Annual Corporate Report Awards ("NACRA") 2012 – "Certificate of Merit for the Annual Report 2011"
- (ii) Hong Kong-based magazine – Corporate Governance Asia
  - "The Best of Asia Recognition Award 2012"
  - "Asia Excellence Recognition Awards 2013 – Best Investor Relations by Company (Malaysia)"
  - "Asia Excellence Recognition Awards 2013 – Best Investor Relations Website/ Promotion"

## Investors

Mah Sing continues to reward its investors with sustainable returns as evidenced by its strong revenue and net profits growth. Return on equity has consistently been above 10% and dividend payout ratio has consistently been above its policy of minimum 40% since 2006.

As testament to the Group Managing Director/ Group Chief Executive's leadership and dedication in charting the Group on its consistent strong performance and track record, the Group Managing Director/ Group Chief Executive was honoured by the Hong Kong-based magazine – 8th Corporate Governance Asia for "Best Asian Corporate Director Award 2012"; 3rd Asia Excellence Recognition Awards 2013 for "Asia's Best CEO (Investor Relations) – Malaysia"; Global Leadership Awards 2013 for "Lifetime Achievement Award" and SME Recognition for "Platinum Entrepreneur Award".

## OUR ONGOING COMMITMENT

In 2012, we believe we have charted a satisfactory level in our efforts of promoting sustainability in the businesses that we do.

Moving forward, the Group is committed to and will continue to improve on its sustainability efforts and initiatives to achieve even higher standards of sustainability.