



# ANALYST BRIEFING

Quarter Ended 31 March 2023

[www.mrcb.com](http://www.mrcb.com)





# MRCB's Key ESG Updates

## Climate Change & the Environment

**Target: Net Zero Carbon (Scope 1 and Scope 2) by 2040**

**59%** 

reduction in Scope 1 and Scope 2 carbon emissions intensity in 1QFY2023 vs 2020 baseline

**Task Force on  
Climate-Related  
Financial  
Disclosure (TCFD)**

In the midst of conducting **financial impact assessment of physical climate risk** on our business assets based on TCFD recommendations

**A constituent of  
FTSE4GOOD  
Bursa Malaysia Index  
since 2014**

Achieved  
overall score of

**3.2**

Ranked in the 2<sup>nd</sup> Quartile

Targeting to rank in the 1<sup>st</sup> Quartile by end 2023

## Good Corporate Governance

**Target: Best-In-Class Practices & Disclosures**

**Institutionalising  
Sustainability-  
related Processes**

**Improving internal processes**  
i.e. Sustainable Design Policy, Sustainable Data Management Policy & Procedures

**Improving  
Scope 3 Emissions  
Reporting**

Partnering with UNGC to implement **supply chain sustainability assessments**

## Social

**Target: World Class Work Practices & Community Development**

**Diversity,  
Equity &  
Inclusivity**

**Disability Related Services  
Training** on understanding, empathising and helping persons with disability for

**200**  
Auxiliary Police

# MRCB Financial Summary

## MRCB 3M FY2023 Overview

<b>Revenue</b> RM <b>742</b> mil. ▼ (8)% y-o-y	<b>Profit Before Tax</b> RM <b>21</b> mil. ▼ (35)% y-o-y
<b>Profit After Tax</b> RM <b>9</b> mil. ▼ (39)% y-o-y	<b>Net Gearing</b> <b>0.37x</b>
<b>Total Assets</b> RM <b>9,782</b> mil.	<b>Total Equity</b> RM <b>4,545</b> mil.
<b>Earnings Per Share</b> <b>0.19</b> sen ▼ (39)% y-o-y	<b>Market Cap</b> RM <b>1,541</b> mil.

## MRCB Segment Overview

	Property Development	Engineering & Construction	Others
<b>Revenue RM mil.</b>	<b>268</b>	<b>458</b>	<b>16</b>
<b>Revenue Contribution</b>	<b>36%</b>	<b>62%</b>	<b>2%</b>
<b>Operating Profit RM mil.</b> <i>Margin %</i>	<b>33</b> <b>12.4%</b>	<b>7</b> <b>1.6%</b>	<b>5</b> <b>26.7%</b>

## 3M FY2023 Key Numbers

<b>RM85.1 mil.</b> Property Sales	<b>RM 220.3 mil.</b> Property Unbilled Sales	<b>RM26.4 bil.</b> External Construction Order Book <sup>1</sup>	<b>RM17.0 bil.</b> Construction Unbilled Order Book <sup>2</sup>
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Order Book includes long term Bukit Jalil contract of RM11.0 bil.

<sup>1</sup> External Construction Order Book excluding Bukit Jalil: RM15.4 bil.

<sup>2</sup> Construction Unbilled Order Book excluding Bukit Jalil: RM6.0 bil.

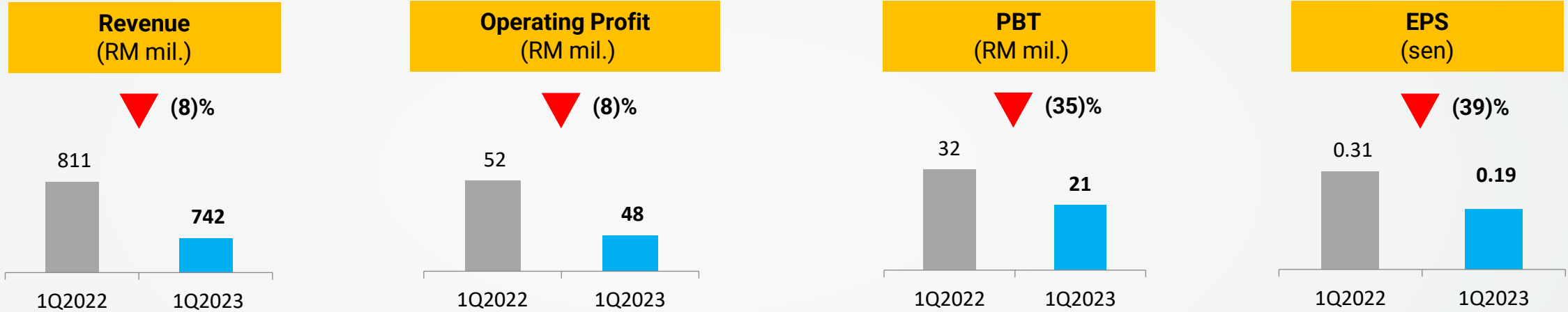
Note:

\* EPS; Weighted Average No of Shares as at 31 Mar 2023 = 4,467,509,508

\*\* Market Cap as at 31 Mar 2023; Number of Shares as at 31 Mar 2023 = 4,467,509,508 x RM0.345

# Key Highlights

## 3M FY2023 vs 3M FY2022



### Key Highlights

- The lower Revenue and Profit in 1Q FY2023 was mainly due to a lower contribution from the ECE division as a result of the completion of key infrastructure projects in late 2022
- LRT3 project achieved physical construction progress of 84% and financial progress of 78% at the end of March 2023
- Property sales of RM85.1 mil vs. RM22.8 mil in 1Q FY2022
- Sentral REIT and Sentral REIT Management contributed PAT of RM2 mil
- Net gearing of 0.37 times

# Financial Performance

## Profit & Loss

RM Million	3M		
	FY2022	FY2021	Y-o-Y Growth %
Revenue	742	811	(8.4)%
Other Operating Income	12	7	56.6%
Operating Expenses	(706)	(766)	(7.8)%
<b>Operating Profit</b>	<b>48</b>	<b>52</b>	<b>(8.4)%</b>
<i>Operating Profit Margin (%)</i>	6.5%	6.5%	
Finance costs	(28)	(23)	20.0%
Share of results of associates	2	4	(51.1)%
Share of results of joint ventures	(1)	(1)	27.4%
Profit before taxation	21	32	(35.3)%
Taxation	(12)	(18)	(32.7)%
<b>Profit for the period</b>	<b>9</b>	<b>14</b>	<b>(38.6)%</b>
<i>PAT Margins (%)</i>	1.2%	1.7%	
<b>EPS (sen)</b>	<b>0.19</b>	<b>0.31</b>	<b>(38.7)%</b>

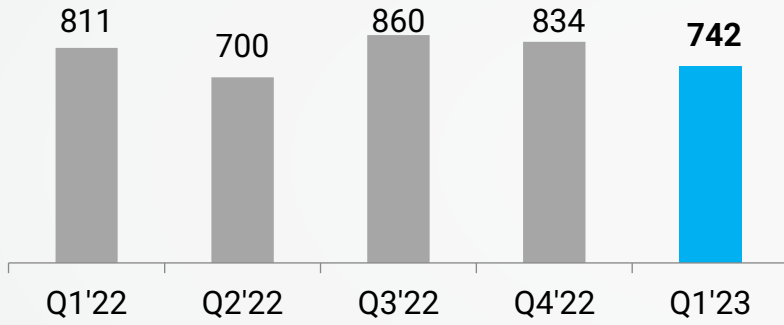
Note:

Due to rounding, numbers presented throughout this and other pages may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

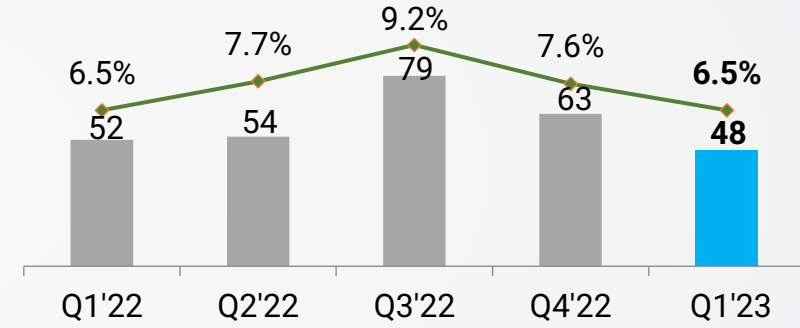
# Financial Performance

## Quarterly Analysis

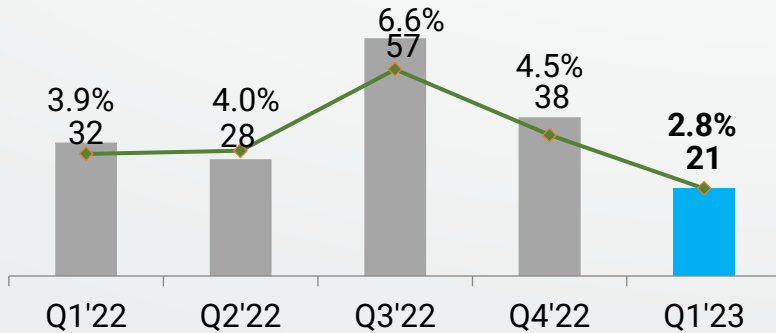
### Revenue



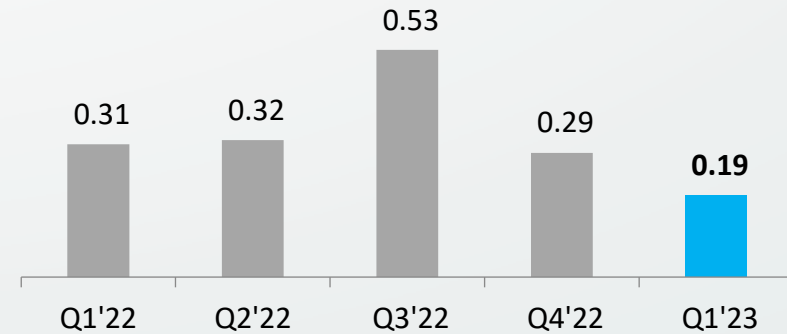
### Operating Profit and Margin



### PBT and Margins



### EPS (sen)



Note:

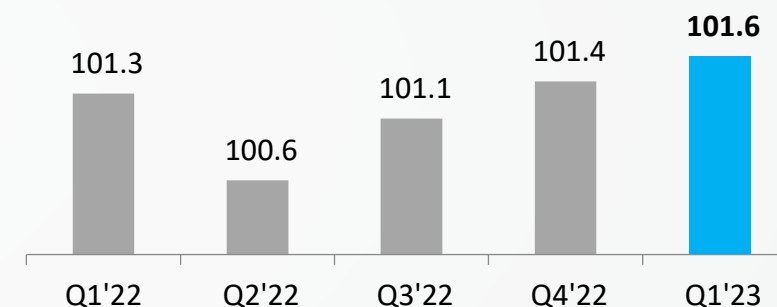
Figures are in RM'mil. and margins in %

# Financial Performance

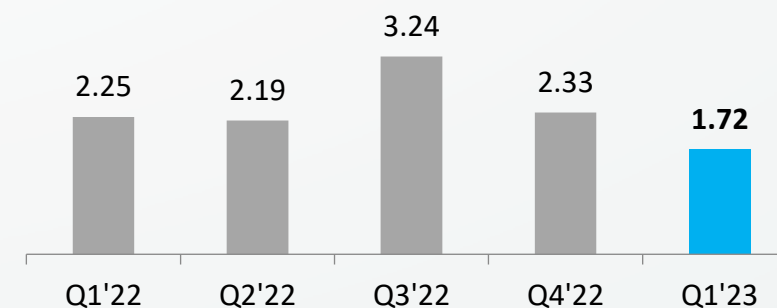
## Balance Sheet

RM Million	31 Mar 2023	31 Dec 2022
		(audited)
<b>Total Assets</b>		
Current Assets	4,104	3,547
Non-Current Assets	5,678	5,681
<b>Total Assets</b>	<b>9,782</b>	<b>9,228</b>
<b>Total Liabilities</b>		
Current Liabilities	2,793	2,697
Non-Current Liabilities	2,444	1,995
<b>Total Liabilities</b>	<b>5,237</b>	<b>4,692</b>
<b>Total Equity</b>		
Shareholder's Equity	4,539	4,531
Non Controlling Interests	6	6
<b>Total Equity</b>	<b>4,545</b>	<b>4,537</b>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<b>101.60</b>	<b>101.40</b>

### NAV Per Share\* (sen)



### Interest Coverage\*\* (times)



Note:

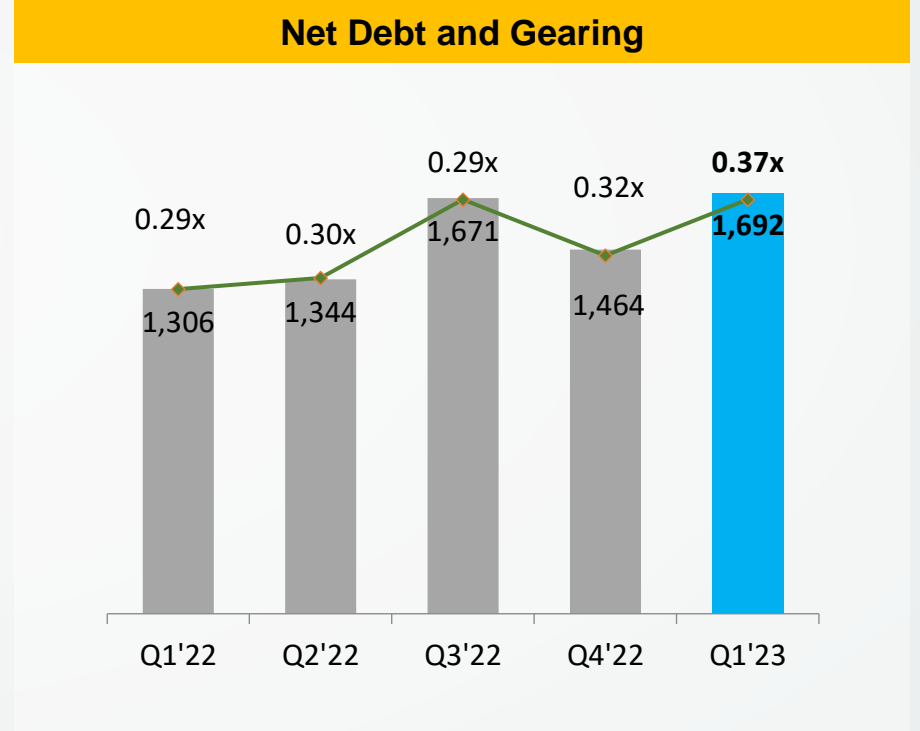
\* **NAV per share**; Number of Shares as of 31 Mar 2023 = 4,467,509,508

\*\* Based on Profit from operations

# Financial Performance

## Borrowings

Debt Profile (RM Million)	31 Mar 2023	31 Dec 2022
<b>Debt</b>		
Short Term Borrowings	907	841
Long Term Borrowings	1,671	1,216
<b>Total Debt</b>	<b>2,578</b>	<b>2,057</b>
Less: Deposits, cash and bank balances	855	534
Other investment	31	59
<b>Net Debt</b>	<b>1,692</b>	<b>1,464</b>
Total equity	4,545	4,537
<b>Net Gearing</b>	<b>0.37x</b>	<b>0.32x</b>

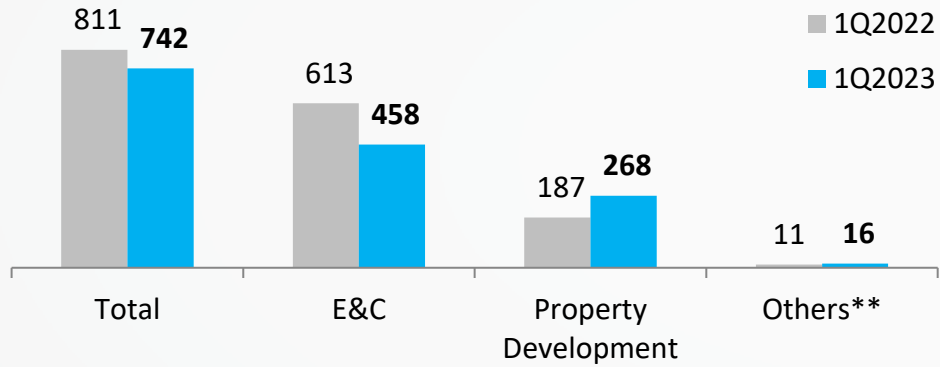




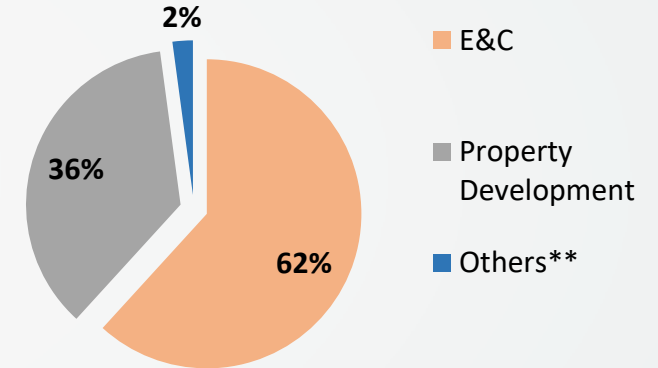
# Segmental Reporting

## Overview

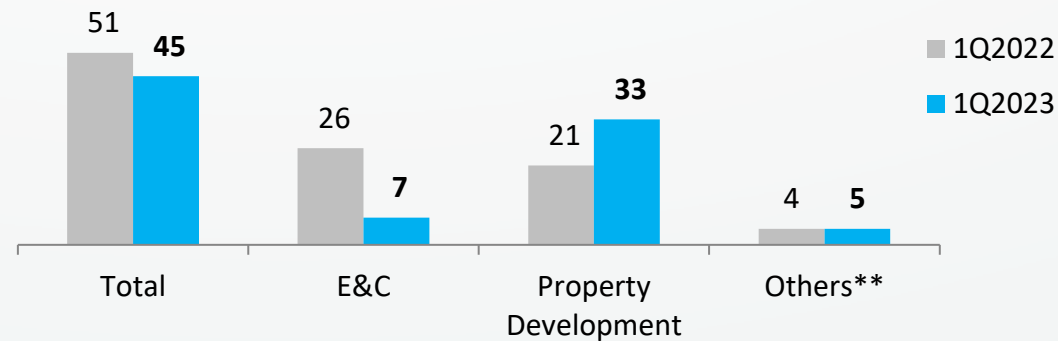
Revenue Split – RM742 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM45 mil.



Note:

Figures are in RM'mil. and margins in %

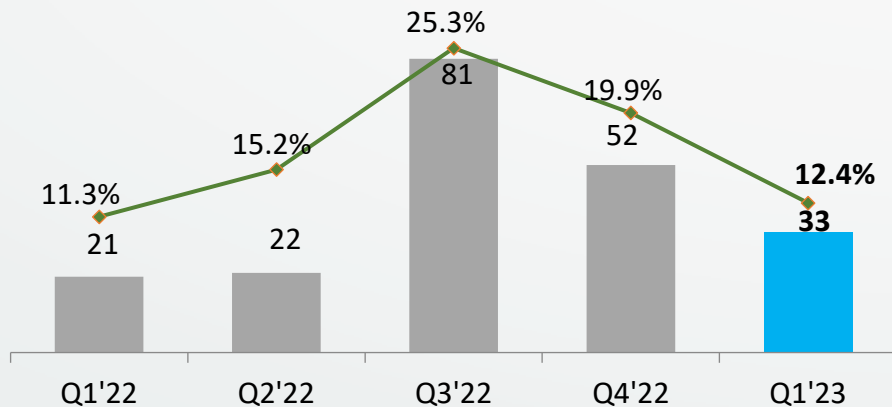
\*\* **Others** include Facilities Management & Parking and Others

# Segmental Reporting

## Property Development & Investment

RM Million	3M		
	FY2023	FY2022	Y-o-Y Growth %
Revenue	268	187	43.6%
<b>Profit</b>	<b>33</b>	<b>21</b>	<b>58.2%</b>
Margin* (%)	12.4%	11.3%	

### Profit and Margins



### Performance Discussion

**Contributed 36% of Group revenue, largely from** Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra, as well as recurring rental income.

Sentral REIT and Sentral REIT Management contributed PAT of RM2 million.

#### Higher revenue and profits due to:-

- Sentral Suites project achieved 100% construction progress and the handover of vacant possession of the completed units to purchasers is commencing in stages
- TRIA 9 Seputeh and Alstonia reached construction progress of 96% and 61% respectively

**Property Sales YTD 2023: RM85.1 mil, Unbilled Sales: RM220.3 mil.**

Sales for 4-month ended April 2023 : RM112.5 mil.

Note:

Figures are in RM'mil. and margins in %

# Segmental Reporting

## Property Development & Investment

### Property Sales of RM85.1 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 31 Mar 2023	Sales** Breakdown YTD 2023 (RM'mil)	
Completed Projects				35% from Completed Projects
Sentral Suites - Residential	1,535	<div><div></div></div> 85%	13.0	
Sentral Suites - Commercial	102	<div><div></div></div> 42%	5.2	
VIVO 9 Seputeh – Residential	982	<div><div></div></div> 84%	1.0	
VIVO 9 Seputeh – Commercial (incl. retail car park)	266	<div><div></div></div> 87%	0.0	
Kalista, Bukit Rahman Putra	102	<div><div></div></div> 91%	0.0	
1060 Carnegie – Residential	296	<div><div></div></div> 100%	0.0	
1060 Carnegie – Commercial	29	<div><div></div></div> 56%	0.0	
St. Regis	164	<div><div></div></div> 39%	11.0	
Ongoing Projects				65% from Ongoing Projects
TRIA 9 Seputeh	939	<div><div></div></div> 60%	46.0	
Alstonia, Bukit Rahman Putra	248	<div><div></div></div> 55%	6.7	
Amaryllis, SDEC	17	<div><div></div></div> 96%	0.0	
Lilium, SDEC	32	<div><div></div></div> 41%	2.2	
TOTAL	4,712		85.1	

**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

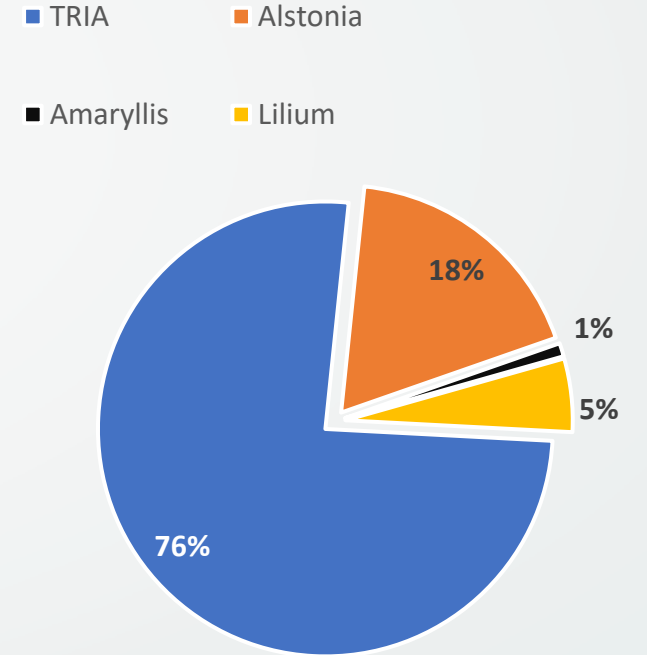
## Property Development & Investment

Total Unbilled Sales of RM220.3 Million

Project	Construction Progress	Revenue Recognised* In FY2023 (RM'mil)	Unbilled Sales** (RM'mil)
<b>Residential</b>			
TRIA 9 Seputeh	95.5%	53.7	167.0
Alstonia, Bukit Rahman Putra	61.2%	10.7	39.7
Amaryllis, SDEC	95.2%	1.1	2.1
Lilium, SDEC	14.9%	0.5	11.5
<b>TOTAL</b>		<b>66.0</b>	<b>220.3</b>



**Breakdown of Unbilled Sales**



TRIA 9 Seputeh which makes up 76% of Unbilled Sales, will contribute more revenue and profit as construction progresses

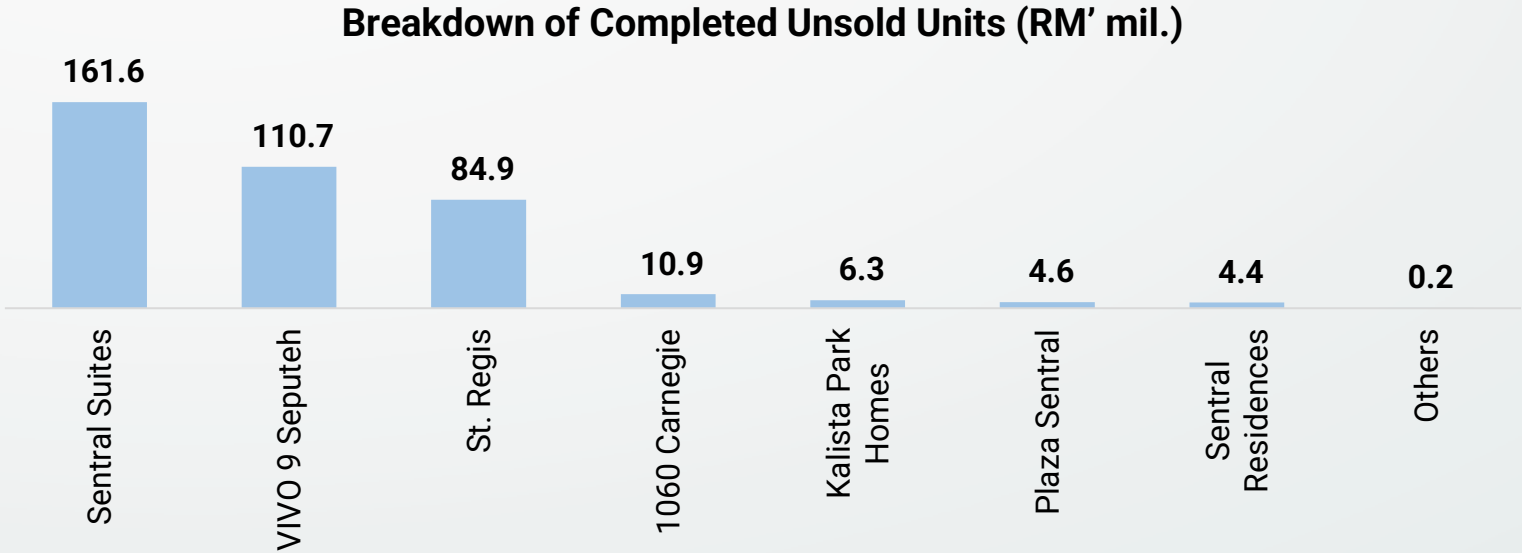
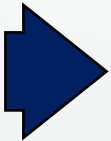
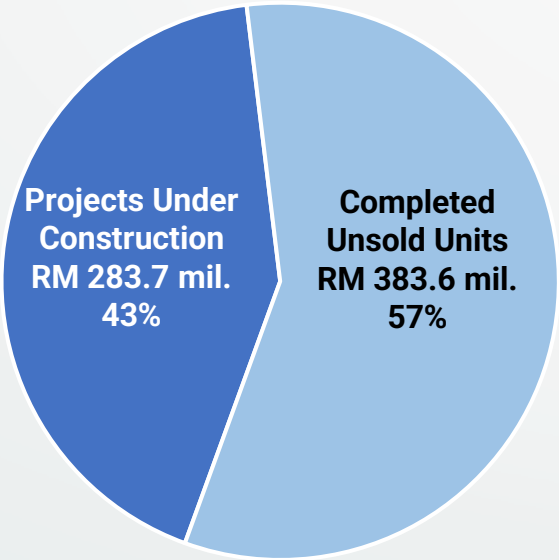


# Segmental Reporting

## Property Development & Investment

What We Have To Sell: RM0.7 Billion (by Gross Development Cost)

Unsold Projects Under Construction	Completed Unsold Units*	Total
RM283.7 mil.	RM383.6 mil.	RM667.3 mil.



# VISTA, Surfers Paradise, Gold Coast

## GDV

AUD 391 mil. (~RM1.2 bil.)

## Purchase price

AUD 17 mil. (~RM50 mil.)

## Location

26 Vista Street, Surfers Paradise, Gold Coast, Australia

**0.766**

Acres

**280**

Units

Launched

**12 April 2023**





# VISTA, Surfers Paradise, Gold Coast

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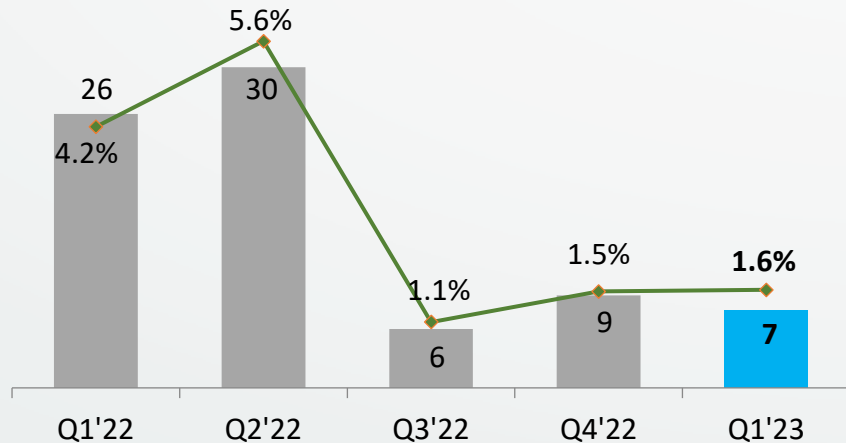


# Segmental Reporting

## Engineering, Construction & Environment

RM Million	3M		
	FY2023	FY2022	Y-o-Y Growth %
Revenue	458	613	(25.1)%
Profit	7	26	(71.9)%
Margin* (%)	1.6%	4.2%	

### Profit and Margins



### Performance Discussion

**Contributed 62% of Group Revenue, largely from:** LRT3, Muara Sg Pahang Phase 3 and PR1MA projects.

**Lower revenue and profit** largely due to the completion of MRT2 Package V210 and DASH Highway Package CB2 projects in 2022.

#### LRT3 project

Total Contract Value: RM11.4 bil	% Contract Value	% Physical Completion as at 30/4/2023
Systems works	25%	84.78%
Civil works	75%	84.56%

**Open Tender book** is RM30 bil.

**External construction order book** : RM26.4 bil; **Unbilled construction order book** : RM17.0 bil.

Note:  
Figures are in RM'mil. and margins in %



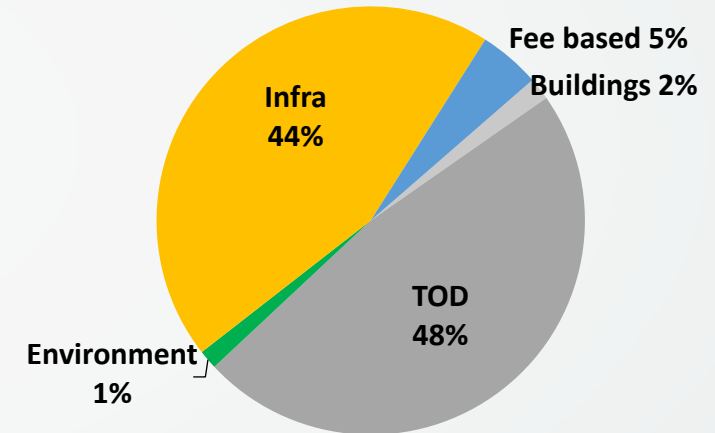
# Segmental Reporting

## Engineering, Construction & Environment: Order Book

Unbilled External Order Book – RM16,951 mil.<sup>1</sup> as at 31 Mar 2023

External Contracts (RM Million)	Contract Value	Progress <sup>2</sup>
<b>Buildings:</b>		
PR1MA Brickfields	276	63%
FINAS	170	13%
<b>Infrastructure:</b>		
SUKE - CA2 Package	317	86%
LRT3	11,427	78%
<b>Transit Oriented Development (TOD) projects:</b>		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,477	0% <sup>3</sup>
<b>Environment:</b>		
Muara Sg Pahang Phase 3	380	5%
<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>26,384</b>	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	LRT3	11,427	43.3%
2.	Bukit Jalil Sentral	10,957	41.5%
3.	Kwasa Utama C8	2,655	10.1%
4.	Muara Sg Pahang Phase 3	380	1.4%
5.	SUKE – CA2 Package	317	1.2%

Note:

<sup>1</sup> Unbilled External Order Book excluding Bukit Jalil: RM6.0 bil.

<sup>2</sup> Denotes financial progress

<sup>3</sup> Refers only to the remaining RM2.5 bn of the total contract value that has not yet been awarded.

Mitigate against concentration risk to ensure more consistent/sustainable returns

## DIVERSIFICATION

### NEW PROPERTY SEGMENTS

- **Industrial / logistics** segment
- Land **outside of Klang Valley and Selangor**

### GEOGRAPHICAL EXPANSION

- Strengthen presence in **Australia**
- Establishing a new presence in **New Zealand**

### NEW MARKETS

- Leverage on new trends and demand i.e. **growing aged population, millennial living/working preferences**
- **Waste-to-energy / renewable energy**
- **Modular construction**

# The Symphony Centre, Auckland City Center

## GDV

NZD 452 mil. (~RM1.3 bil.)

## Location

Next to Aotea Square and above the future Aotea Station in mid-town CBD, at the intersection of Mayoral Drive and Wellesley Street

**1.08**  
Acres

**77**  
Units

Targeted  
Launch  
**2024**





# The Symphony Centre, Auckland City Center

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# Bledisloe House, Auckland City Center

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## GDV

NZD 137 mil. (~RM0.4 bil.)

## Location

A Government heritage building located next to The Symphony Centre

Targeted Development

**2024**

after the construction completion of the Aotea Central Station







**MALAYSIAN RESOURCES CORPORATION BERHAD (7994-D)**

Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia

**Tel: 603 2786 8080 / 603 2859 7070 Fax: 603 2780 7988**

**[www.mrcb.com](http://www.mrcb.com)**

