



# ANALYST BRIEFING

Quarter Ended 31 March 2021

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# MRCB Financial Summary

## MRCB 1QFY2021 Overview

<b>Revenue</b> RM <b>227</b> mil. ▼ 47% y-o-y	<b>Profit Before Tax</b> RM <b>6</b> mil. ▼ 79% y-o-y
<b>Profit After Tax</b> RM <b>4</b> mil. ▼ 76% y-o-y	<b>Net Gearing</b> <b>0.26x</b>
<b>Total Assets</b> RM <b>8,173</b> mil.	<b>Total Equity</b> RM <b>4,566</b> mil.
<b>EPS</b> <b>0.12</b> sen ▼ 67% y-o-y	<b>Market Cap</b> RM <b>2,030</b> mil.

## MRCB Segment Overview

	Property Development	Engineering & Construction	Others
<b>Revenue RM mil.</b>	<b>132</b>	<b>84</b>	<b>11</b>
<b>Revenue Contribution</b>	<b>58%</b>	<b>37%</b>	<b>5%</b>
<b>Operating Profit RM mil.</b>	<b>13</b>	<b>(2)</b>	<b>5</b>
<b>Margin %</b>	<b>9.9%</b>	<b>(1.9)%</b>	<b>47.9%</b>

## 1QFY2021 Key Numbers

<b>RM51.6 mil.</b> Property Sales	<b>RM1.0 bil.</b> Property Unbilled Sales	<b>RM21.7 bil.</b> External Construction Order Book	<b>RM20.4 bil.</b> Construction Unbilled Order Book
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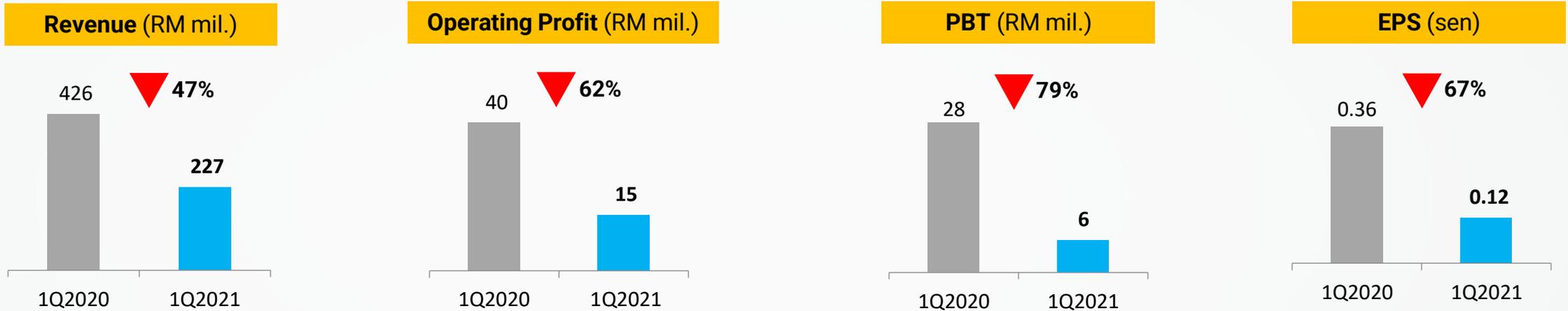
Note:

\* **EPS**; Weighted Average No of Shares as at 31 March 2021 = 4,412,046,269

\*\* **Market Cap** as at 31 March 2021; Number of Shares as at 31 March 2021 = 4,412,046,269 x RM0.46

# Key Highlights

## 1QFY2021 vs. 1QFY2020



### Key Highlights

- The higher revenue and profit recorded in the corresponding period in 2020 was due to the MCO only coming into force in the last 2 weeks of the first quarter in 2020.
- The decline in 1QFY2021 was further exacerbated by the residual impact of multiple construction site closures undertaken as a precautionary measure when Covid-19 cases were detected towards the end of 2020. This not only hampered construction progress in 2020, but also had a resultant impact to construction progress and billings in 1QFY2021.
- LRT3 contributed higher PAT of RM5.9 million in 1QFY2021 (booked under Share of Results of JV) vs RM1.2 million in 1QFY2020.
- Sentral REIT and Sentral REIT Management contributed PAT of RM4.3 million.
- Balance sheet remains strong, with net gearing recorded at 0.26 times.

# Financial Performance

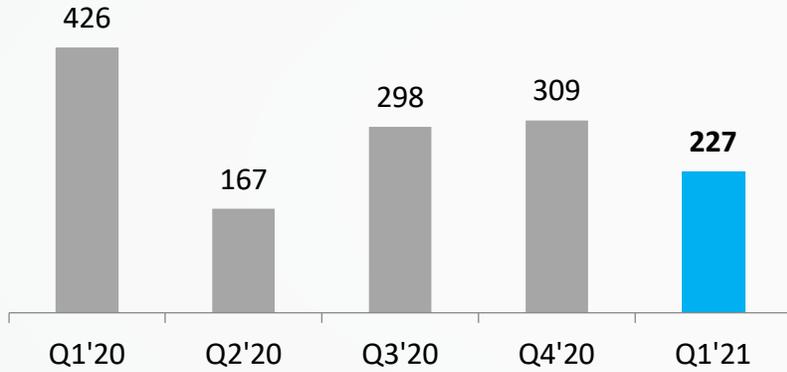
## Profit & Loss

RM Million	1Q (3M)		
	FY2021	FY2020	Y-o-Y Growth %
Revenue	227	426	(46.8)%
Other Operating Income	9	8	15.5%
Total Revenue	236	434	(45.6)%
Operating Expenses	221	394	(43.9)%
<b>Operating Profit/(Loss)</b>	<b>15</b>	<b>40</b>	<b>(62.4)%</b>
<i>Operating Profit/(Loss) Margin (%)</i>	6.6%	9.3%	
Finance costs	18	16	17.7%
Share of results of associates	4	3	22.1%
Share of results of joint ventures	5	0	>100%
Profit/(Loss) before taxation	6	28	(79.3)%
Taxation	2	11	(84.3)%
<b>Profit/Loss for the period</b>	<b>4</b>	<b>16</b>	<b>(75.7)%</b>
<i>PAT/(LAT) Margins (%)</i>	1.7%	3.8%	
<b>EPS (sen)</b>	<b>0.12</b>	<b>0.36</b>	<b>(66.7)%</b>

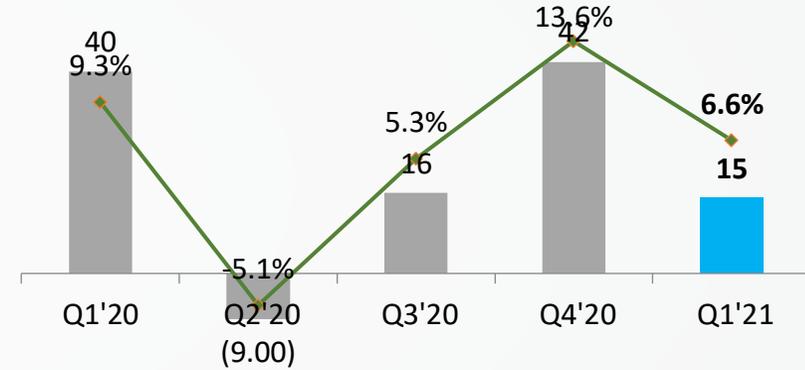
# Financial Performance

## Quarterly Analysis

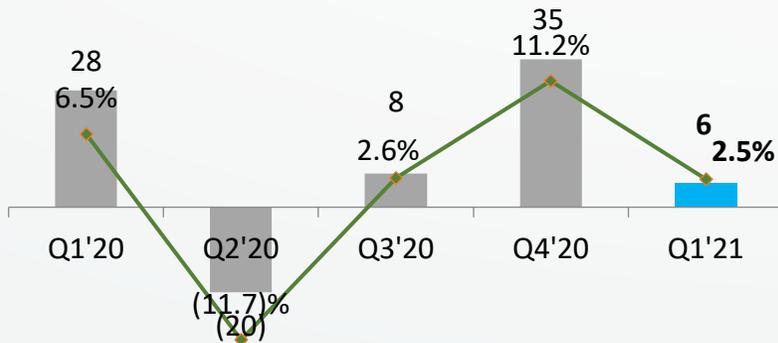
### Revenue



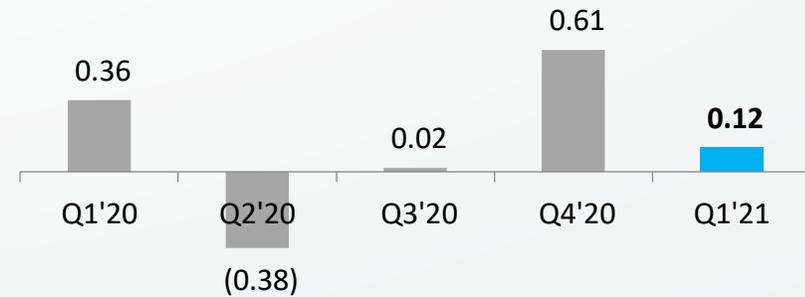
### Operating Profit\* and Margin\*



### PBT\* and Margin\*



### EPS\* (sen)



Note:

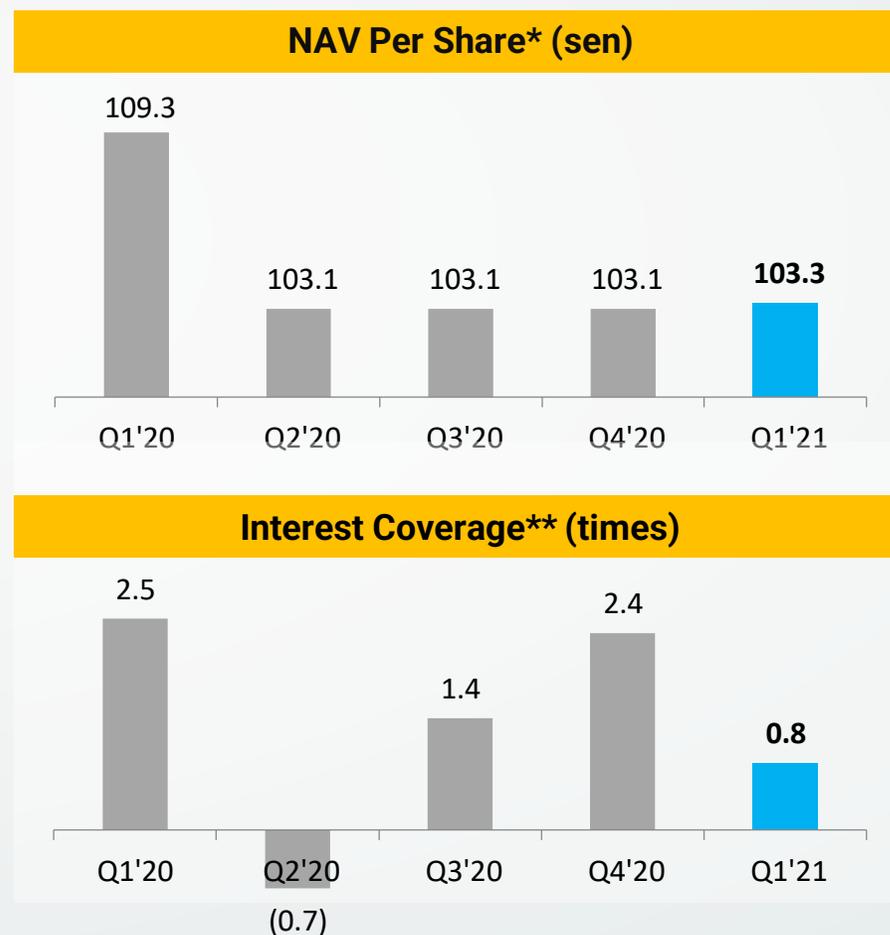
Figures are in RM'mil. and margins in %

\* Excludes impairment provisions in Q2 FY2020

# Financial Performance

## Balance Sheet

RM Million	31 March 2021	31 Dec 2020
<b>Total Assets</b>		
Current Assets	2,793	2,962
Non-Current Assets	5,380	5,352
Assets held for sale	-	-
<b>Total Assets</b>	<b>8,173</b>	<b>8,314</b>
<b>Total Liabilities</b>		
Current Liabilities	1,586	1,634
Non-Current Liabilities	2,021	2,119
<b>Total Liabilities</b>	<b>3,607</b>	<b>3,753</b>
<b>Total Equity</b>		
Shareholder's Equity	4,557	4,551
Non Controlling Interests	9	10
<b>Total Equity</b>	<b>4,566</b>	<b>4,561</b>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<b>103.3</b>	<b>103.1</b>



Note:

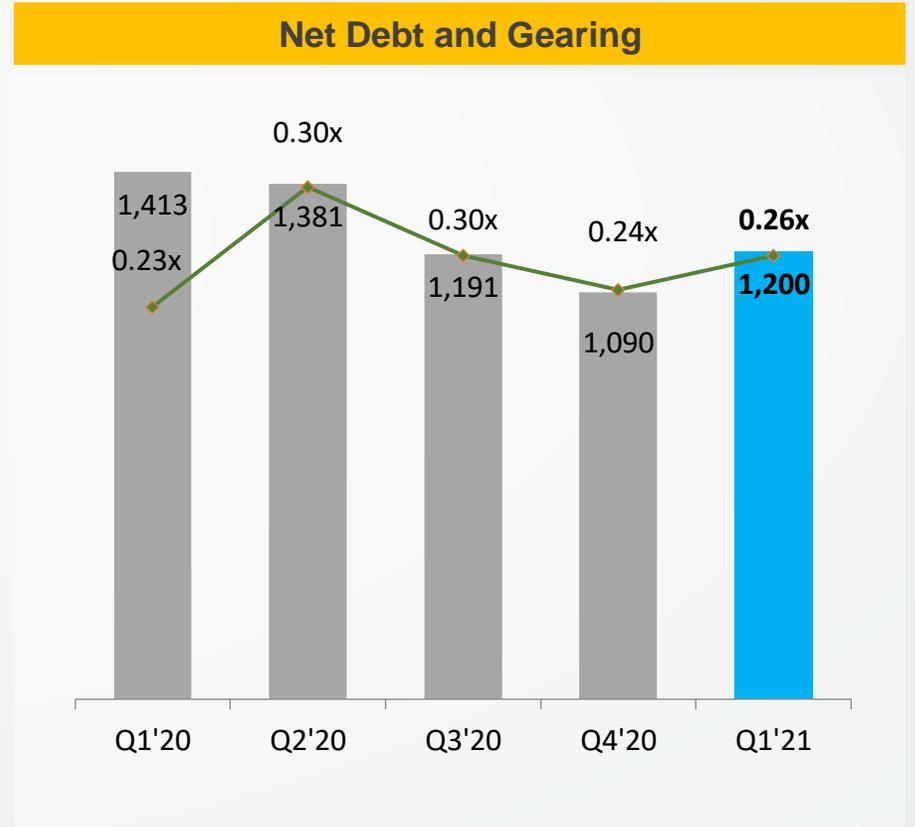
\* **NAV per share**; Number of Shares as at 31 March 2021 = 4,412,046,269

\*\* Based on Profit from operations excluding impairment provisions in Q2 FY2020

# Financial Performance

## Borrowings

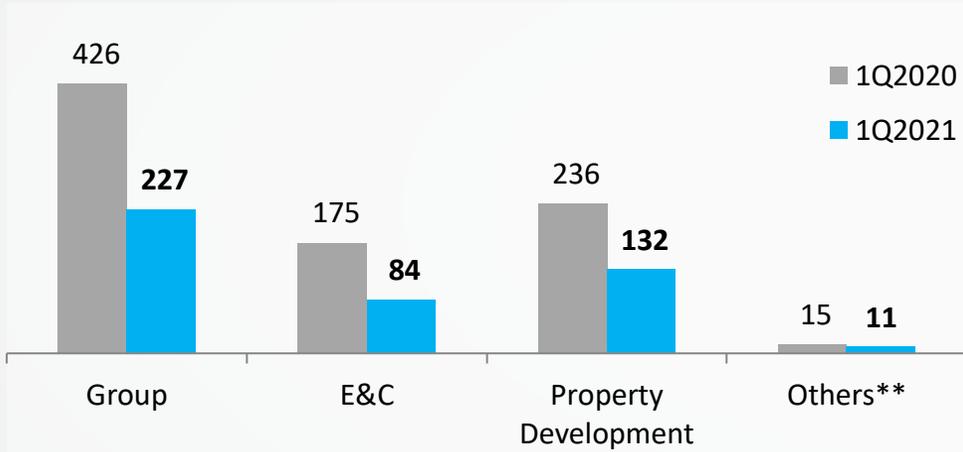
Leverage Profile (RM Million)	31 March 2021	31 Dec 2020
<b>Debt</b>		
Short Term Borrowings	598	602
Long Term Borrowings	1,230	1,331
HP creditors	0	0
<b>Total Debt</b>	<b>1,828</b>	<b>1,933</b>
Less: Deposits, cash and bank balances	353	540
Other investment	275	303
<b>Net Debt</b>	<b>1,200</b>	<b>1,090</b>
Total equity	4,566	4,561
<b>Net Gearing</b>	<b>0.26x</b>	<b>0.24x</b>



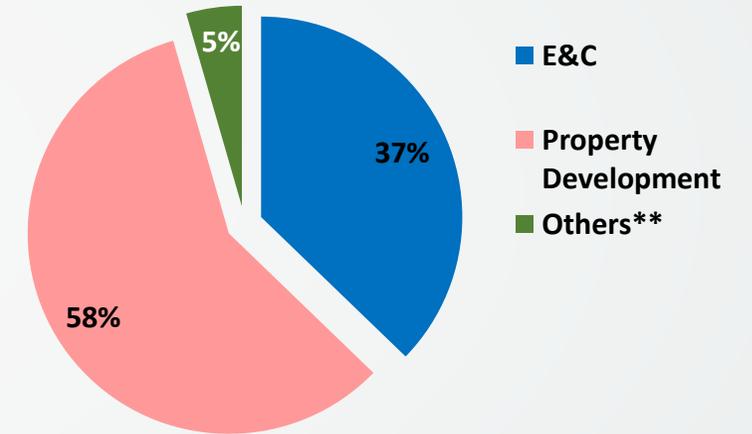
# Segmental Reporting

## Overview

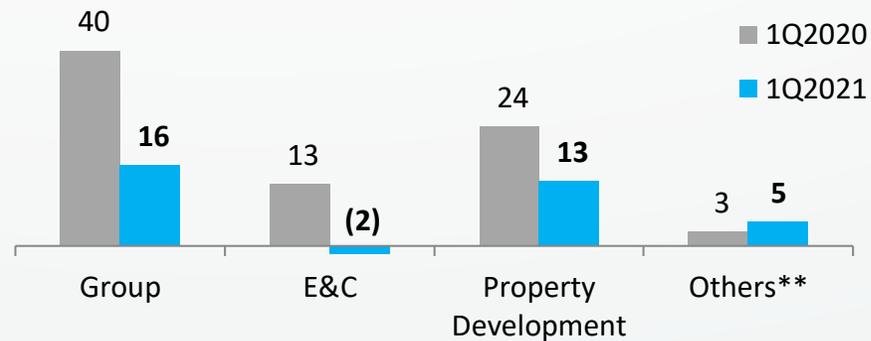
Revenue Split – RM277 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM16 mil.



Note:

Figures are in RM'mil. and margins in %

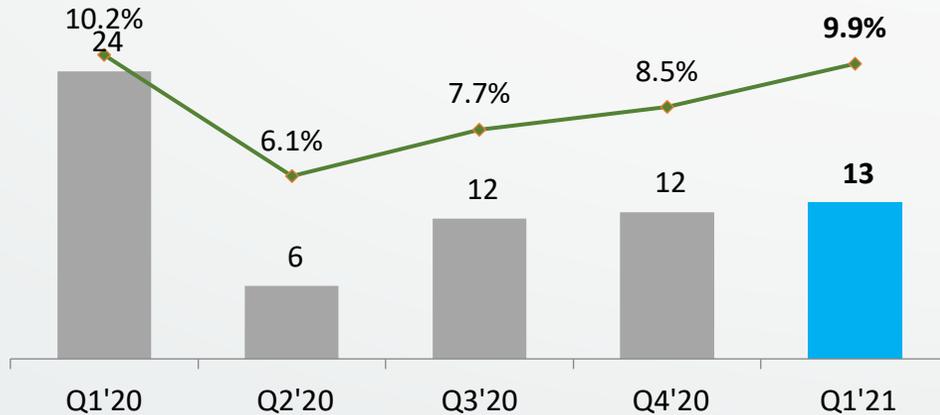
\*\* Others include Facilities Management & Parking and Others

# Segmental Reporting – Key Highlights

## Property Development & Investment

RM Million	Q1 (3M)		
	FY2021	FY2020	Y-o-Y Growth %
Revenue	132	236	(44.1)%
<b>Profit</b>	<b>13</b>	<b>24</b>	<b>(45.8)%</b>
Margin* (%)	9.9%	10.2%	

### Profit\* and Margin\*



### Performance Discussion

**Contributed 58% of Group revenue, largely from:** Group's on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra; completed units from 1060 Carnegie in Melbourne; and recurring rental income from Celcom Tower in PJ Sentral Garden City and Plaza Alam Sentral in Shah Alam.

Sentral REIT and Sentral REIT Management contributed PAT of RM4.3 million.

**Revenue decreased and lower operating profit due to:**

- **Much lower contribution from 1060 Carnegie** – 100% completed; 120 units settled out of 141 sold
- Much lower number of units reaching financial settlement compared to 1QFY2020.

**However, higher revenue contributions from:**

- **Sentral Suites** (49% completed); **TRIA, 9 Seputeh** (43% completed)

**Sales in 1QFY2021: RM51.6 mil, unbilled sales: RM1.0 bil.**

# Segmental Reporting – Key Highlights

## Property Development & Investment

### Property Sales of RM51.6 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 31 March 2021	Sales** Breakdown YTD 2021 (RM'mil)	
<b>Completed Projects</b>				
Sentral Residences	1,439	99%	0.0	} <b>67%</b> from Completed Projects
VIVO 9 Seputeh	980	82%	3.9	
Kalista, Bukit Rahman Putra	102	85%	0.0	
1060 Carnegie	300	81%	29.5	
St. Regis	161	13%	0.0	
Easton, Burwood	191	100%	1.0	
<b>Ongoing Projects</b>				
TRIA 9 Seputeh	934	40%	4.7	} <b>33%</b> from Ongoing Projects
Sentral Suites	1,535	84%	7.9	
Alstonia, Bukit Rahman Putra	248	27%	0.9	
SIDEC	41	58%	3.7	
<b>TOTAL</b>	<b>5,931</b>		<b>51.6</b>	

**Note:**

\* % Sales Achieved are the total value of SPAs signed and stamped from the projects' launch up until the reporting period as a percentage of the project's total gross GDV and is adjusted for SPAs that have been terminated.

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

# Segmental Reporting – Key Highlights

## Property Development & Investment

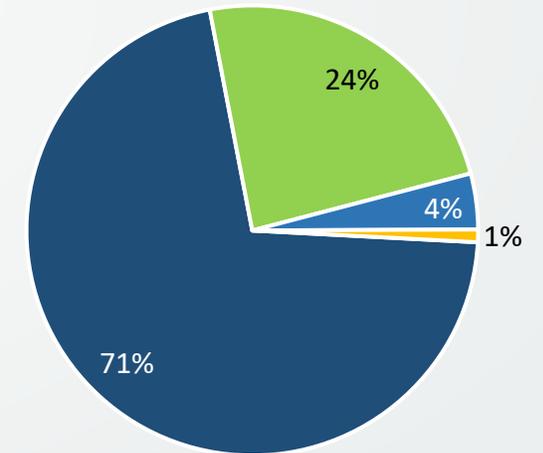
### Total Unbilled Sales of RM1.0 Billion

Project	Construction Progress	Revenue Recognised* 3M FY2021 (RM'mil)	Unbilled Sales (RM'mil)
<b>Residential</b>			
Sentral Suites	48.6%	57.0	731.0
TRIA 9 Seputeh	42.9%	25.0	246.0
Alstonia, Bukit Rahman Putra	19.2%	2.0	41.2
Amaryllis, SIDEC	8.0%	0.3	9.3
<b>TOTAL</b>		<b>84.3</b>	<b>1,027.5</b>

100%  
from  
Residential

#### Breakdown of Unbilled Sales

■ Sentral Suites ■ TRIA ■ Alstonia ■ Amaryllis



Sentral Suites, which makes up 71% of Unbilled Sales, will contribute more revenue and profit as construction progresses

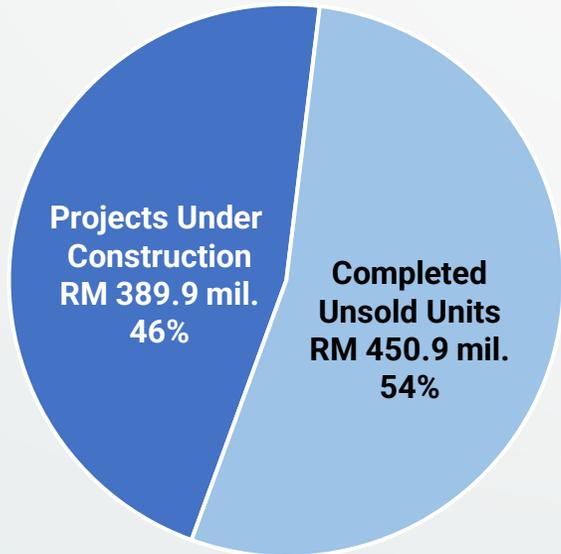
# Segmental Reporting – Key Highlights

## Property Development & Investment

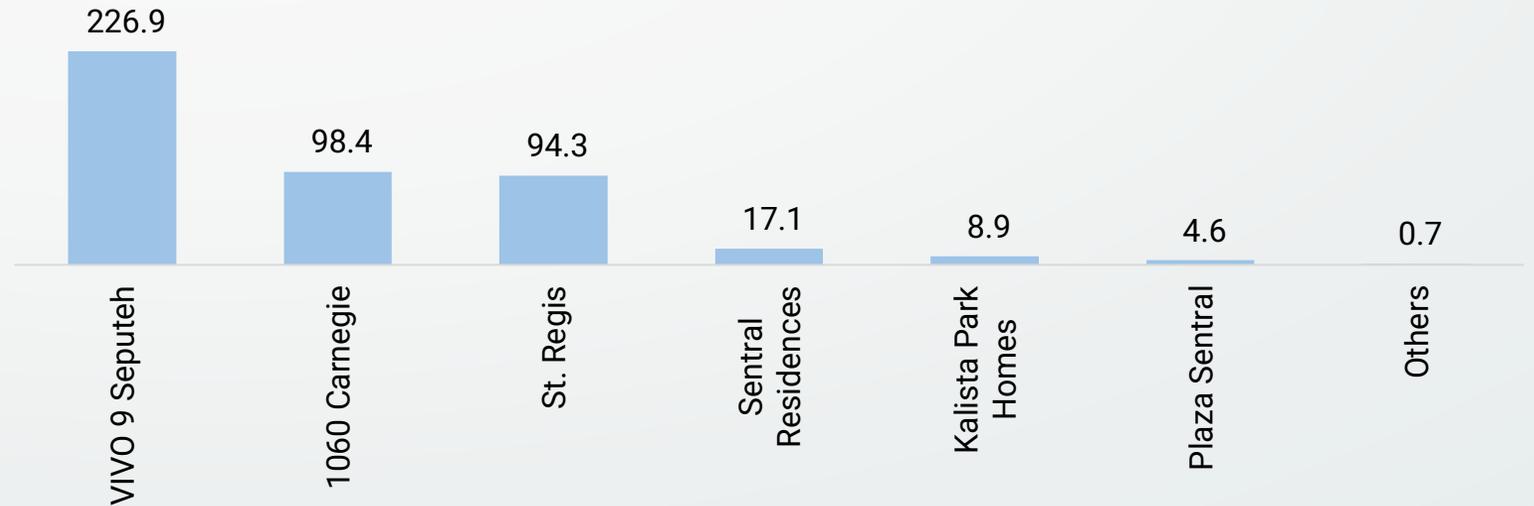
### What We Have To Sell: RM0.8 Billion

Projects Under Construction	Completed Unsold Units	Total
RM389.9 mil.	RM450.9 mil.	<b>RM840.8 mil.</b>

Total excluding unlaunched retail units in 1060 Carnegie and VIVO 9 Seputeh = **RM268.4 mil.**



### Breakdown of Completed Unsold Units (RM' mil.)



# Land Bank

## Property Development & Investment

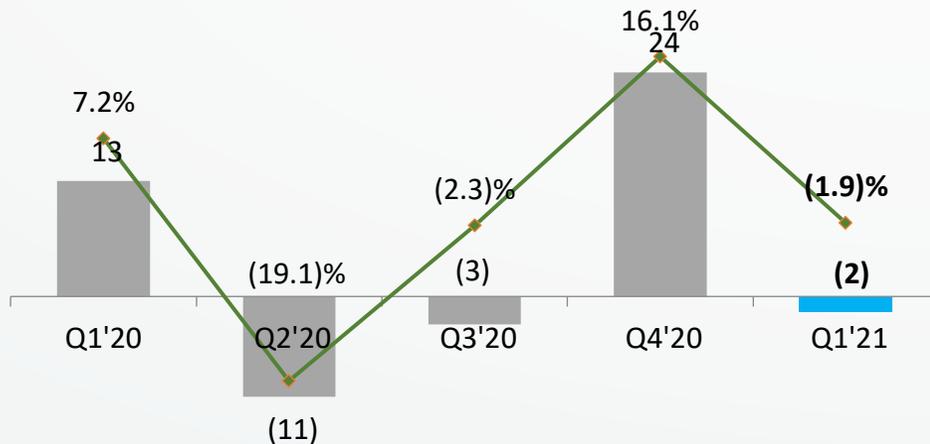
	Land Size (Acres)	GDV RM' mil.	% Stake	Start Date	Completion Date
<b>Transport Oriented Developments</b>					
KL Sentral: Lot F	5.70	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.97	2,698	100%	2015	2027
Cyberjaya City Centre	41.45	5,350	70%	2017	2024
Kwasa Sentral	64.30	10,851	70%	2018	2030
<b>Total</b>	<b>145.33</b>	<b>25,548</b>			
<b>Commercial Developments</b>					
Pulai Land Johor	67.52	770	100%	TBD	TBD
<b>Total</b>	<b>67.52</b>	<b>770</b>			
<b>Residential Developments</b>					
9 Seputeh	17.63	2,680	100%	2014	2026
Sentral Suites	4.75	1,632	100%	2016	2021
1060 Carnegie, Melbourne	1.00	300	100%	2018	2020
Bukit Rahman Putra	14.18	642	100%	2016	2021
Bandar Sri Iskandar (Phase 2C, 2D & 3)	57.40	849	70%	2020	2035
<b>Total</b>	<b>94.96</b>	<b>6,103</b>			
<b>Others</b>					
Suria Subang	3.20	TBD	100%	TBD	TBD
Selbourne 2 Shah Alam	2.37	TBD	100%	TBD	TBD
Metro Spectacular Land, Jalan Putra	10.06	TBD	51%	TBD	TBD
<b>Total</b>	<b>15.63</b>	<b>-</b>			
<b>Grand Total</b>	<b>323.44</b>	<b>32,421</b>			

# Segmental Reporting – Key Highlights

## Engineering, Construction & Environment

RM Million	Q1 (3M)		
	FY2021	FY2020	Y-o-Y Growth %
Revenue	84	175	(51.7)%
<b>Profit</b>	<b>(2)</b>	<b>13</b>	<b>&gt;(100)%</b>
Margin* (%)	(1.9)%	7.2%	

### Profit\* and Margin\*



### Performance Discussion

**Contributed 37% of Group Revenue, largely from:** EPF Headquarters at Kwasa Sentral, and the DASH, SUKE and MRT2 projects.

**Weaker performance** compared to the corresponding period in 2020 due to the MCO being imposed in the last 2 weeks of 1QFY2020, as well as key infrastructure construction projects being at the peak of their construction cycle in 2020, which yielded higher construction progress and revenue recognition.

LRT3 project contributed higher profit after tax of RM5.9 mil vs RM1.2 mil in 2020 due to construction progress achieved in 2021

**External construction order book : RM21.7 bil.**

**Unbilled construction order book : RM20.4 bil.**

Note:

Figures are in RM'mil. and margins in %

\* Excludes impairment provisions in Q2 FY2020

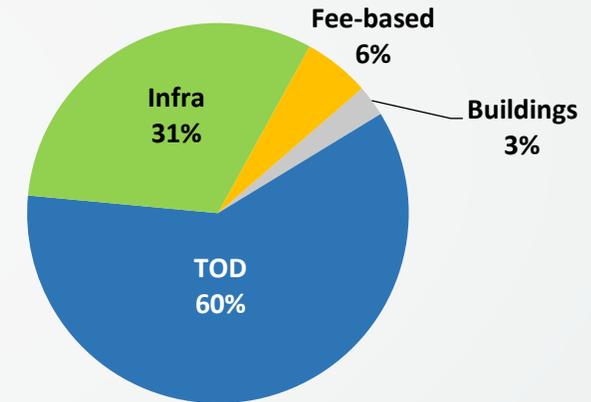
# Segmental Reporting – Key Highlights

## Engineering, Construction & Environment

Unbilled External Order Book – RM20,361 mil.

External Contracts (RM Million)	Contract Value	Progress
<b>Buildings:</b>		
Desaru Convention Centre	62	99%
PR1MA Brickfields	335	14%
FINAS	170	8%
Putrajaya School	9	0%
<b>Infra:</b>		
MRT2 V210 Package - 2.6km Guideway	497	84%
SUKE - CA2 Package	317	53%
DASH - Package CB2	341	95%
LRT3	5,686	51%
<b>Transit Oriented Development (TOD) projects:</b>		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,958	53%
<b>Fee-based orders:</b>		
Kwasa Utama, C8 - management contract	177	
Kwasa Land - PDP Infra	176	
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
<b>Total</b>	<b>21,712</b>	

### External Order Book Analysis



### Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	Bukit Jalil Sentral	10,957	50.5%
2.	LRT3	5,686	26.2%
3.	Kwasa Utama C8	3,135	14.4%
4.	MRT2 – V210 Package	497	2.3%
5.	DASH – CB2 Package	341	1.6%
6.	PR1MA Brickfields	335	1.5%

Note:

\* Refers to 50% of total contract value awarded to MRCB George Kent Sdn Bhd; profits booked under Share of Results of JV



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