



ANALYST BRIEFING

Quarter Ended 30 June 2022

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MRCB's ESG Performance

We remain steadfast in our commitment towards...

Climate Change & the Environment

Target: Net Zero Carbon* by 2040

Achieved cumulative reduction of absolute carbon emissions in 1H2022 vs 1H2021 (Scope 1 & Scope 2)

▼ **5%**

TCFD



SCIENCE
BASED
TARGETS

- Published maiden report aligned to the TCFD in 2021; to conduct quantitative assessment in 2022
- Set science-based targets in 2021; to apply for validation in 2023

Achieved a 3.0 score for
FTSE4GOOD
Bursa Malaysia Index

BBB rating from



Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

2020 MSWG-ASEAN CG Scorecard

(awarded in 2021)

- Ranked 34 out of 851 PLCs for Overall Good Corporate Governance Disclosure
- Recipient of the Industry Excellence Award (Property Sector)

Compliance to 2021 MCCG

39 of 43 Practices
3 of 5 Step-Ups



Gold Award recipient in 2018, 2019, 2021 and **2022**

Ranked **1st** in Malaysian Institute of Corporate Governance's **"Transparency in Corporate Reporting"** report in 2019

Certified with
ISO 37001 Anti-Bribery Management System

Social Responsibility

Target: World Class Work Practices & Community Development

Adoption of globally recognised QESH standards

**ISO 45001:2018, ISO 9001:2015,
ISO 14001:2015, and
ISO 45001:2018**

PEKA@MRCB Programme

- Provide equal opportunity while addressing labour issues by training selected prison inmates
- **231** prison inmates have been trained in this programme to provide them employment opportunities upon their release since its launch in 2019.

Benefitted 102,559

COVID-19 affected families, B40, under-privileged students, vulnerable women and children and various homes and NGOs in 2021

MRCB Financial Summary

MRCB 1H FY2022 Overview

Revenue RM 1,511 mil. ▲ 234% y-o-y	Profit Before Tax RM 60 mil. ▲ 284% y-o-y
Profit After Tax RM 25 mil. ▲ 170% y-o-y	Net Gearing 0.30x
Total Assets RM 9,239 mil.	Total Equity RM 4,513 mil.
Earnings Per Share 0.63 sen ▲ 203% y-o-y	Market Cap RM 1,564 mil.

MRCB Segment Overview

	Property Development	Engineering & Construction	Others
Revenue RM mil.	332	1,152	27
Revenue Contribution	22%	76%	2%
Operating Profit RM mil.	43	56	4
Margin %	13.0%	4.8%	15.9%

1H FY2022 Key Numbers

RM250.1 mil. Property Sales	RM 706.7mil. Property Unbilled Sales	RM27.2 bil. External Construction Order Book ¹	RM18.4 bil. Construction Unbilled Order Book ²
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Order Book includes long term Bukit Jalil contract of RM10.9 bil.

¹ External Construction Order Book excluding Bukit Jalil: RM16.3 bil.

² Construction Unbilled Order Book excluding Bukit Jalil: RM7.5 bil.

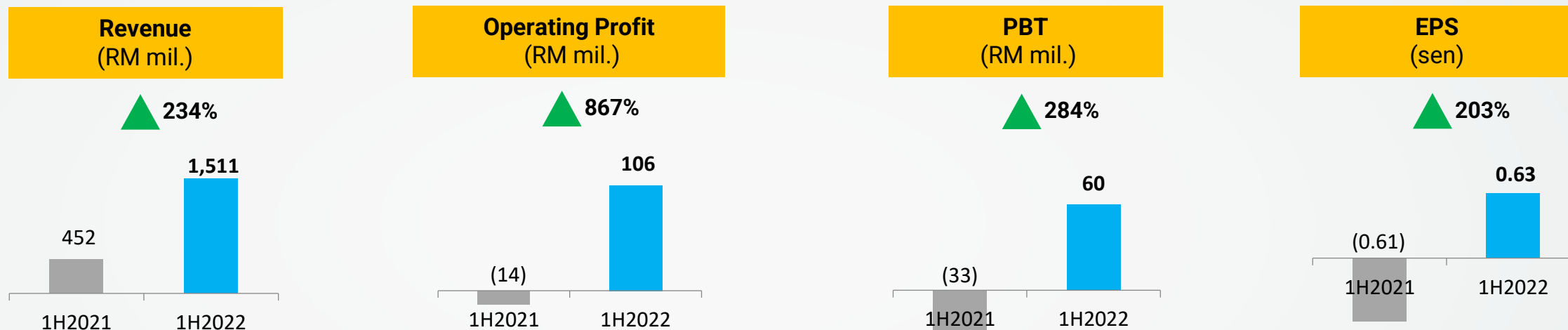
Note:

* EPS; Weighted Average No of Shares as at 30 June 2022 = 4,467,509,508

** Market Cap as at 30 June 2022; Number of Shares as at 30 June 2022 = 4,467,509,508 x RM0.350

Key Highlights

1HFY2022 vs 1HFY2021



Key Highlights

- The higher Revenue and Profit in 1HFY2022 vs 1HFY2021 was mainly due to more normalised operations after two years of COVID-19 disruptions, which resulted in increased revenue and profit recognition from construction progress.
- Despite shortages in labour supply and key building materials, the LRT3 project reached physical construction progress of 74% and financial progress of 67% at the end of June 2022.
- Timing differences for the replacement of sales cancellations impacted property contribution.
- Property sales in 1H came in at RM250.1 mil; sales further improved in July and increased to RM277.2 million.
- Sentral REIT and Sentral REIT Management contributed PAT of RM8.0 million. vs RM9.4 million in 1HFY2021.
- Balance sheet remains strong, with net gearing of 0.30 times.

Financial Performance

Profit & Loss

RM Million	Q2 (3M)			1H (6M)		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	700	226	>100%	1,511	452	>100%
Other Operating Income	28	8	>100%	35	17	>100%
Total Revenue	728	234	>100%	1,547	470	>100%
Operating Expenses	675	263	>100%	1,441	483	>100%
Operating Profit/Loss	54	(29)	>100%	106	(14)	>100%
<i>Operating Profit/Loss Margin (%)</i>	7.7%	(12.7)%		7.0%	(3.1)%	
Finance costs	24	20	21.0%	48	38	23.9%
Share of results of associates	(0)	5	>(100)%	4	9	(59.7)%
Share of results of joint ventures	(1)	6	>(100)%	(2)	11	>(100)%
Profit/Loss before taxation	28	(38)	>100%	60	(33)	>100%
Taxation	17	1	>100%	35	3	>100%
Profit/Loss for the period	11	(40)	>100%	25	(36)	>100%
<i>PAT/LAT Margins (%)</i>	1.6%	(17.6)%		1.6%	(7.9)%	
EPS (sen)	0.32	(0.73)	>100%	0.63	(0.61)	>100%

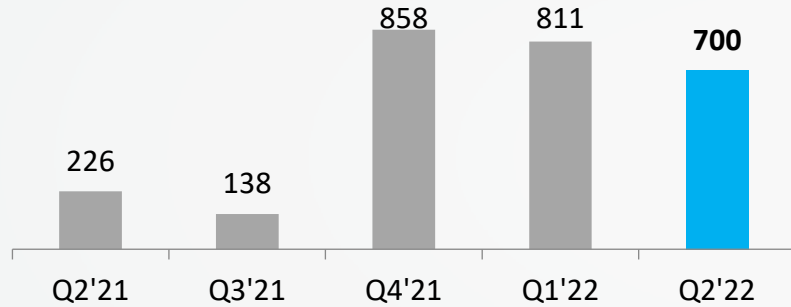
Note:

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.

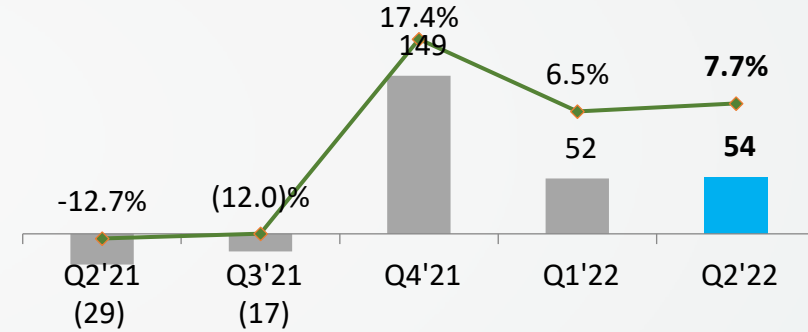
Financial Performance

Quarterly Analysis

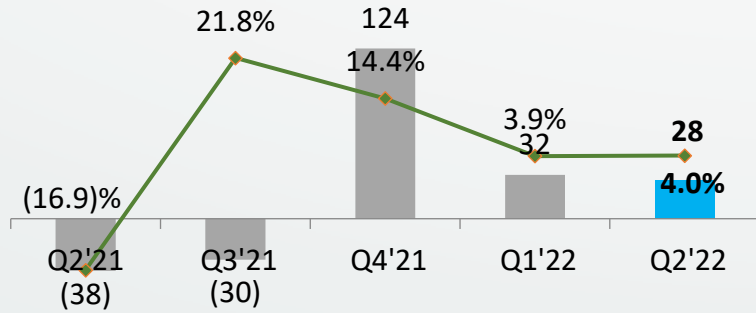
Revenue



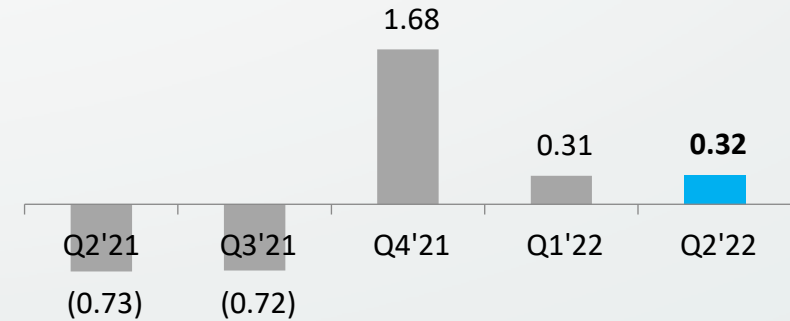
Operating Profit and Margin



PBT and Margin



EPS (sen)



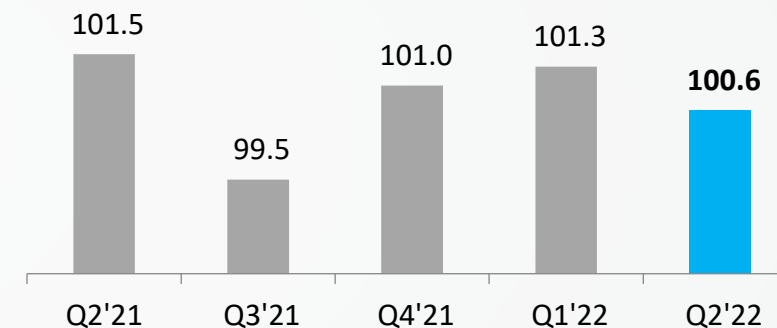
Note:
Figures are in RM'mil. and margins in %

Financial Performance

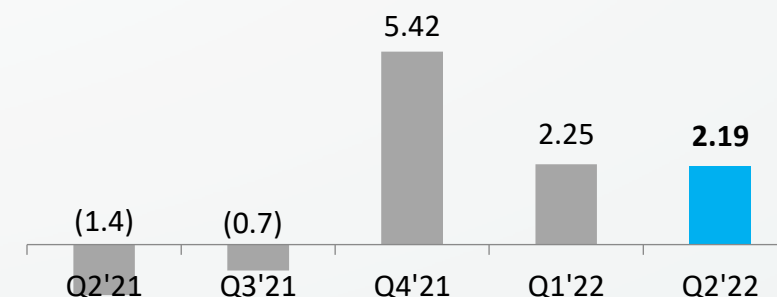
Balance Sheet

RM Million	30 June 2022	31 Dec 2021
Total Assets		
Current Assets	3,613	3,651
Non-Current Assets	5,626	5,554
Total Assets	9,239	9,205
Total Liabilities		
Current Liabilities	2,493	2,451
Non-Current Liabilities	2,233	2,214
Total Liabilities	4,726	4,665
Total Equity		
Shareholder's Equity	4,495	4,512
Non Controlling Interests	18	28
Total Equity	4,513	4,540
Net assets per share attributable to the equity holders of the Company (sen)	100.60	101.00

NAV Per Share* (sen)



Interest Coverage** (times)



Note:

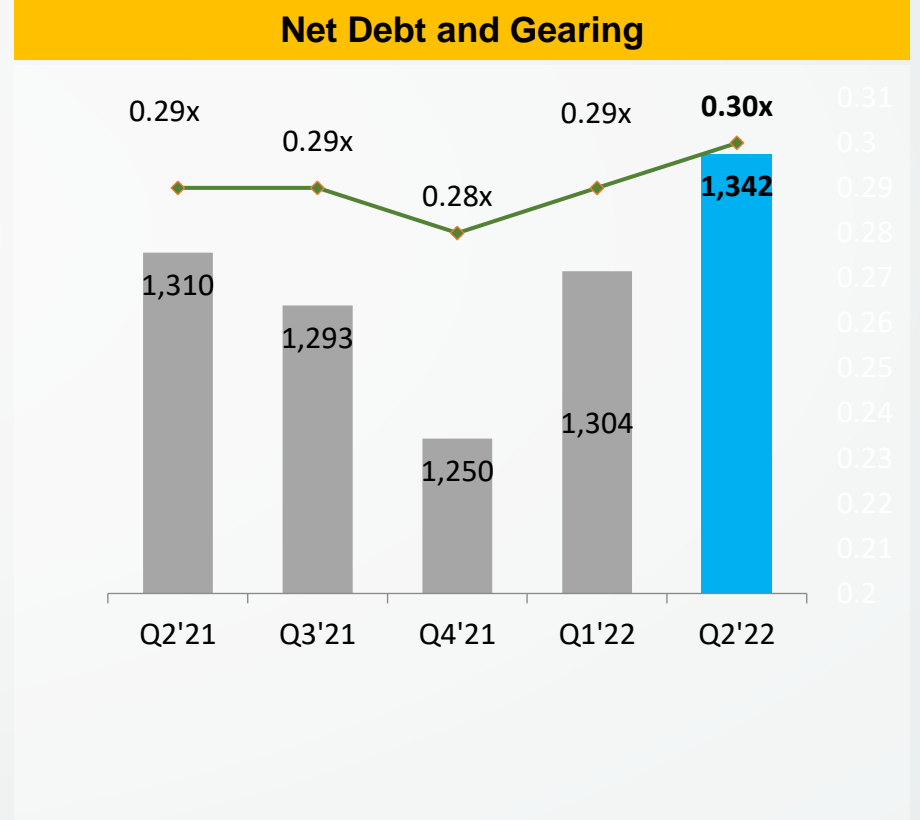
* **NAV per share**; Number of Shares as of 30 June 2022 = 4,467,509,508

** Based on Profit from operations

Financial Performance

Borrowings

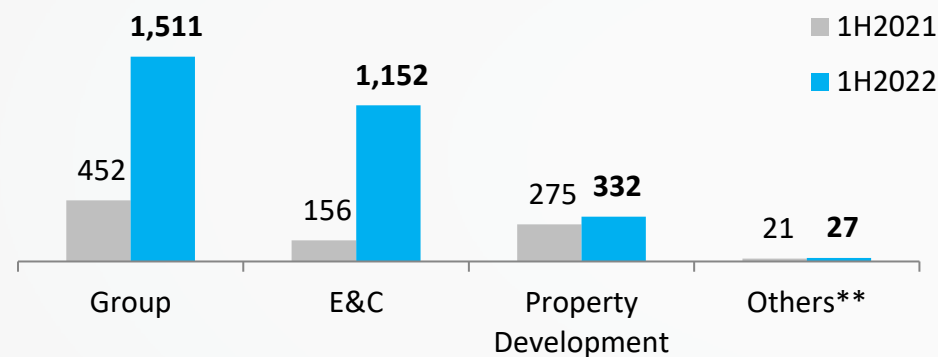
Leverage Profile (RM Million)	30 June 2022	31 Dec 2021
Debt		
Short Term Borrowings	574	479
Long Term Borrowings	1,465	1,453
Total Debt	2,039	1,932
Less: Deposits, cash and bank balances	584	579
Other investment	112	103
Net Debt	1,343	1,250
Total equity	4,513	4,540
Net Gearing	0.30x	0.28x



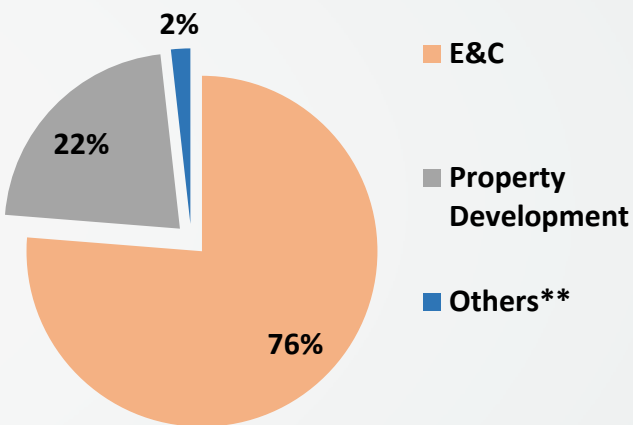
Segmental Reporting

Overview

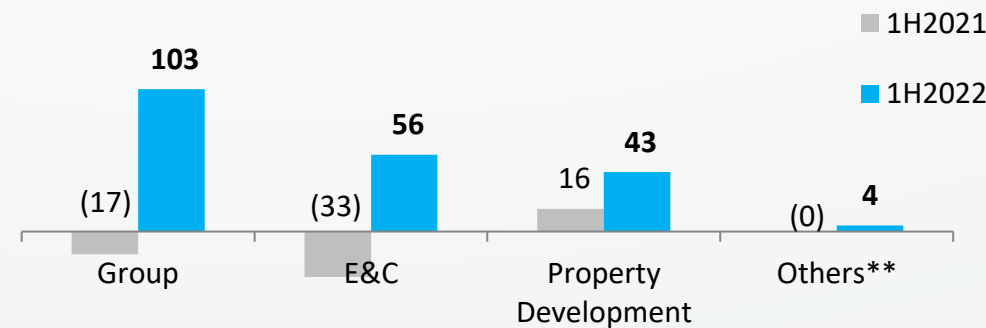
Revenue Split – RM1,511 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM103 mil.



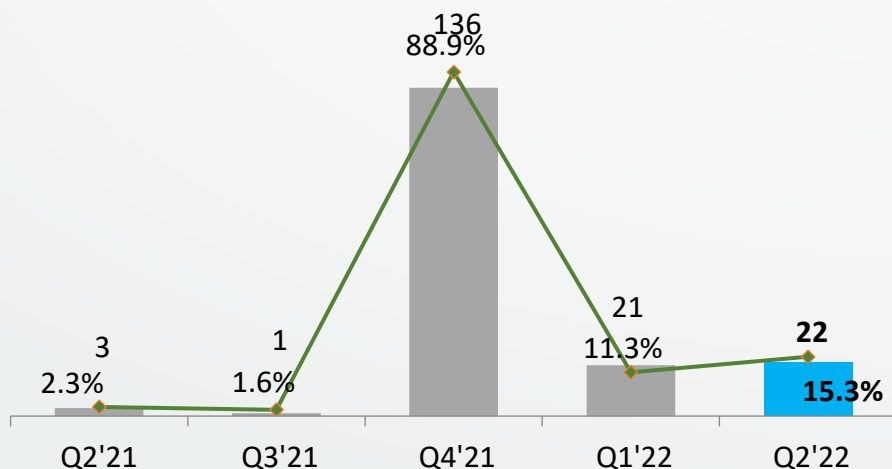
Note:
Figures are in RM'mil. and margins in %
** **Others** include Facilities Management & Parking and Others

Segmental Reporting

Property Development & Investment

RM Million	Q2 (3M)			1H		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	145	143	1.8%	332	275	20.7%
Profit	22	3	>100%	43	16	>100%
Margin* (%)	15.3%	2.3%		13.0%	6.0%	

Profit and Margin



Performance Discussion

Contributed 22% 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 and recurring rental income.

Sentral REIT and Sentral REIT Management contributed PAT of RM8.0 million.

Higher revenue and profits due to:-

- Better operating conditions/construction progress in 1H 2022 compared to 1H 2021, which was impacted by the MCO, mandated lockdowns, the closure of foreign borders and construction site closures.
- Results impacted by timing differences for the replacement of sales cancellations amounting to RM33 mil. in Q2, mostly from Sentral Suites & TRIA@9Seputeh.
- RM18 million contribution to Other Operating Income arising from the balance of land injected into the Division's subsidiary Seri Iskandar Development Corporation.

Property Sales in 1HFY2022: RM250.1 mil, Unbilled Sales: RM706.7 mil.

Sales further improved in July to RM277.2 mil.

Note:

Figures are in RM'mil. and margins in %

Segmental Reporting – Key Highlights

Property Development & Investment

Property Sales of RM250.1 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 30 June 2022	Sales** Breakdown YTD 2022 (RM'mil)	
Completed Projects				75% from Completed Projects
Sentral Residences	1,439	100%	9.5	
VIVO 9 Seputeh – Residential	982	84%	3.8	
VIVO 9 Seputeh - Commercial	188	88%	165.1	
Kalista, Bukit Rahman Putra	102	88%	2.6	
1060 Carnegie – Residential	296	99%	5.4	
1060 Carnegie – Commercial	29	56%	0.0	
St. Regis	164	20%	2.3	
Ongoing Projects				25% from Ongoing Projects
TRIA 9 Seputeh	939	49%	32.8	
Sentral Suites - Residential	1,535	83%	2.2	
Sentral Suites - Commercial	102	35%	13.4	
Alstonia, Bukit Rahman Putra	248	39%	11.5	
Amaryllis, SDEC	17	100%	0.0	
Lilium, SDEC	29	5%	1.5	
TOTAL	6,070		250.1	

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 – Key Highlights

Property Development & Investment

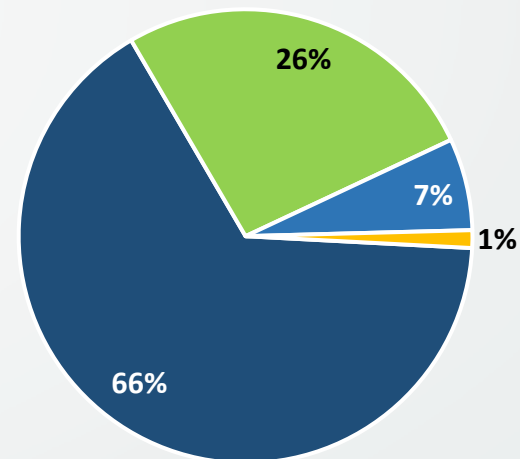
Total Unbilled Sales of RM706.7 Million

Project	Construction Progress	Revenue Recognised* In FY2022 (RM'mil)	Unbilled Sales (RM'mil)
Residential			
Sentral Suites	75.2%	149.0	464.7
TRIA 9 Seputeh	79.7%	80.7	186.8
Alstonia, Bukit Rahman Putra	39.0%	13.0	46.3
Amaryllis, SDEC	53.1%	4.6	8.9
TOTAL		247.3	706.7

100%
from
Residential

Breakdown of Unbilled Sales

■ Sentral Suites ■ TRIA ■ Alstonia ■ Amaryllis



Sentral Suites, which makes up 66% of Unbilled Sales, will contribute more revenue and profit as construction progresses

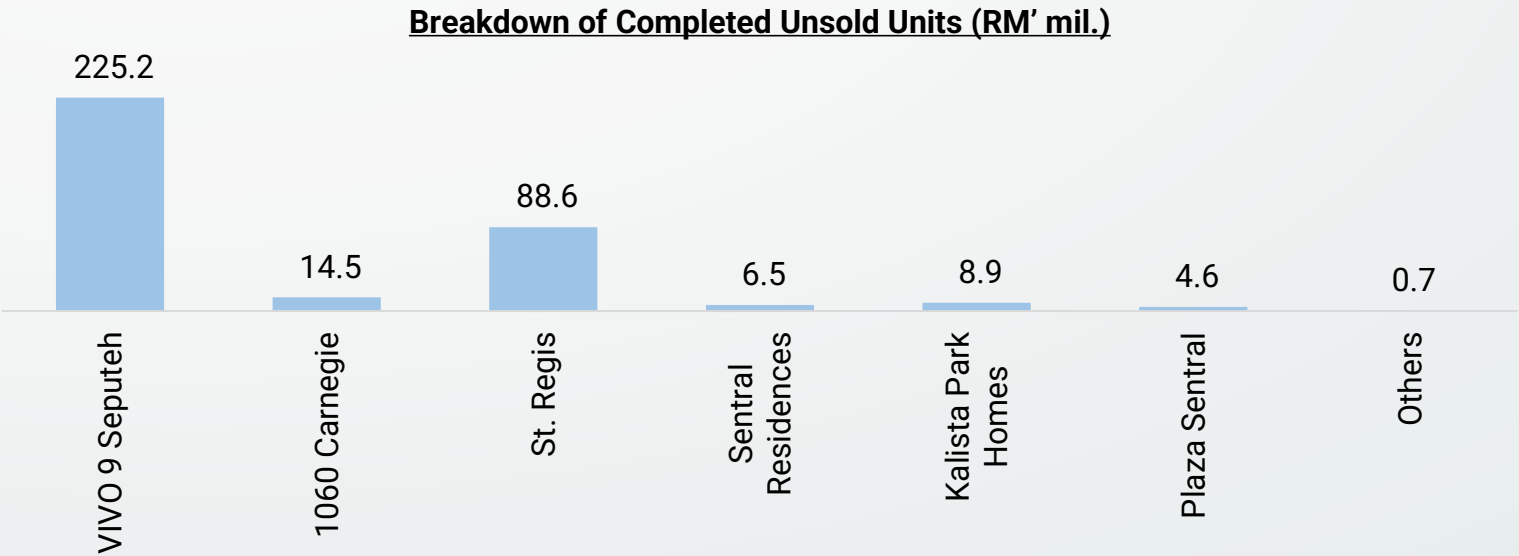
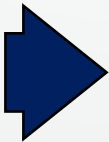
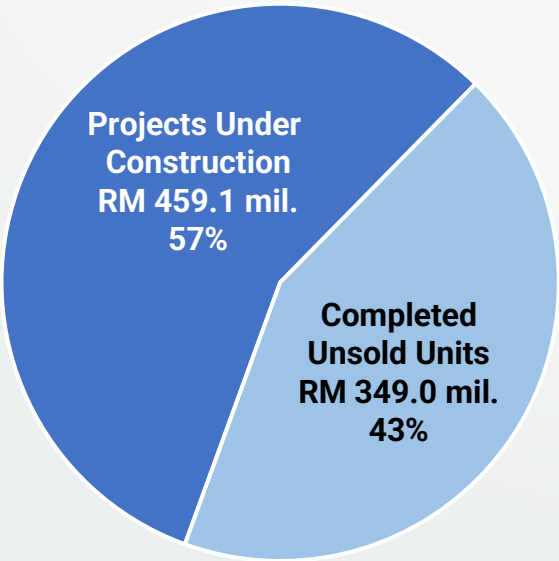
Segmental Reporting – Key Highlights

Property Development & Investment

What We Have To Sell: RM0.8 Billion (by Gross Development Cost)

Unsold Projects Under Construction	Completed Unsold Units	Total
RM459.1 mil.	RM349.0 mil.	RM808.1 mil.

Total excluding unlaunched retail/office units in VIVO 9 Seputeh = **RM206.5 mil.**

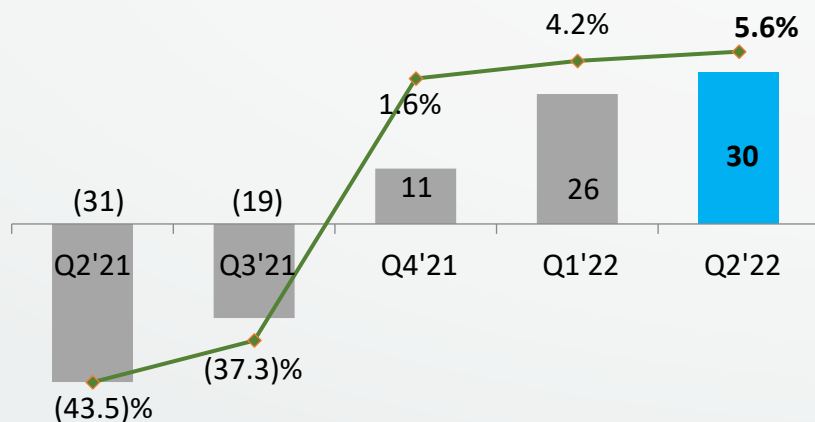


Segmental Reporting

Engineering, Construction & Environment

RM Million	Q2 (3M)			1H		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	540	72	>100%	1,152	156	>100%
Profit	30	(31)	>100%	56	(33)	>100%
Margin* (%)	5.6%	(43.5)%		4.8%	(21.1)%	

Profit and Margin



Performance Discussion

Contributed 76% of Group Revenue, largely from: LRT3, Menara KWSP at Kwasa Damansara, and the DASH, MRT2 and SUKE projects.

Higher revenue and profit vs 1H 2021 from the LRT3 project, which reached physical construction progress of 74% and financial progress of 67% as at 30 June 2022. However, revenue in Q2 was lower than Q1 due to shortages in labour supply and key building materials.

Open Tender book is RM35 mil.

- Awarded Muara Sg. Pahang Phase 3 project worth RM380 mil.
- Excludes project proposals submitted that are undergoing direct negotiations (Shah Alam Stadium project, flood mitigation solutions, WTE), or the MRT3 project, which is still in the tender process.

External construction order book : RM27.2 bil.

Unbilled construction order book : RM18.4 bil.

Note:

Figures are in RM'mil. and margins in %

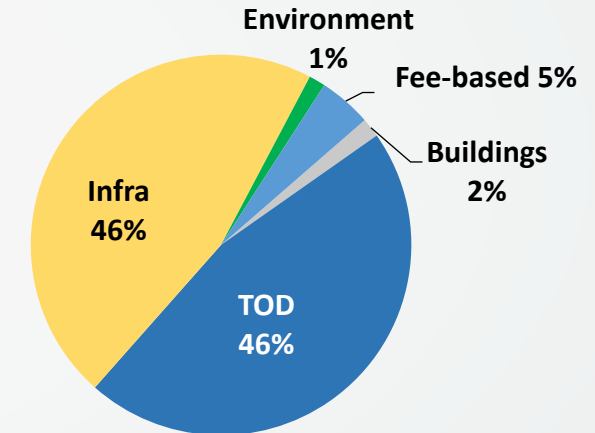
Key Highlights & Activities

Engineering, Construction & Environment: Order Book

Unbilled External Order Book – RM18,417 mil.¹ as at 30 June 2022

External Contracts (RM Million)	Contract Value	Progress ²
Buildings:		
PR1MA Brickfields	276	31%
FINAS	170	12%
Infrastructure:		
MRT2 V210 Package - 2.6km Guideway	497	92%
SUKE - CA2 Package	317	78%
LRT3	11,372	74%
DASH – CB2 Package	400	89%
Transit Oriented Development (TOD) projects:		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,490	100% ³
Environment:		
Muara Sg Pahang Phase 3	380	0%
Fee-based orders:		
Kwasa Utama, C8 - management contract	177	
Kwasa Land - PDP Infra	176	
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
Total	27,239	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	LRT3	11,372	41.7%
2.	Bukit Jalil Sentral	10,957	40.2%
3.	Kwasa Utama C8	2,667	9.8%
4.	MRT2 – V210 Package	497	1.8%
5.	DASH – CB2 Package	400	1.5%
6.	Muara Sg Pahang Phase 3	380	1.4%

Note:

¹ Unbilled External Order Book excluding Bukit Jalil: RM7.5 bil.

² Denotes financial progress

³ Refers only to the portion that has been awarded and is on-going. The remaining RM2.5 bn of the total contract value has not yet been awarded.

Mitigate against concentration risk to ensure more consistent/sustainable returns



1. DIVERSIFICATION

- Diversify away from the premium commercial and residential high-rise developments into the **industrial/logistics segment** e.g. Ipoh Raya Integrated Park.
- Acquire land from areas **outside of Klang Valley and Selangor**.

2. OVERSEAS EXPANSION

- Majority of projects are in Malaysia, within the Klang Valley and Selangor.
- Continue to look for other opportunities in **Australia**, where we are already well-established.
- Venture further into **New Zealand** by leveraging on our Aotea Central Over Station project.

3. NEW MARKETS

- Identify and venture into new markets.
- Leverage on opportunities such as the **growing aged population** and **millennial living/working preferences**.
- Leverage opportunities brought about by climate change, such as **waste-to-energy/renewable energy** and **modular construction**.

Ipoh Raya Integrated Park

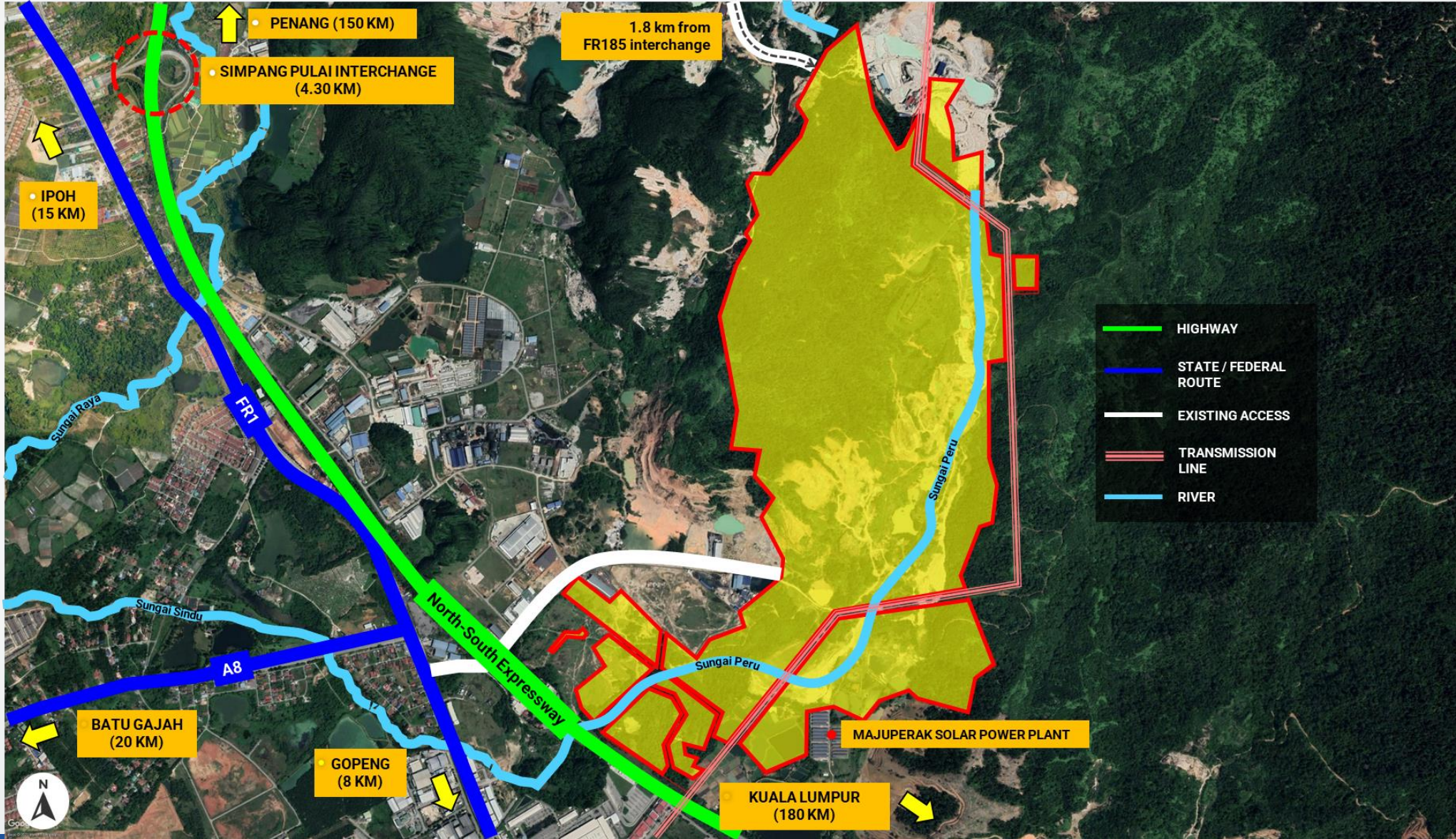
GDV:
TBD

Land area:
780.75 acres

Location:
Mukim of Sungai Raya,
District of Kinta,
State of Perak

Type of development:
Sustainable integrated
logistics hub

Targeted development:
2022



VISTA, Surfers Paradise, Gold Coast

Nº 26
VISTA
GOLD COAST — AUSTRALIA

Surrounding Built Environment

1. Thornton Tower Apartments
2. Surfers Beachside Holiday Apartments
3. Artique
4. Palazzo Colonnades
5. Baronnet Apartments

6. BMD Northcliffe Surf Club

7. Breakfree Acapulco

GREEN SPACES

8. Remembrance Park
9. John Fraser Memorial Park

Legend

- Subject Site
- 🚆 G:Link Light Rail / Northcliffe Station
- 👉 One Way Road

GDV:

AUD 296 mil.

Purchase price:

AUD 17 mil.

Location:

26 Vista Street,
Surfers Paradise,
Gold Coast, Australia

Type of development:

- Residential high-rise with amenities
- Site area 0.766 acres
- 280 apartment units, 51 storeys

Targeted development:

2023

Targeted completion:

2026



The Symphony Centre, Auckland City Center

GDV:

NZD 452 mil.

Location:

Formerly a car park used for Auckland Council fleet parking at the intersection of Mayoral Drive and Wellesley Street.

Type of development:

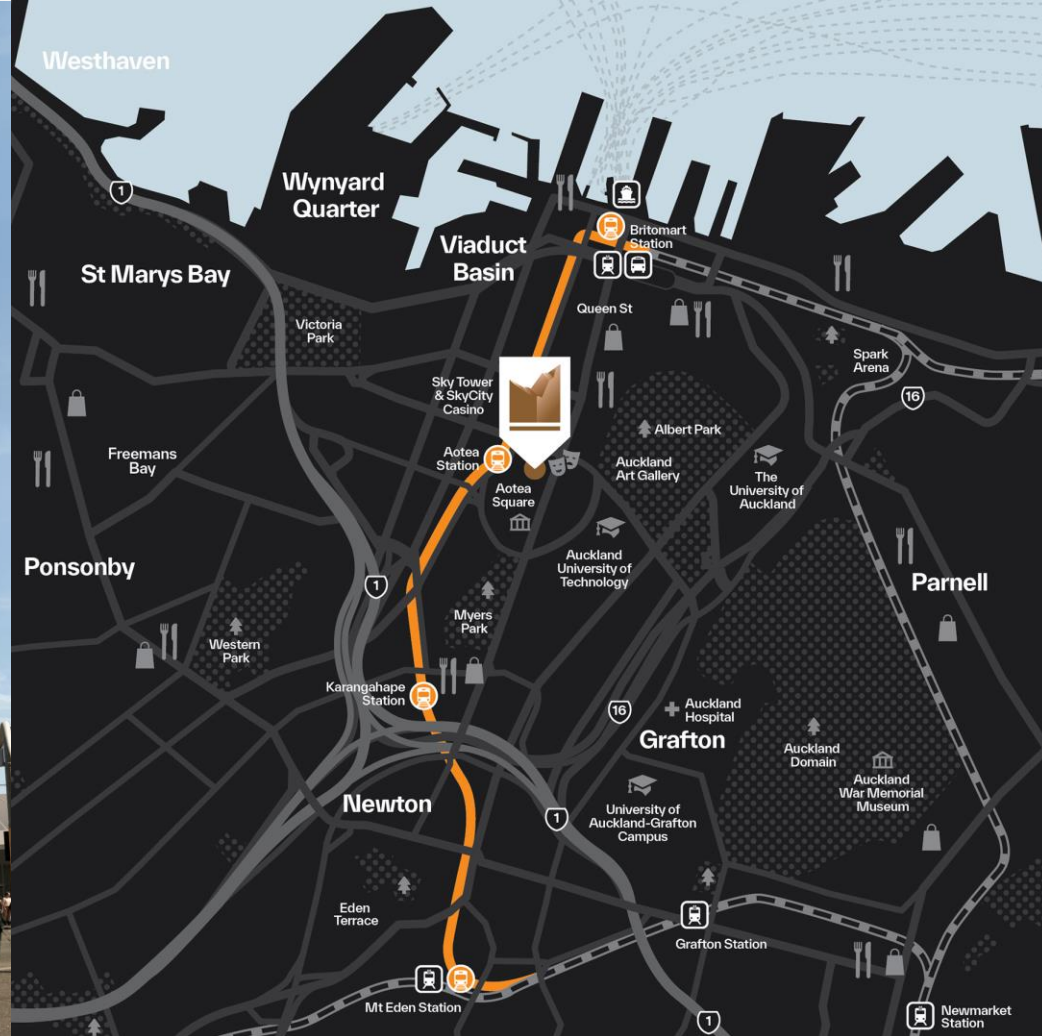
- 21-storey building with a mixture of retail and commercial space and 70+ luxury apartments with integrated access to Aotea Station
- Site area 1.08 acres

Targeted development:

2024

Targeted completion:

2027





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