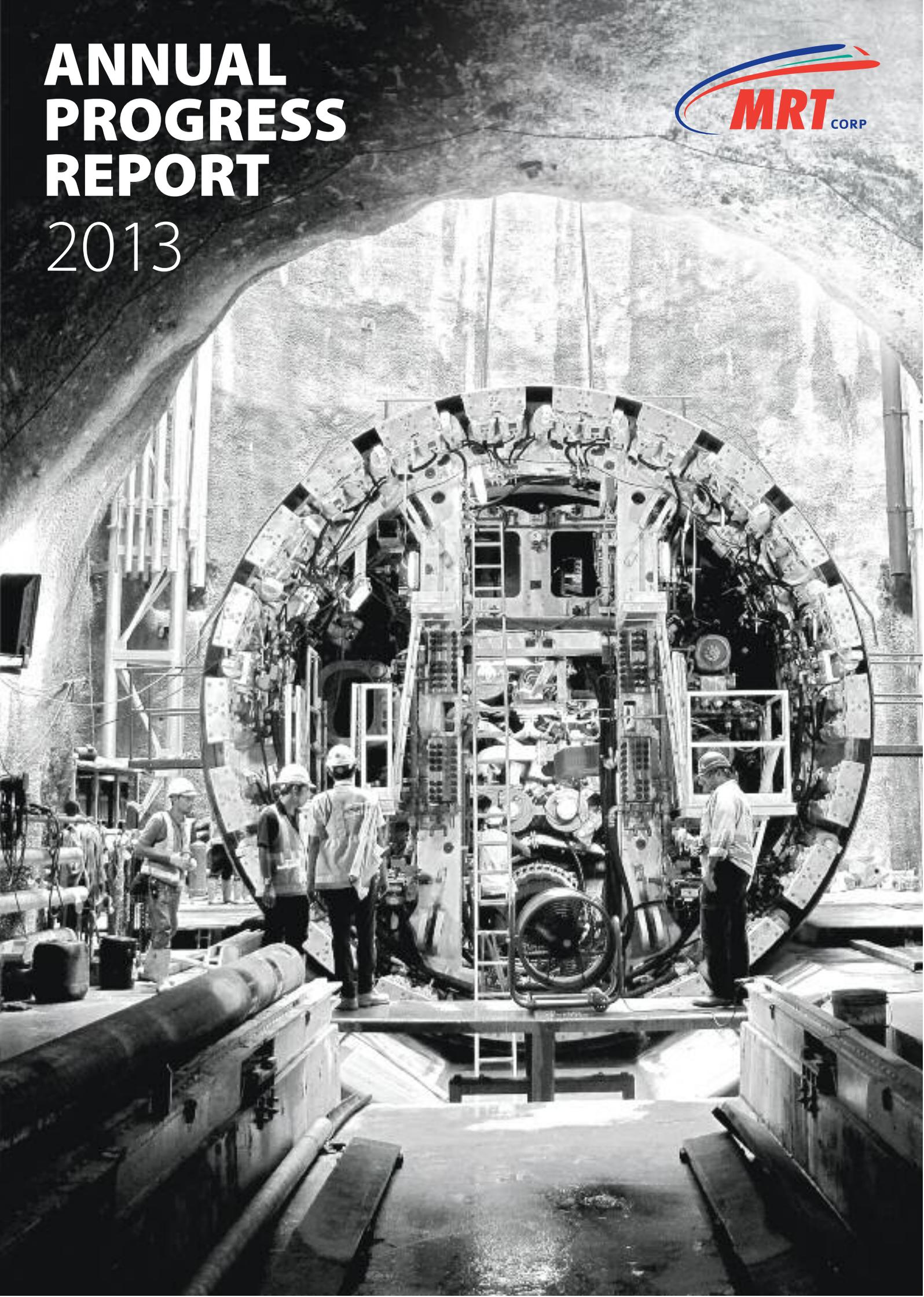


ANNUAL PROGRESS REPORT

2013



CONTENTS

Mass Rapid Transit Corporation Sdn Bhd	4
Vision, Mission and Core Values	6
Chairman's Message	8
Chief Executive Officer's Review	10
Board of Directors	12
Senior Management Team	14
The Klang Valley MRT project	
Project Overview	16
The MRT Sungai Buloh-Kajang Line	18
Project Structure	20
Progress Report	
Construction	25
Procurement	29
Land	32
Centralised Labour Quarters	35
Public and Stakeholder Relations	36
Bumiputera Participation	43
Offset Programme	45
Key Events	46
Financial report	
Financial Statement	50





MASS RAPID TRANSIT CORPORATION SDN BHD

MASS Rapid Transit Corporation Sdn Bhd (MRT Corp) is a special purpose vehicle set up by the Government to be the developer and asset owner of the Mass Rapid Transit (MRT) project. It is wholly owned by the Minister of Finance Incorporated.

The company was set up in September 2011 and took over the ownership of the Klang Valley MRT Project in October 2011 from Syarikat Prasarana Negara Bhd.

The company's responsibilities include monitoring and tracking the construction of all elevated structures, stations and depots of the MRT Project. It also monitors underground works, which involves tunnelling and construction of underground stations.

The company is also responsible for the contracts involved, the procurement process and dispute resolution, apart from ensuring the quality of delivery in terms of cost, scheduling, health, safety, security and environment requirements.

MRT Corp works hand-in-hand with other parties in the development of the project, which are MMC Gamuda KVMRT (PDP) Sdn Bhd as its Project Delivery Partner (PDP), and the Suruhanjaya Pengangkutan Awam Darat (SPAD) as the supervising agency.



VISION, MISSION & CORE VALUES

VISION

To be recognised as an integral provider of urban rail transport solutions

MISSION

To engineer and deliver an effective, efficient and integrated mass rapid transit system; safely, on time and within cost

CORE VALUES

OPENNESS

We have mutual respect for one another, appreciate differences and embrace changes under one leadership

TEAMWORK

We work together effectively to achieve shared goals

HONESTY

We uphold trust and integrity at all times

EXCELLENCE

We do the right things the right way, always

RESPONSIBILITY

We always act with sensitivity and stand accountable for all of our actions and outcomes



001

MRT



MESSAGE FROM THE CHAIRMAN

FIRSTLY, I would like to thank my predecessor, YBhg Tan Sri Sidek Hassan, for placing the MRT Project, which he oversaw directly as Chairman of Mass Rapid Transit Corporation Sdn Bhd, in a position which has enabled it to progress well on track today.

I am pleased to deliver my first message as Chairman of MRT Corp in this Annual Progress Report 2013. Indeed, my appointment in January 2013 has allowed me to take over the Chairmanship of a company and project that has, to quote our Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak, managed to become a shining star among Government projects, with a strong project management and governance structure, transparent procurement practices and steady construction progress.

The Financial Year 2012/2013 saw the MRT Project progress at a remarkable pace. From project progress of just 2.15% at the start, we ended the financial year with 28% completion. Equally significant was the fact that construction began just over two years ago when the Prime Minister officially launched the project on 8 July 2011.

During this financial year, we saw the start of tunneling works and excavation work for all seven underground stations of the 9.5km underground portion of the MRT Sungai Buloh-Kajang Line. Starting with the launch of the first tunnel boring machine (TBM) on 30 May 2013 by the Prime Minister, we now have four machines excavating tunnels for the MRT Line beneath Kuala Lumpur.

The commencement of tunneling had an added significance as it was the first time that the new Variable Density TBM, specially designed for tunneling through the Kuala Lumpur Limestone Formation, was put into action. These machines have performed well, making the job of tunnel excavation a lot safer. Considerable progress was also made in the elevated sections of the alignment, with 64% of piles, 30% of pile caps, 12% of piers and 14 spans of the elevated guideway constructed.

Another notable accomplishment was the amicable solution of many of land issues, some of which attracted public attention. The solution for some of these cases was

the novel idea of allowing privately owned land to coexist with the MRT by way of a Mutual Agreement between the land owner and MRT Corp, another first for Malaysia. It was through this path that almost all owners of shophouses along Jalan Sultan got to retain ownership of their properties while allowing the MRT tunnel to be built underneath.

Land issues were just one of a multitude of challenges that a huge infrastructure project like the MRT would attract. Like the solution for land, I am certain these challenges can be overcome through patience, meaningful engagement and by thinking out of the box.

Anticipation and excitement over Malaysia's first MRT Line is growing day by day. The task of delivering it to the *rakyat* rests on the shoulders of the team in MRT Corp, and its project associates such as the Project Delivery Partner, Work Package Contractors and the many subcontractors as well as relevant Government Department and Agencies.

With dedication and commitment from every stakeholder, I have great confidence that we will complete this task on time, within the targeted cost and in a safe manner. We envisage people will be able to ride on Phase One of the MRT Line from Sungai Buloh to Semantan by the end of 2016, and the entire line with the opening of Phase Two from Semantan to Kajang by July 2017.

Thank you.

TAN SRI DR ALI HAMSA
Chairman

REVIEW BY THE CHIEF EXECUTIVE OFFICER

FINANCIAL Year 2012/2013, MRT Corp's second year in existence, has been extremely momentous. With the construction of the Klang Valley MRT Project Sungai Buloh-Kajang Line in full swing, several important milestones were achieved. These milestones underscored the significant progress achieved since the project's launch in July 2011, with the progress status of the MRT Project standing at 28% as at 30 September 2013.

The first of these milestones was the commencement of excavation of the project's tunnels by our Underground Works Contractor MMC Gamuda KVMRT (T) Sdn Bhd. The historic event, which took place on 30 May 2013 at the Cochrane Launch Shaft, was officiated by the Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak.

Besides marking the start of what is considered the most challenging phase of the project, the event had added significance because it was also the unveiling of the world's first Variable Density Tunnel Boring Machine (TBM). Jointly developed by MMC Gamuda and world-renowned TBM manufacturer Herrenknecht AG, the Variable Density TBM was designed specifically to handle tunneling through Kuala Lumpur's Karstic limestone formation which lies beneath the eastern part of the city. The Kuala Lumpur Limestone Formation is regarded as one of the most challenging geological formations to tunnel through.

Between the launch of the first TBM in May 2013 and the end of the period under review on 30 September 2013, another three TBMs had begun excavation work, two from the Semantan Portal at Jalan Duta, and the third from the Cochrane Launch Shaft. We expect to launch another three TBMs by the end of 2013.

Having managed to begin tunneling works within two years of the MRT Project being launched brings considerable pride to all of us in MRT Corp, and certainly to those in MMC Gamuda. Preparing for that moment has been extremely challenging, with issues ranging from land matters to choosing of the correct TBM to be used. However, when the button was pressed by the Prime Minister on 30 May 2013, and the TBM began its task of crushing hard rock and building the MRT tunnel deep beneath Kuala Lumpur, it became clear that the effort put into overcoming those challenges were totally worthwhile.

Besides tunneling works, our Underground Works Contractor also started construction for all seven underground stations, with station box excavation work taking place for most of the stations.

As at the end of the period under review, the progress status for the Underground Works Package was 41%.

During the period under review, another significant milestone was achieved, this time for our elevated alignment section. MRT Corp saw its first span of the guideway for the elevated section of the MRT Sungai Buloh-Kajang Line constructed in Package V6 in Bandar Tun Hussein Onn in June. Since then, another 14 viaduct spans had been built in Packages V2, V5 and V6.

The speed of construction of the guideway is expected to pick-up, following the installation of six launch gantries (with three already in operation constructing the six spans mentioned earlier) as at the end of September 2013.

Other works related to the construction of the elevated section of the alignment, such as relocation of utilities and construction of piles, pile caps and piers also achieved good progress.

As at the end of the period under review, the progress status for the Elevated Work Packages was 19.27%.

As for the System Work Packages, all of them have been awarded by the end of the period under review. The System Contractors are currently proceeding with design and procurement of long lead-in items. As at the end of the period under review, the progress status for all System Work Packages was 22.75%.

One of the most exciting System Work Package is that for our electric trains, which will be supplied by Siemens AG. During the period under review, MRT Corp managed to finalise the exterior design of our 58 train

sets, which is based on the theme "Guiding Light" that was inspired by the architecture of Kuala Lumpur. The trains will be assembled in Malaysia's first train assembly plant in Rasa, Hulu Selangor, which was under construction during the period under review. The first train is expected to be delivered to MRT Corp in May 2014.

Another area that deserves mention is our Bumiputera Agenda initiatives which are implemented to ensure that opportunities are provided for Bumiputera companies, including those belonging to Classes G1, G2, G3 and G4 (formerly Classes D, E and F), get a chance to participate in this massive infrastructure project.

I am happy to report that during the period under review, 45% of the total value of contracts awarded to date have been to Bumiputera companies. Our projection shows that we will surpass the target of 43% of total value of contracts awarded to Bumiputera companies set by the Government when we complete the award of all 86 work packages for the construction of the MRT Sungai Buloh-Kajang Line.

Not forgetting the smaller players, MRT Corp successfully awarded 44 work packages to Bumiputera contractors from Classes G1, G2, G3 and G4 by way of balloting during the period under review. We expect to awarded another 51 work packages to such contractors in December 2013.

The above are just a summary for our activities and achievements during the past Financial Year.

The following pages of this Annual Progress Report, which I have the pleasure of presenting to you, will give you a more complete view of our activities.

Thank you.

DATUK WIRA AZHAR ABDUL HAMID
Chief Executive Officer



BOARD OF DIRECTORS



TAN SRI DR ALI HAMSA
Chairman

TAN Sri Dr Ali Hamsa, 58, is currently Chief Secretary to the Government of Malaysia.

Prior to his appointment, Tan Sri Dr Ali was Director-General of the Public Private Partnership Unit (UKAS) in the Prime Minister's Department. Before that, he served in the Economic Planning Unit in the Prime Minister's Department where he was Director of the Disbursement Division and then Deputy Director-General of the National Transformation and Advancement Programme.

Tan Sri Dr Ali joined the Administrative and Diplomatic Service in 1981 as an Assistant Director at the Ministry of Trade and Industry.

He was then made Senior Project Manager for the Economy and Public Policy Management (PUTERA) at the National Institute of Public Administration (INTAN).

Tan Sri Dr Ali obtained a Bachelor of Arts (Honours) from University of Malaya before furthering his studies at Oklahoma State University in the United States where he obtained a Masters in Economics in 1986, followed by a PhD in Environmental Sciences and Economics in 1997.

He is also Chair of the Malaysian Integrity Institute (IIM), the co-Chair of the Special Taskforce to Facilitate Business (Pemudah) and Deputy Chairman of Johor Corporation (JCorp).



DATUK WIRA AZHAR ABDUL HAMID
Member

DATUK Wira Azhar Abdul Hamid, 52, is currently Chief Executive Officer of MRT Corp.

Prior to taking up the position, he was Managing Director of Sime Darby Plantation Sdn Bhd. Concurrently, he was Divisional Director of the Plantations and Food Division of Sime Darby Bhd. He also served as Chairman of the Malaysian Palm Oil Association, board member of the Malaysian Palm Oil Board and the Malaysian Palm Oil Council. Datuk Azhar served as Managing Director at Tractors Malaysia Holdings Bhd and was appointed Group Chief Executive Officer of Pernas International Holdings Bhd in 2001.

He is a Chartered Accountant by profession. He is a Fellow of the Association of Chartered Accountants in the United Kingdom and member of the Malaysian Institute of Accountants.

He is also shareholder and founder of Chelsea Capital Sdn Bhd, an investment holding and corporate advisory company focusing on the oil palm, property and food sectors.



**TAN SRI DR MOHD IRWAN SERIGAR
ABDULLAH**
Member

TAN Sri Dr Mohd Irwan Serigar Abdullah, 56, is currently Secretary-General to the Treasury.

Prior to his appointment, he had held various positions in the Ministry of Finance including Deputy Secretary General (Policy) and in the Economics and International Division from 2003 to 2008, where he was Under Secretary, Head of Multilateral Relations, Head of Econometrics Section, and Principal Assistant Secretary. In the Economic Planning Unit of the Prime Minister's Department from 1987 to 1999, Tan Sri Dr Mohd Irwan was the Senior Assistant Director in the Privatisation Division and Senior Assistant Director in the Energy Division.

He holds a PhD in Economics from the International Islamic University of Malaysia; Masters of Science in Energy, Management and Policy from the University of Pennsylvania; and a Bachelor in Population Studies (Hons) from the University of Malaya.

He also serves as a board member of several organisations including Malaysia Airline System (MAS), Petroleum National Berhad (PETRONAS), Federal Land Development Authority (FELDA), Regional Corridor Development Authority (RECODA), Razak School of Government (RSOG), Tabung Haji (TH), The International Islamic University of Malaysia (IIUM) and Bank Negara Malaysia (BNM). He is also the Chairman of the Retirement Fund Incorporated (KWAP), Inland Revenue Board (LHDN), Prokhas Sdn Bhd and Cyberview Sdn Bhd.

DATUK Dr Rahamat Bivi Yusoff, 56, is currently the Director-General of the Economic Planning Unit in the Prime Minister's Department.

She has served the Government for over 30 years, starting as Assistant Secretary (Tax Division) and then as Assistant Secretary (Contract and Supplies Division) in the Ministry of Finance. She was also Project Officer in the National Institute of Public Administration (INTAN), Assistant Director and subsequently Deputy Director in the Macro Economics Section of the Economic Planning Unit in the Prime Minister's Department, Principal Assistant Director of the unit's Industry and Services Section, and Director of the Industrial Development Department of the Energy Commission.

She holds a Masters in Economics from the University of Western Michigan, and a doctorate from the Australian National University, a Bachelor of Social Science (Economics) (Hons) from Universiti Sains Malaysia, and a Diploma in Public Administration from INTAN.

Datuk Dr Rahamat is also a member of the Boards of Directors of other agencies such as the Malaysia Thailand Joint Authority (MTJA), Federal Land Development Authority (FELDA), and Malaysia Deposit Insurance Corporation (PIDM). She is also a council member of the Iskandar Regional Development Authority (IRDA), Sabah Economic Development and Investment Authority (SEDIA), Sarawak Corridor of Renewable Energy (SCORE) and East Coast Economic Region Development Council (ECERDC).



DATUK DR RAHAMAT BIVI YUSOFF
Member

DATO' Sri Shahril Mokhtar, 41, is currently Group Managing Director of Syarikat Prasarana Negara Berhad.

Before being appointed to the position, he was Chief Operating Officer of the Suruhanjaya Pengangkutan Awam Darat (SPAD). Prior to that, he was attached to RapidKL as General Manager of Corporate Planning. He was seconded as an Adviser to the Economic Planning Unit in the Prime Minister's Department where he was involved in drafting the Suruhanjaya Pengangkutan Awam Darat Act 2010 and the Land Public Transport Act 2010. He was also involved in the laboratory for urban public transport improvement which was held under the Government Transformation Plan.

Among the other positions he has held were General Manager of Corporate Services in Penerbangan Malaysia Bhd, Manager at PricewaterhouseCoopers Malaysia and Senior Executive in the Maybank Group.

He holds a Masters Degree in Management (with distinction) from the University of Malaya and a Bachelor of Science in Industrial and Organisational Psychology from the University of Missouri.

He is also currently Chairman of Prasarana Integrated Development Sdn Bhd (PRIDE), board member of Rapid Rail Sdn Bhd, Rapid Bus Sdn Bhd and Prasarana Integrated Management & Engineering Services Sdn Bhd (PRIME). He is also Chairman of MRT Corp's Audit Committee.



DATO' SRI SHAHRIL MOKHTAR
Member

DATUK Che Mokhtar Che Ali, 58, is the founding partner of Messrs Che Mokhtar & Ling, a legal firm based in Kuala Lumpur.

With almost 30 years of experience as a legal practitioner, Datuk Che Mokhtar has served as a member of the Disciplinary Committee Panel of the Advocates and Solicitors Disciplinary Board and acted as the Chairman of the Committee. He was also appointed as a Notary Public by the Attorney General of Malaysia. As an advocate and solicitor, he has acted for various private and public companies, banking institutions, developers, and statutory bodies such as Datuk Bandar Kuala Lumpur.

He holds a Bachelor of Arts (Political Science and Public Administration) and a Bachelor of Law from Victoria University of Wellington,

New Zealand. He was admitted as a Solicitor and Barrister of the New Zealand Supreme Court in 1980 and was later admitted as an Advocate and Solicitor of the High Court of Malaya three years later. He has also served as a Magistrate and Deputy Public Prosecutor.

He also sits on the boards of public and private companies including Sumatec Resources Bhd and KYS College Sdn Bhd. He was formerly a Director of Eco World Development Group Bhd (formerly known as Focal Aims Holdings Bhd), Idris Hydraulic (M) Bhd and Idaman Unggul Sdn Bhd.



DATUK CHE MOKHTAR CHE ALI
Member

SENIOR MANAGEMENT TEAM





1 Datuk Wira Azhar Abdul Hamid
Chief Executive Officer

2 Marcus Levon Karakashian
*Director
Project*

3 Haris Fadzilah Hassan
*Director
Stakeholder Relations
and Land Management*

4 Syed Mahdhar Syed Hussain
*Director
Standard and Compliance*

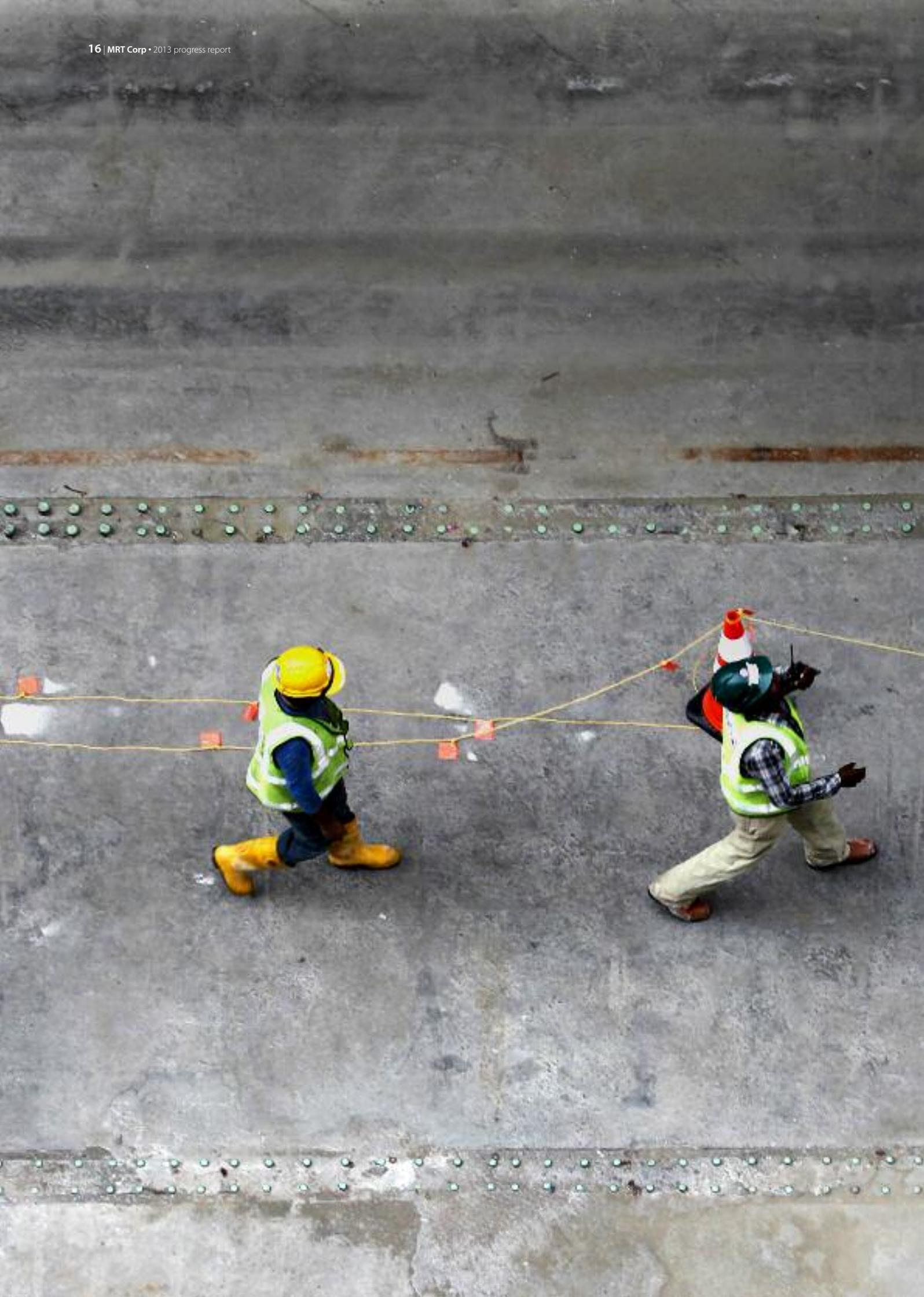
5 Zainudin Ismail
*Director
Strategic Human Resource*

6 David Loo Kean Beng
Company Secretary

7 Mohd Hairul Abdul Hamid
Chief Financial Officer

8 Zaharudin Sa'at
*General Manager
Property Development*

9 Amir Mahmood Razak
*Director
Strategic Communications
and Public Relations*



THE KLANG VALLEY MRT PROJECT

THE Klang Valley MRT Project involves the construction of a rail-based public transport network which, together with the existing light rail transit (LRT), monorail, KTM Komuter, KLIA Ekspres and KLIA Transit systems, will form the backbone of the Greater Kuala Lumpur/Klang Valley's public transport system.

The project was approved by the Government in December 2010, and construction of the first line, the 51km Sungai Buloh-Kajang Line, was officially launched on 8 July 2011 by the Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Abdul Razak.

The Klang Valley MRT Project was initially proposed to the Government by a private-sector consortium in early 2010 and consisted of three MRT lines.

The Government conducted a study on the proposal and approved the implementation of the MRT Sungai Buloh-Kajang Line. A decision on the implementation of the remaining two lines will be made by the Government after further studies are done, by the Suruhanjaya Pengangkutan Awam Darat (SPAD).

The Klang Valley MRT Project is an Entry Point Project of the Economic Transformation Programme (ETP) under the Greater Kuala Lumpur/Klang Valley National Key Economic Area (NKEA). The ETP is driven by the Performance Management and Delivery Unit (Pemandu) of the Prime Minister's Department.



THE MRT SUNGAI BULOH-KAJANG LINE



THE first line of the Klang Valley MRT Project to be implemented is the 51km MRT Sungai Buloh-Kajang Line.

The line begins from Sungai Buloh, located to the north-west of Kuala Lumpur, and runs through the centre of Malaysia’s capital city before ending in Kajang, a fast developing town to the south-east of the city. The line serves a corridor with an estimated population of 1.2 million people. The line will run underground for a distance of 9.5km beneath the centre of Kuala Lumpur while the rest of the alignment is elevated.

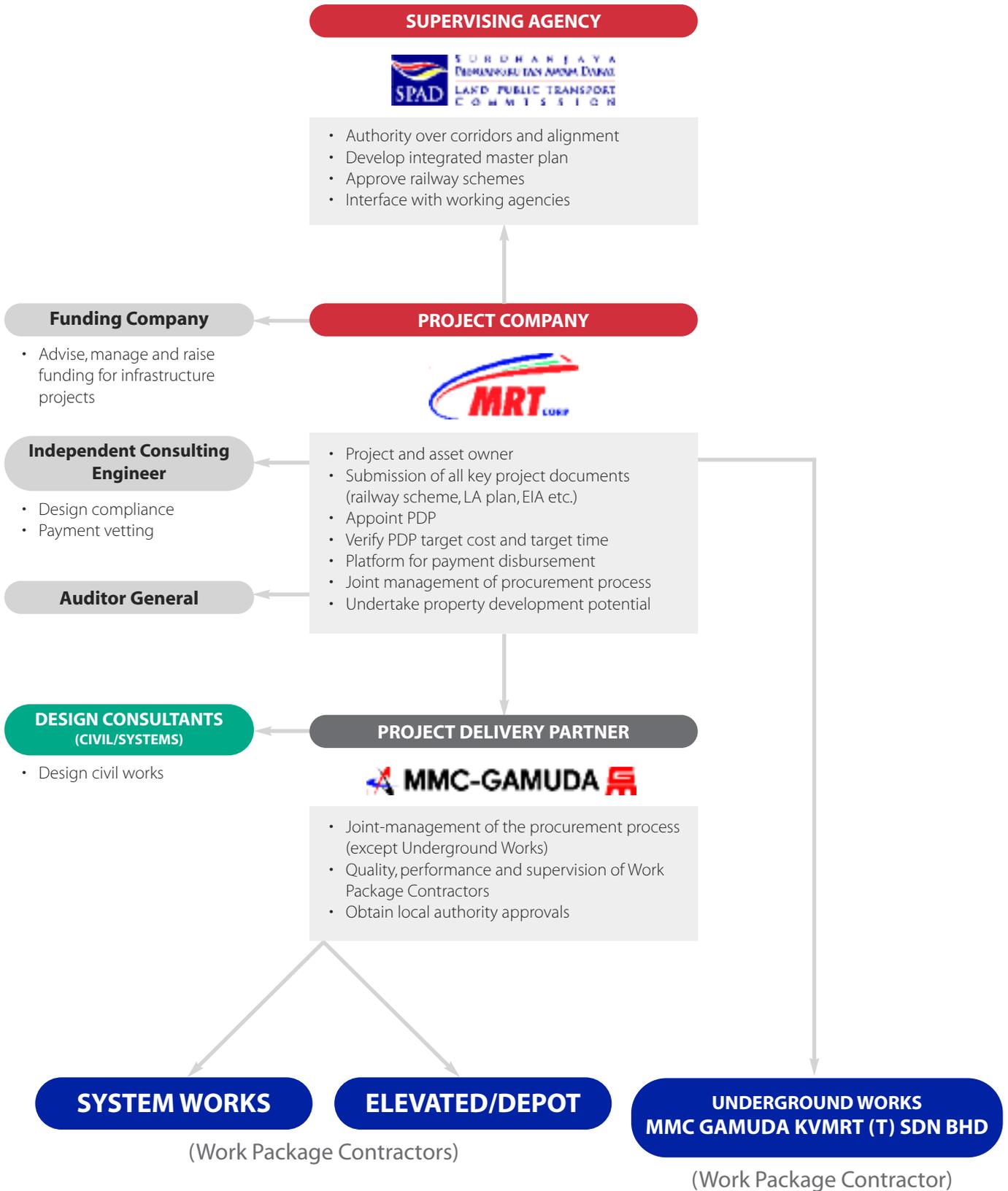
The line will have 31 stations of which seven will be underground.

Phase One of the MRT Sungai Buloh-Kajang Line from Sungai Buloh to Semantan will be operational by the end of 2016 while the remainder of the line from Semantan to Kajang will be operational under Phase Two by July 2017.

Each train set serving the line will have four cars, allowing a total capacity of 1,200 passengers. The daily ridership is estimated to be about 400,000 passengers. Trains will run at a frequency of 3.5 minutes.



PROJECT STRUCTURE





progress report







CONSTRUCTION

THE elevated works of the MRT Sungai Buloh-Kajang Line consist of eight elevated guideway packages which include 24 high level stations, plus two depots, one at Sungai Buloh and another at Kajang.

The underground works consists of 9.5km of twin bored tunnels and seven underground stations.

At the end of the period under review, the overall progress of both the elevated and underground works was 28%.

The role of MRT Corp's Project Team with regard to the elevated section of the works and the system, electrical and mechanical elements of the project is to monitor the works and ensure that they are being undertaken in accordance with the Owners Requirements and industry's best practices.

With regards to the underground section of the works, the role of MRT Corp's Project Team role is to supervise the works in all its aspects, and ensure compliance with the Conditions of Contract and Specifications.

ELEVATED PACKAGES

AS at the end of Sept 2013, Elevated Civil Works were 19.27% completed. This put the programme seven weeks behind early but eight weeks ahead of late.

Works being undertaken at all eight guideway packages were diversion of utilities that were in the way of piling and pile cap construction; piling for pier foundations using bored pile, spun pile and hand dug caisson techniques; and pile cap and pier construction activities.

As at end of September 2013:

- 5,090 piles out of 7,873 had been installed (64%)
- 449 pile caps out of 1,478 had been concreted (30%), and
- 170 piers out of 1,364 had been erected (12%).

With regard to erection of the train guideway, six launch gantries have been erected of which three were fully operational and had built 14 spans of the guideway. The remaining three

gantries were undergoing testing and commissioning.

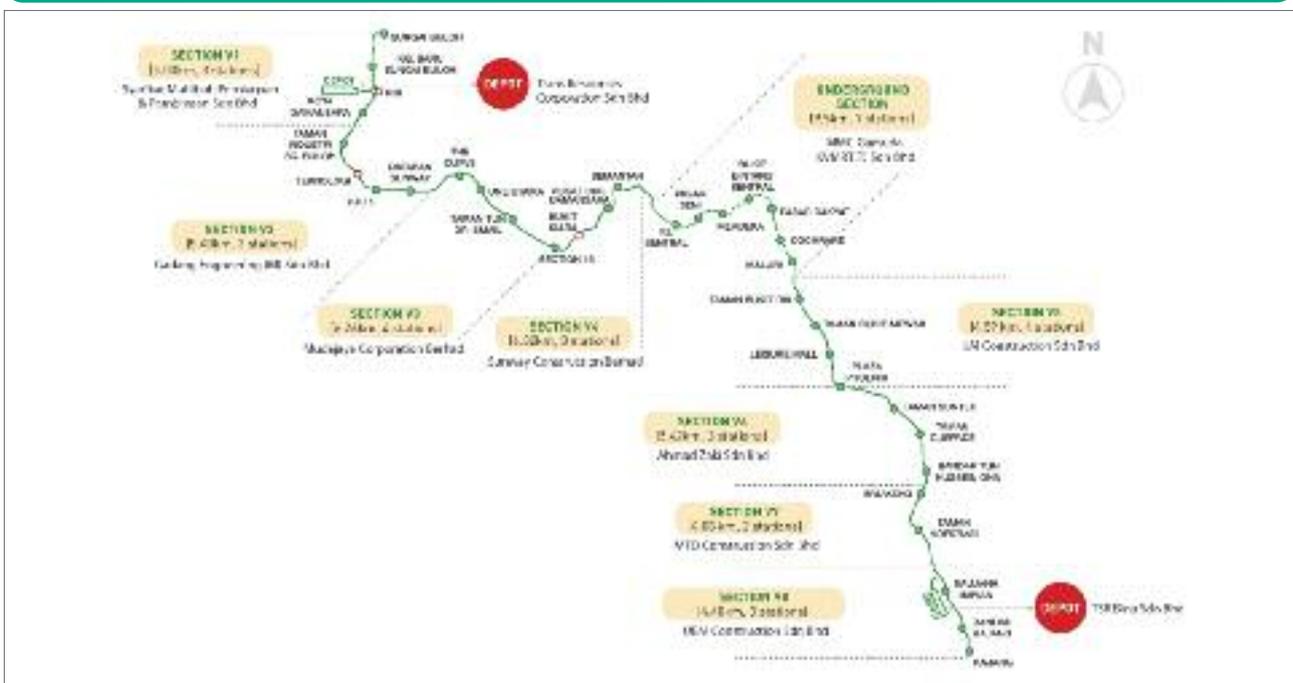
Casting of segmental box girders to feed the gantries was well under way with, 5,933 out of a total 16,894 segments (35%) cast.

Also included as part of the elevated works are two depots for maintenance and stabling of the electric trains. The main depot is located at Sungai Buloh and the support depot at Kajang. At Sungai Buloh, erection of the Rolling Stock and Infrastructure Workshop sheds were well underway with over 2,300 tons of steelwork (67%) erected.

In addition, the Administration Building which houses the Operational Control Centre was under construction, as were the extensive stabling sidings for the electric trains.

At Kajang, work was limited to soil improvement using Prefabricated Vertical Drains, stone columns and soil surcharging.

MAIN CIVIL CONTRACT PACKAGES



UNDERGROUND

AS at the end of September 2013, the Underground Works Package was 41% complete. This put the programme 7 ½ weeks behind the early date and 2 ½ weeks ahead of the late date.

For the station construction works, cofferdam installation works had been completed at four of the seven stations. These were at KL Sentral, Merdeka, Pasar Rakyat and Cochrane. Diaphragm walling to form the cofferdam, in which the station would be built, was still in progress at Pasar Seni and Bukit Bintang Stations, whilst secant piling was in progress at Maluri MRT Station. Full scale excavation of the station boxes was in progress or completed at six of the stations at KL Sentral, Pasar Seni, Merdeka, Pasar Rakyat, Cochrane and Maluri. The progress status of these stations is shown in Table 1.

With regards to the tunnelling works, all 10 tunnel boring machines (TBM) had been delivered to Malaysia, with tunnelling in progress on four of the required 10 drives. Another three TBMs were in the process of being installed/ tested/ commissioned.

As at end of September 2013, 1,693m of tunnel had been constructed.

SYSTEMS

AS at the end of September 2013, all 12 System Contracts have been awarded. The System Contractors are currently proceeding with design and procurement of long lead-in items. Progress was 22.75%.

For the Electric Trains Contract, manufacturing of the car shells were in progress at Puzhen, China. The first car body is to be delivered to Malaysia in May 2014.

For the Depot Equipment Contract, all long lead-in items had been ordered. For the Signalling and Train Control Contract, the final design documents have been received and were under detail review.

For the Platform Screen Doors Contract, all design issues had been resolved and the Procurement/Manufacture Delivery Plan had been approved.

For the Trackwork Contract, the detailed design was in progress with inspection of the turnout/crossing manufacturing facility in India being undertaken.

UNDERGROUND STATION CONSTRUCTION STATUS*

STATION	CONSTRUCTION METHOD	PROGRESS STATUS
KL Sentral	Top down	Cofferdam works completed. Bulk excavation works below roof slab to concourse slab in progress and 88% complete. Roof slab completed and concourse slab 67% complete.
Pasar Seni	Semi top down/ bottom up	Diaphragm walling for cofferdam in progress. Excavation works in progress at Klang Bus Stand site.
Merdeka	Bottom up	Cofferdam works completed. Installation of third layer struts in progress. Excavation to fourth layer struts in progress. Excavation overall 50% complete.
Bukit Bintang	Top down	Phase One diaphragm walling completed. Excavation for Phase One roof slab in progress and 30% complete.
Pasar Rakyat	Bottom up	Installation of secant pile cut off completed. Excavation in progress and 49% complete.
Cochrane	Bottom up	Fully excavated. Base slab 83% complete. Side walls base slab to concourse in progress.
Maluri	Bottom up	Secant bored piling works for cofferdam in progress but nearing completion. Excavation of station box in progress.

*Status as at 30 September 2013

Table 1 • Station Construction Status







PROCUREMENT

THE period under review has been eventful for the MRT Project. Whilst the majority of the work packages were awarded in the previous financial year, the financial year under review saw a total of 23 work packages procured. The list of work packages procured are listed in Table 1.

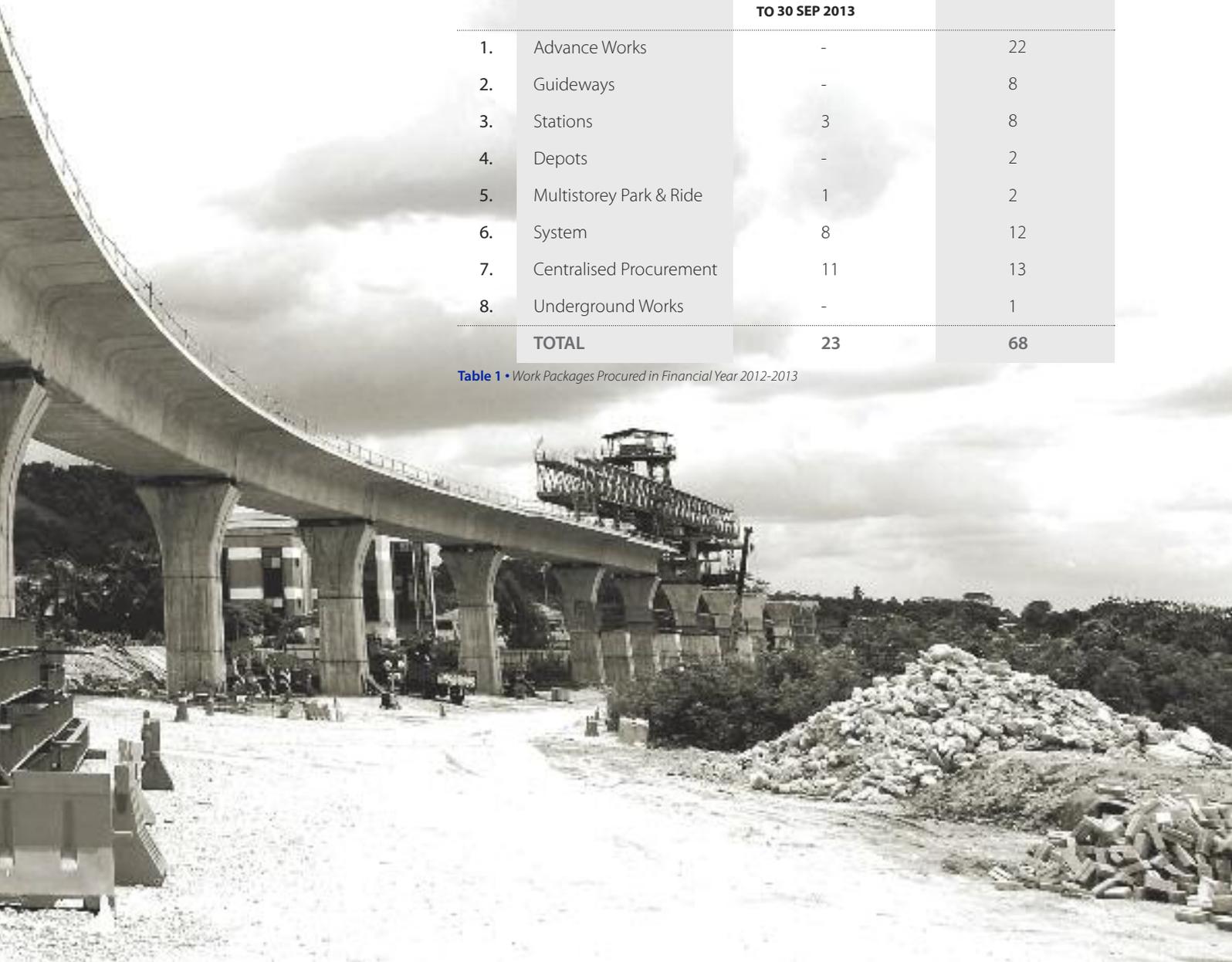
The procurement of the work packages adhered strictly to the KVMRT 3P Procurement Policies and Procedures. The majority of tenders were first advertised in local Bahasa Malaysia and English newspapers. A few tenders such as the Systems Packages and Noise Barriers Package were advertised in international railway gazettes to ensure that relevant contractors were invited to participate. These tenders were also announced on the MRT Project official website.

Tender briefings and site visits were then conducted to enhance the tenderers' understanding on the scope of works for the tender. The tender briefings and site visits were pre-requisite to any purchase of tender document and participation in the tender exercise.

WORK PACKAGES PROCURED IN FINANCIAL YEAR 2012-2013

NO.	CATEGORY OF PACKAGES	PROJECTS AWARDED FROM 1 OCT 2012 TO 30 SEP 2013	PROJECTS AWARDED TO DATE
1.	Advance Works	-	22
2.	Guideways	-	8
3.	Stations	3	8
4.	Depots	-	2
5.	Multistorey Park & Ride	1	2
6.	System	8	12
7.	Centralised Procurement	11	13
8.	Underground Works	-	1
	TOTAL	23	68

Table 1 • Work Packages Procured in Financial Year 2012-2013



ONE STOP PROCUREMENT COMMITTEE LEVELS OF APPROVAL

LEVEL	VALUE OF TENDER (RM)	CHAIRMAN
OSPC I	Above RM 300 million	Minister of Finance
OSPC II	Between RM 50 million and RM 300 million	Minister of Finance II
OSPC III	Below RM 50 million	Chief Secretary of the Treasury

Table 2 • One Stop Procurement Committee Levels of Approval

Once the tender calling was concluded, the Tender Evaluation Committees reviewed the tender submissions. Evaluation was carried out by four main committees which assessed the tender under a strictly controlled environment with respect to technical, financial, legal and commercial aspects.

Recommendations from these Committees were later presented to the Working Committee (WC). The WC would evaluate and make recommendations to the One Stop Technical Committee (OSTC) which is chaired by MRT Corp Chief Executive Officer Datuk Wira Azhar Abdul Hamid. The OSTC would subsequently make further recommendations to the One Stop Procurement Committee (OSPC). The levels of approval and the respective chairpersons of the OSPC are in Table 2.

During the period under review, 38 meetings were organised to deliberate and subsequently approve all tenders for the MRT Project. The breakdown of meetings are listed in Table 3.

International players were also given the opportunity to participate in the tendering of Systems Packages. A total of 12 contracts were awarded to internationally renowned companies. As part of the national agenda, a minimum of 30% of the value of the contract has to be sub-contracted to bumiputera subcontractors directly or via joint-venture arrangements.

LIST OF COMMITTEE MEETINGS

NO.	TYPE OF MEETING	NUMBER OF MEETINGS
1.	Working Committee (WC)	13
2.	One Stop Technical Committee (OSTC)	7
3.	One Stop Procurement Committee (OSPC)	9
	OSPC III	4
	OSPC II	4
	OSPC I	1

Table 3 • List of Committee Meetings





LAND

THE land acquisition process for the MRT project began in 2011. The process was divided into five phases, with three phases involving land in the Federal Territory of Kuala Lumpur and two phases involving land in Selangor.

A total of 516 lots were identified pursuant to Section 4 of the Land Acquisition Act 1960 as possibly to be acquired for the MRT Project. Upon finalisation of the MRT Sungai Buloh-Kajang alignment, a total of 406 lots were gazetted under Section 8 of the Land Acquisition Act 1960 for acquisition. Of these, 256 lots were located in Selangor while 150 were located in the Federal Territory of Kuala Lumpur.

As at the end of the period under review, land acquisition for the Federal Territory of Kuala Lumpur was completed while in Selangor, the hearing for two remaining lots had yet to be completed.

Following the adoption of the coexistence principle by way of Mutual Agreement between MRT Corp and individual landowners, the gazette for acquisition of some of the lots were withdrawn.

Compensation for acquisition is paid by the Government of Malaysia through the Ministry of Federal Territories and Suruhanjaya Pengangkutan Awam Darat. At the end of the period under review, a total of RM1,523,965,997.86 was paid as compensation to the owners whose land had been acquired.

MUTUAL AGREEMENTS

THE term Mutual Agreement was used by MRT Corp for a scheme which enabled the coexistence of privately owned land with the MRT alignment in limited situations. The scheme allowed some of the owners whose lands were originally the subject of compulsory acquisition under the Land Acquisition Act 1960 to retain ownership of their lands subject to the land titles reflecting the presence of the MRT structures.

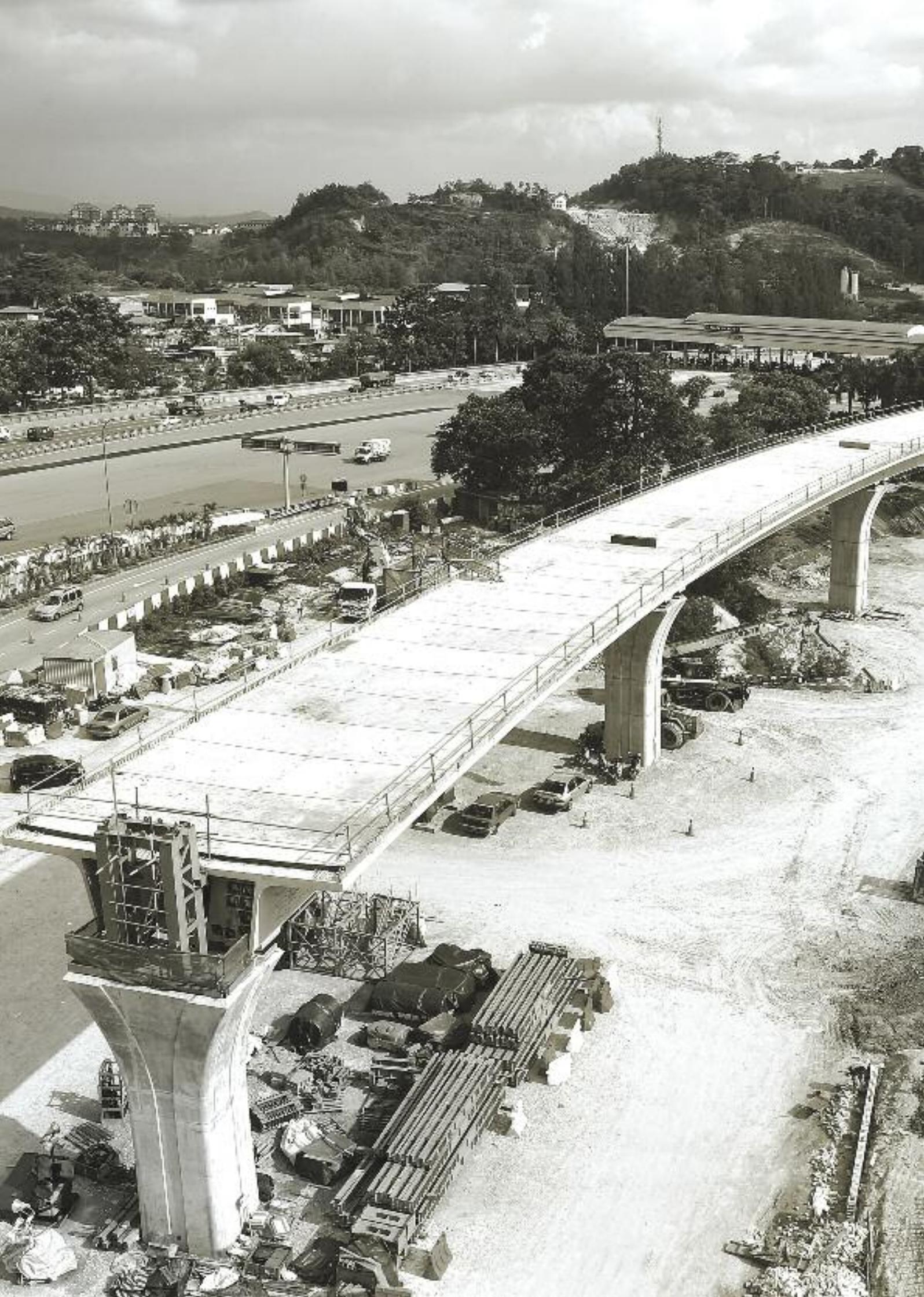
One of the achievements during the year under review was the signing of Mutual Agreements with the owners of properties along Jalan Sultan. Twenty one lots were identified for the Mutual Agreement scheme where the landowners would continue to own their properties while allowing MRT tunnels to be constructed underneath their properties. The negotiations with the landowners, with the exception of one, were a success. The acquisition process for the final piece of land has now been completed by the Government.

As at 30 September 2013, the owners of 50 lots have signed Mutual Agreements in various areas in Kuala Lumpur and Selangor.

LAND ACQUISITION FOR THE KLANG VALLEY MRT PROJECT

ITEMS	SELANGOR		KUALA LUMPUR		
	PHASE 1	PHASE 2	PHASE 1	PHASE 2	PHASE 3
No. of Lots Gazetted	89	167	1	94	55
No. of Acquired Lots	64	162	2	43	27
State Land/ Reserves	10	7	-	1	1
Mutual Agreements	4	-	-	42	5
Lots to be Withdrawn	11	5	-	8	22
Additional Land Acquisition	-	5	1	-	-
Total Compensation (RM)	95,396,522.78	487,245,965.98	125,687,673.30	546,308,083.40	269,327,752.40
GRAND TOTAL (RM)	RM1,523,965,997.86				





CENTRALISED LABOUR QUARTERS



1



2



3



4

MASS Rapid Transit Corporation Sdn Bhd introduced the Centralised Labour Quarters (CLQ) concept for the MRT Project, establishing a new standard for housing foreign workers employed in the construction industry in Malaysia.

- 1 **HOME AWAY FROM HOME**
Aerial view of the Cheras Centralised Labour Quarters at night.
- 2 **INSPECTION**
MRT Corp CEO Datuk Wira Azhar Abdul Hamid hosting a delegation of foreign labour attaches on 17 June 2013.
- 3 **MEAL TIME**
MRT Project workers enjoying their evening meal at the communal kitchen and dining hall.
- 4 **COMFORTABLE**
View of the cabin in the centralized labour quarters.

With the CLQ, foreign workers will be housed in four complexes which are designed to function as mini-townships with comfortable living quarters and other facilities. There will be 11 CLQs which will be grouped into four complexes in Sungai Buloh (six CLQs), Cheras (two CLQs), Cochrane (one CLQ) and Kajang (two CLQs).

As at the end of the period under review, the CLQs at Sungai Buloh, Cochrane and Cheras were fully operational while that in Kajang was partially operational. As at 30 September 2013, the occupancy of the CLQs was over 3,500 comprising both foreign and Malaysian workers.

The movement of workers in and out of the CLQs is closely monitored. Workers are transported to their respective worksites daily and brought back to their CLQ once their shifts end. Regular checks on their permits are carried out while the safety, welfare and basic requirements of the workers are catered for at the CLQs.

Around 12,000 foreign workers are expected to be employed for the construction of the MRT Sungai Buloh-Kajang Line.

PUBLIC AND STAKEHOLDER RELATIONS



COMMUNICATION is a critical component in any major development project and the Klang Valley MRT project is no exception. With benefits that can potentially touch almost every person living in the Klang Valley, educating the public about the project becomes very important.

Construction activities are taking place along the entire 51km alignment of the MRT Sungai Buloh-Kajang Line and engagement with stakeholders directly impacted by the project is also necessary.

STAKEHOLDER ENGAGEMENT

SINCE its incorporation, MRT Corp has pledged to set new standards in the construction sector, especially in terms of stakeholder engagement. MRT Corp has adopted a standard practice that any community living or operating businesses adjacent to the MRT alignment and maybe potentially impacted by the construction of the MRT Project must be kept informed of construction activities.

Such engagement sessions, ranging from town-hall gatherings to one-on-one meetings, also provide the channel for the communities to raise issues and give feedback so that MRT Corp can take the appropriate action to mitigate such inconveniences.

All parties involved in the MRT Project, namely MRT Corp, Project Delivery Partner and the relevant Work Package Contractor are present at each of these sessions, allowing issues to be solved in a holistic manner.

During the period under review, more than 60 engagement sessions were organised with residents, resident associations, business people, traders and other groups.

The most common types of feedback include concerns over noise generated from construction work, traffic congestion and concerns over living close to the MRT alignment. Many stakeholders also expressed the hope that the MRT Project is completed as soon as possible so that inconvenience can be minimised.

1 GROUP VISIT

MRT Corp regularly hosts students and other visitors at MRT Information Centres.

2 MOBILE

The MRT Information Truck is deployed at events, night markets and other areas with high pedestrian traffic.

3 INTERESTING

Two sets of MRT Information Kiosks provide easy access to information about the MRT Project.

4 IN TOUCH

Constant engagement helps residents living along the MRT alignment understand the construction work being carried out.

5 CONGRATULATIONS

MRT Corp CEO Datuk Wira Azhar Abdul Hamid (left) and MMC Gamuda KVMRT (PDP) Sdn Bhd Executive Director Dato' Azmi Mat Nor with the winners of the "I need MRT because..." contest at the finale dinner on 29 January 2013.

6 INFORMED

The media is also a major stakeholder which is constantly engaged by MRT Corp.





Constant engagement with stakeholders has enabled MRT Corp to resolve several critical issues. During the period under review, MRT Corp managed to sign Mutual Agreements with the owners of all except one property along Jalan Sultan, enabling them to coexist above the MRT tunnel.

Resolution was also reached with the residents of other areas such as Taman Sri Raya, Kampung Sungai Raya, Kampung Landasan and Jalan Peel.

With construction activities in full swing, MRT Corp will continue engaging with stakeholders.

INFORMATION AND FEEDBACK CHANNELS

AS a project of national interest, MRT Corp has also established channels and touchpoints to enable members of the public to be updated on the progress of the MRT Project, to provide feedback or lodge complaints.

MRT Information Centers

MRT Information Centres (MIC) were setup in December 2011 to provide venues for members of the public to visit and obtain information about the MRT Project. Besides information boards and brochures, the MICs are also equipped with an interactive touch-screen “Hawkeye” application which displays a 360 degree aerial view of the entire MRT Sungai Buloh-Kajang Line.

Five MICs were originally set up but a cost rationalisation exercise carried out during the period under review saw the reduction of the number of centres to one at Taman Tun Dr Ismail.

This information centre will be relocated to a new MIC in Damansara Utama in the first quarter of 2014.

An MRT Gallery was established at the MRT Corp headquarters. The gallery functions like an MIC and provides visitors with an introduction of the MRT Project. During the period under review, the MICs received 5,896 visitors (see Table 1).

MRT Information Kiosk

MRT Information Kiosks (MIK) are two mobile booths which make a monthly circuit at shopping malls, hypermarkets, transportation hubs and other activity centres. Extremely popular, the MIKs received 53,214 visitors during the period under review (see Table 2).

MRT Information Truck

The MRT Information Truck (MIT) was launched by MRT Corp in June 2012 to give the public easy access to information about the MRT Project. With the MIT, MRT Corp is able to go to the community, rather than require the community to come to its information centres. The MIT features public display boards with details and information on the project as well as two touch-screens with the “Hawkeye” interactive application.

The MIT has been deployed at shopping centres, offices, mosque, schools and colleges, morning as well as night markets

and also during property launches. During the period under review, the MIT recorded 27,525 visitors (see Table 3).

MRT Hotline

The MRT Project has been operating a hotline service with the number 1-800-82-6868 since December 2011 for members of the public to seek general information, provide feedback and lodge complaints. The service was initially available only during office hours but became a 24 hour hotline from 1 April 2013.

During the period under review, the hotline has handled 942 calls, an increase from the 334 recorded during the previous financial year (see Table 4). Of the 942 calls, 66% were classified as complaints which were resolved within the timelines stated in the standard operating procedures for the complaints management system.

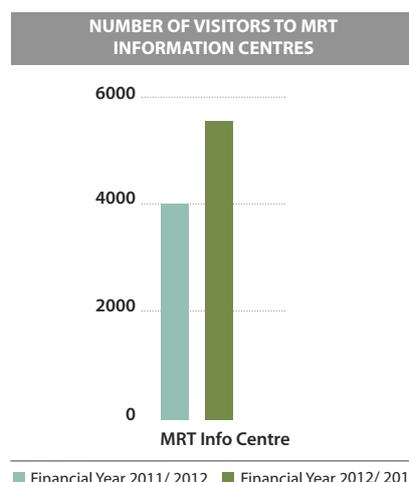


Table 1 • Number of visitors to MRT Information Centres

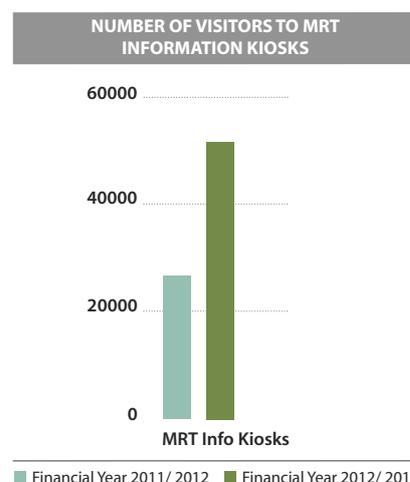


Table 2 • Number of visitors to MRT Information Kiosks

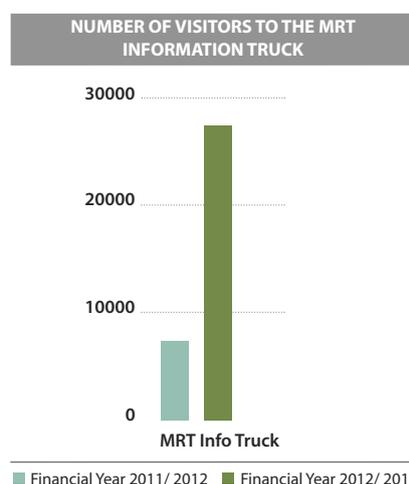


Table 3 • Number of visitors to The MRT Information Truck

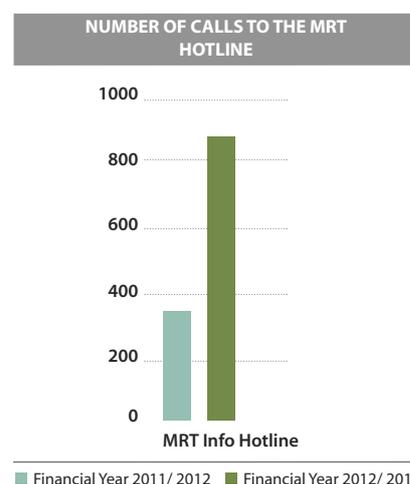


Table 4 • Number of calls to The MRT Hotline

CAMPAIGNS AND EVENTS

DURING the period under review, several campaigns and programmes to promote awareness about the MRT Project were held. The objectives of the activities were to educate the public about the need for the MRT and to provide updates on the progress of the construction of the MRT Sungai Buloh-Kajang Line.

On 30 May 2013, MRT Corp hosted the launch of the first Variable Density Tunnel Boring Machine with Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak as Guest of Honor. The start of tunneling works was the most important milestone for the MRT Project after the launch of construction for the project on 8 July 2011 which was also officiated by the Prime Minister.

MRT Corp hosted several visits to the MRT Project construction sites during the period under review, starting off with Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak on 4 January 2013, the MRT Executive Committee led by its chairman, Chief Secretary to the Government Tan Sri Dr Ali Hamsa on 14 February 2013, and the Greater Kuala Lumpur Klang Valley Steering Committee on 25 March 2013. Besides site visits, MRT Corp also hosted many visits by groups from institutes of higher learning.

MRT Corp's "I need MRT because ..." contest which ran for three months from September 2012 to November 2012 concluded with a glitzy prize-giving dinner on 29 January 2013. The grand prize winner walked away with a RM 10,000 cash prize while the other three monthly winners won prizes worth RM5,000 each.

Other events organised by MRT Corp included a Bumiputera contractors balloting session on 30 January 2013 and Hari Raya Aidil Fitri Open House on 22 August 2013. MRT Corp also took part in several exhibitions organised by Government agencies, as well as fairs and launchings organised by property developers.

At each of these events, MRT Corp promotes the urban rail lifestyle to visitors. These sessions always advocate reasons why Kuala Lumpur needs an urban rail system and that the current MRT Sungai Buloh-Kajang Line integrates with Kuala Lumpur's other rail systems.







BUMIPUTERA PARTICIPATION



UNDER the Government's Bumiputera Agenda, MRT Corp was required to set a target where 43% of the value of all contracts for the MRT Sungai Buloh-Kajang Line is to be awarded to Bumiputera companies.

This target included providing opportunities for the participation of Bumiputera contractors belonging to Classes G3, G4 (both formerly Class D), G2 (formerly Class E) and G1 (formerly Class F) to enable these companies to improve their business performance and ultimately be able to compete equally in the local and international construction and rail industry.

As of 30 September 2013, a total of 29 work packages were awarded to Bumiputera contractors with a total value of RM9.36 billion. These included 16 work packages which were opened only to Bumiputera contractors and 12 work packages opened to all contractors.

The value includes 12 Systems Contract which have been awarded where a minimum of 30% of the value of the contract is sub-contracted to Bumiputera subcontractors directly or via joint-venture arrangements.

The breakdown of the number and value of work packages awarded to Bumiputera companies is summarised in Table 1.

During the period under review, a total of 44 work packages worth a total of RM20 million were also awarded to Bumiputera contractors from Classes G1, G2, G3 and G4. The work packages were awarded by way of balloting where the successful contractors were picked from a pool of 550 Bumiputera companies.

The successful contractors went through the mandatory Kursus Latihan Kontraktor Bumiputera D(G3/G4) E(G2) F(G1) Projek MRT which was organised by MRT Corp and in collaboration with the Contractors' Service Centre of the Works Ministry, Unit Peneraju Agenda Bumiputera (Teraju) and Ikram Sdn Bhd.

Another balloting session is expected to be held in December 2013 to award 55 work packages.

1 CONGRATULATIONS

MRT Corp CEO Datuk Wira Azhar Abdul Hamid poses for a group photo with the successful Bumiputera contractors.

2 TRANSPARENT

Persatuan Kontraktor Melayu President Dato' Mokhtar Samad, picking the name of a Bumiputera contractor to be selected for a contract.

MRT YOUNG GRADUATES ENTREPRENEURSHIP PROGRAMME

ANOTHER initiative under MRT Corp's Bumiputera Agenda is the MRT Young Graduates Entrepreneurship Programme. The programme is carried out jointly with Perbadanan Usahawan Nasional Bhd (PUNB) as part of its continuous efforts to create new entrepreneurs among Bumiputera graduates.

The MRT Young Graduates Entrepreneurship Programme provides alternative access to young Bumiputera graduates to become entrepreneurs by starting businesses in the construction sector, enabling them to gain hands-on experience.

As at 30 September 2013, a total of 14 graduates were undergoing training with the Project Delivery Partner (PDP) for a period of between six and 12 months. The training programme was designed to provide exposure and best practices in construction industry. Trainees will be evaluated by MRT Corp, PUNB and PDP and upon being successfully assessed, the trainees will set up their own companies and awarded work packages of the MRT Project. Four companies had been set up by the graduates as at the end of the period under review and they are expected to be awarded work packages in November 2013.

A total of 20 work packages have been identified under this programme.



ADVICE

Datuk Wira Azhar Abdul Hamid sharing his experience with the MRT Young Graduates Entrepreneurship Programme participants.

BUMIPUTERA PARTICIPATION STATUS AS AT 30 SEPTEMBER 2013

NO	DESCRIPTION	GOVERNMENT TARGET FOR BUMIPUTERA		PACKAGES AWARDED TO DATE		PACKAGES AWARDED TO DATE (OPEN)		PACKAGES AWARDED TO DATE TO BUMIPUTERA		BUMIPUTERA PACKAGE YET TO BE AWARDED		FORECAST FINAL BUMIPUTERA PACKAGE	
		Nos	RM (Mil)	Nos	RM (Mil)	Nos	RM (Mil)	Nos	RM (Mil)	Nos	RM (Mil)	Nos	RM (Mil)
1.	Advance Works			22	0,174	12	0,097	10	0,076			10	0,076
2.	Guideways i Stations ii Centralized Procurement	3	1,350	8	7,389	5	4,367	3	3,022			3	3,022
		3	0,490	13		2		6		4		6	
				13		8		5				9	
3.	Non-Civil Works		1,800	12	4,010	12	2,719		1,291				1,291
4.	Depot	1	0,400	2	0,655			2	0,655			2	0,655
5.	Multi-Storey Carpark	9	0,270	2	0,176			2	0,176	6	0,154	8	0,330
6.	Underground Works	0.5	4,250	1	8,280	0.5	4,140	0.5	4,140			0.5	4,140
	TOTAL	16.5	8,560	68	20,683	39.5	11,323	28.5	9,360	10	0,154	38.5	9,514

Table 1 • Bumiputera Participation Status as at 30 September 2013

OFFSET PROGRAMME

THE Government’s Offset Policy creates a collaborative platform with overseas contractors involved in Government projects with the objective of deriving value add benefits which will help with developing Malaysia’s economy and especially its technology sector.

The collaboration covers areas such as the transfer of technology from contractors to identified offset recipients, enhancing the use of local content and materials, establishing smart and collaborative partnerships, as well as fostering technology commercialisation for the country.

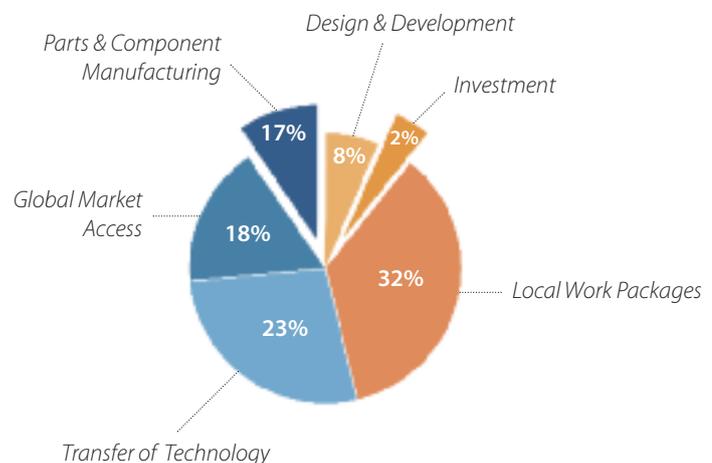
- The Work Packages identified were:
- Tunneling and underground works
 - Rolling stock
 - Signalling and train control
 - Trackworks
 - Automatic fare collection
 - Power supply & distribution system

For the MRT Project, Offset Programmes were established for several identified System Work Packages and commenced during the period under review.

The economic benefit in terms of Offset Credit Value (OCV) is RM 2.859 billion. The utilisation of this OCV is shown in Table 1.



MRT PROJECT OFFSET CREDIT VALUE UTILISATION



- FULL ATTENTION**
MRT Corp personnel undergoing hands-on training under the MRT Project Offset Programme.
- CHOSEN ONES**
MRT Corp team at Erlangen, Germany, under the MRT Project Offset Programme with Siemens AG.

Table 1 • MRT Project Offset Credit Value Utilisation

KEY EVENTS



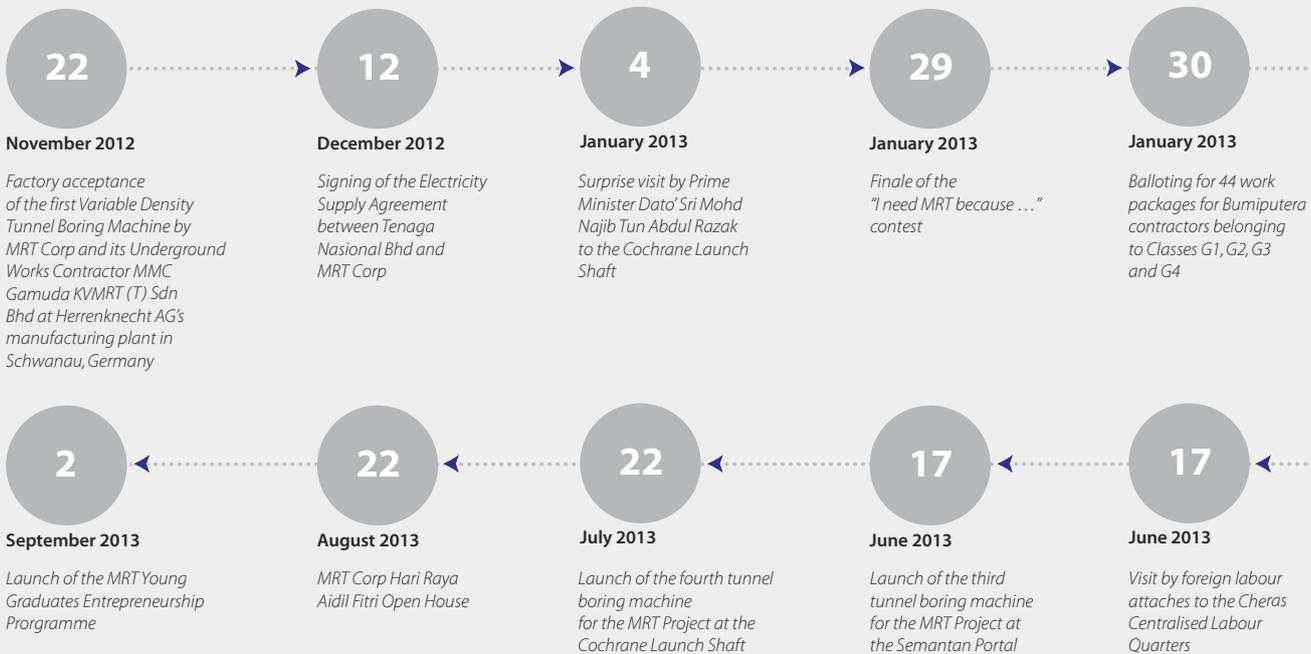
MRT Corp personnel and the Malaysian media at the factory acceptance of the first Variable Density Tunnel Boring Machine at Herrenknecht AG's manufacturing plant in Schwanau, Germany on 22 November 2012.



Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak being briefed by MRT Corp Director for Underground Tunnels Mr Blaise Pearce during his surprise visit to the Cochrane Launch Shaft on 4 January 2013.



Grand Prize Winner, Ms Angeline Tu Sun Ing posing next to a poster at her "I need MRT because..." entry at the contest finale dinner on 29 January 2013.



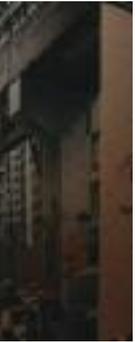
CIDB Malaysia's CEO Dato' Sri Ir Dr Judin Abdul Karim (second from left) and Mass Rapid Transit Corporation Sdn Bhd CEO Datuk Wira Azhar Abdul Hamid (second from right) exchanging documents after signing a memorandum of understanding to position the Klang Valley MRT Project as an industry benchmark in construction quality and safety and health procedure adherence on 21 February 2013.



Load testing being carried out on the first launch gantry under Package V6 near Bandar Tun Hussein Onn on 9 April 2013.



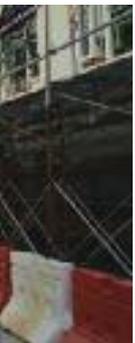
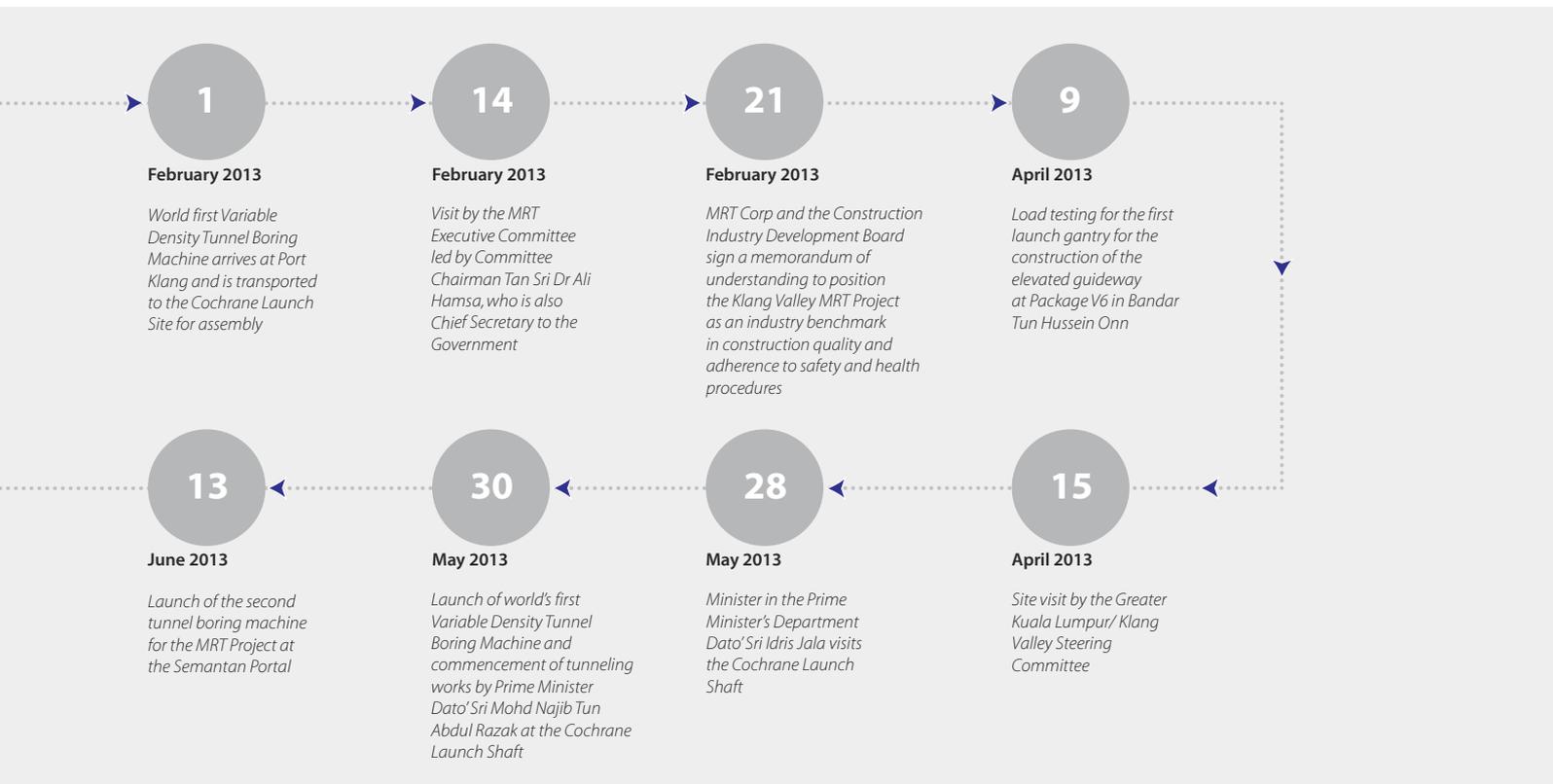
Minister in the Prime Minister's Department Dato' Sri Idris Jala visiting the Cochrane Launch Shaft on 28 May 2013.



Persatuan Kontraktor Melayu President Dato' Mokhtar Samad, picking a ballot during the balloting for 44 work packages for Bumiputera contractors belonging to Classes G1, G2, G3 and G4 on 30 January 2013.



The world's first Variable Density Tunnel Boring Machine being delivered to the Cochrane Launch Site after its arrival from Germany on 1 February 2013.



Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak launching the world's first Variable Density Tunnel Boring Machine and commencement of tunneling works at the Cochrane Launch Shaft on 30 May 2013.



MRT Executive Committee Chairman Tan Sri Dr Ali Hamsa leading a visit by the MRT Exco to the MRT Project on 14 February 2013.

financial report





FINANCIAL STATEMENT

FUNDING for the MRT Project is fully provided by the Government of Malaysia via Danalnfra Nasional Berhad (Danalnfra) which is a special purpose vehicle company set up with the main purpose of undertaking the funding of Government infrastructures projects.

As at the end of the period under review, Danainfra has issued three series of Sukuk totaling RM6.5 billion. The Sukuk tenures range from seven to 25 years, with profit rates ranging from 3.62% to 5.10%.

Financial Year ended 30 September 2013

Financial Highlights

Amounts in RM'000

STATEMENT OF PROFIT OR LOSS	FY 2013 Audited	FY2012 Audited	+/-
Other income	649	3,316	(2,667)
Finance income	462	124	338
Administrative expenses	(21,305)	(10,430)	(10,875)
Finance cost	(3)	(212)	209
Loss before tax	(20,197)	(7,202)	(12,995)
Tax expense	-	(31)	31
Net loss for the year	(20,197)	(7,233)	(12,964)

Financial Year ended 30 September 2013

Financial Highlights

Amounts in RM'000

STATEMENT OF FINANCIAL POSITION	FY 2013 Audited	FY2012 Audited	+/-
Property, plant and equipment	4,435,084	1,360,953	3,074,131
Current assets	11,364	7,255	4,109
Total assets	4,446,448	1,368,208	3,078,240
Equity	4,234	430	3,804
Contribution from Government	3,999,187	1,361,615	2,637,572
Current liabilities	443,027	6,163	436,864
Total equity & liabilities	4,446,448	1,368,208	3,078,240





MASS RAPID TRANSIT CORPORATION SDN BHD (902884-V)
Level 5, Menara I & P 1
No. 46, Jalan Dungun, Bukit Damansara, 50490 Kuala Lumpur

24 HOUR HOTLINE

1800 82 6868

www.mymrt.com.my



TOWARDS BETTER JOURNEYS TOGETHER



We are a diverse group of people, coming together for a common vision, a vision for change. Hundreds of people from different backgrounds, experiences, expertise and ambitions who have each other to count on when we need to rise above the challenges and just simply, to get it right. And we will get it right, together.

Because together, we are not just drops in the ocean, we are the whole ocean in a single drop. We are MRT Corp.

