



ANALYST BRIEFING

Quarter Ended 30 June 2021

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MRCB Financial Summary

MRCB 1H FY2021 Overview

Revenue RM 452 mil. ▼ 24% y-o-y	Loss Before Tax RM 33 mil. ▲ 83% y-o-y
Loss After Tax RM 36 mil. ▲ 83% y-o-y	Net Gearing 0.29x
Total Assets RM 8,124 mil.	Total Equity RM 4,505 mil.
Loss Per Share 0.61 sen ▲ 87% y-o-y	Market Cap RM 1,809 mil.

MRCB Segment Overview

	Property Development	Engineering & Construction	Others
Revenue RM mil.	275	156	21
Revenue Contribution	61%	35%	4%
Operating Profit RM mil.	16	(33)	(0)
Margin %	6.0%	(21.1)%	(0.3)%

1H FY2021 Key Numbers

RM107.4 mil. Property Sales	RM979 mil. Property Unbilled Sales	RM21.3 bil. External Construction Order Book	RM17.6 bil. Construction Unbilled Order Book
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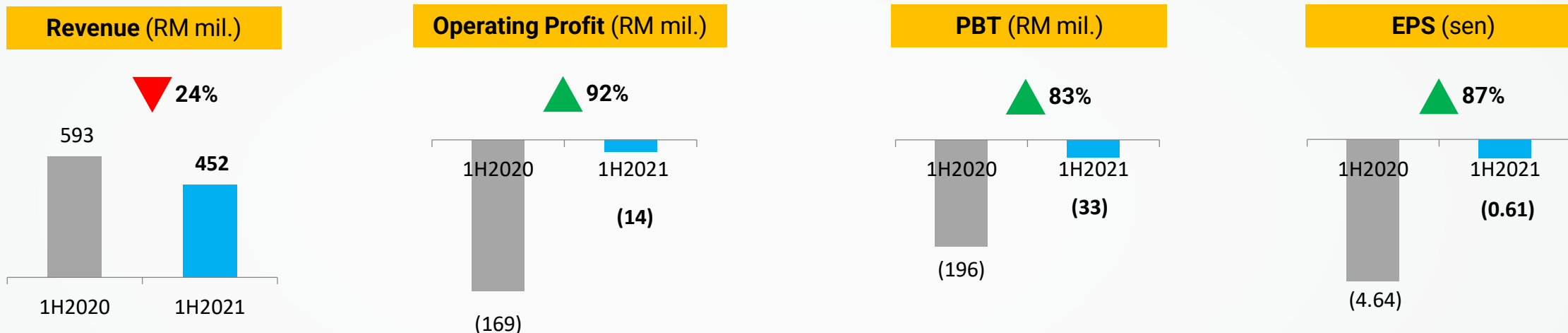
Note:

* EPS; Weighted Average No of Shares as at 30 June 2021 = 4,425,222,619

** Market Cap as at 30 June 2021; Number of Shares as at 30 June 2021 = 4,467,509,508 x RM0.405

Key Highlights

1H FY2021 vs 1H FY2020



Key Highlights

- The lower Revenue in the first half of 2021 was largely due to the MCO 3.0 and FMCO lockdowns and other restrictions, resulting in construction site closures in May and June 2021, and effectively making April 2021 the only productive month in Q2 2021.
- The 83% narrowing of losses recorded in 1H FY2021 was due to the one-off RM197.4 million provision made for the impairment of contract assets, trade and other receivables as a result of the pandemic in the corresponding period in 2020
- LRT3 contributed higher PAT of RM13.2 million in 1H FY2021 (booked under Share of Results of JV) vs RM1.4 million in 1H FY2020.
- Sentral REIT and Sentral REIT Management contributed PAT of RM9.4 million. vs RM7.7 million in 1H2020.
- Balance sheet remains strong, with net gearing recorded at 0.29 times.

Key Highlights

MCO Impact on Project Sites

<div>Site closure</div> <div>Site operating</div>		External projects				Internal projects			
2021 Lockdowns in 1H FY2021	Duration	DASH	SUKE	MRT2	PR1MA	Sentral Suites	9 Seputeh (TRIA)	Alstonia	Kwasa C8
Recovering MCO (RMCO)	1 Jan – 4 Mar	10 days	10 days	7 days	3 days	4 days			
Conditional MCO (CMCO)	5 Mar – 2 May	5 days							
MCO	3 – 31 May		20 days + 46 days due to two accidents						
Full MCO (FMCO)	1 Jun – 2 Jul	34 days due to accident		1 day	Entire period (32 days)	Entire period (32 days)	5 days		Entire period (32 days)
Enhanced MCO (EMCO)	3 – 16 Jul		16 days	14 days	Entire period (14 days)	Entire period (14 days)		Entire period (14 days)	Entire period (14 days)
Actual / Budget (%) *		64%	17%	91%	84%	29%	103%	53%	59%

Note:

* Actual work done measured by cost incurred over budgeted cost

Financial Performance

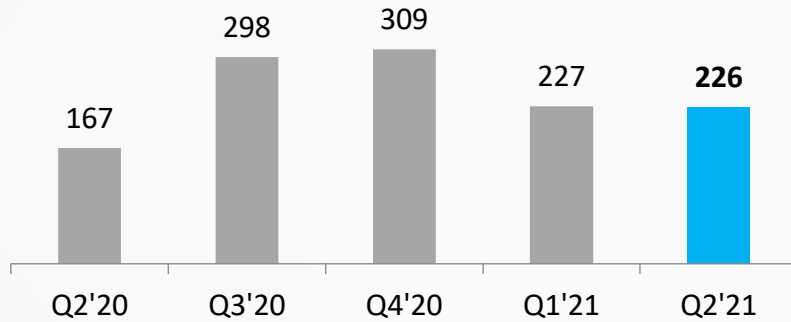
Profit & Loss

RM Million	Q2 (3M)			1H (6M)		
	FY2021	FY2020	Y-o-Y Growth %	FY2021	FY2020	Y-o-Y Growth %
Revenue	226	167	35.0%	452	593	(23.7)%
Other Operating Income	8	10	(20.8)%	17	18	(5.1)%
Total Revenue	234	177	31.8%	470	611	(23.1)%
Operating Expenses	263	386	(32.0)%	483	780	(38.0)%
Operating Profit/Loss	(29)	(209)	86.3%	(14)	(169)	91.8%
<i>Operating Profit/Loss Margin (%)</i>	<i>(12.7)%</i>	<i>>(100)%</i>		<i>(3.1)%</i>	<i>(28.5)%</i>	
Finance costs	20	17	18.6%	38	33	18.2%
Share of results of associates	5	4	29.4%	9	7	25.9%
Share of results of joint ventures	6	(1)	>100%	11	(1)	>100%
Profit/Loss before taxation	(38)	(224)	82.9%	(33)	(196)	83.4%
Taxation	1	(3)	>100%	3	8	(61.6)%
Profit/Loss for the period	(40)	(221)	82.0%	(36)	(204)	82.5%
<i>PAT/LAT Margins (%)</i>	<i>(17.6)%</i>	<i>>(100)%</i>		<i>(7.9)%</i>	<i>(34.5)%</i>	
EPS (sen)	(0.73)	(5.01)	85.4%	(0.61)	(4.64)	86.9%

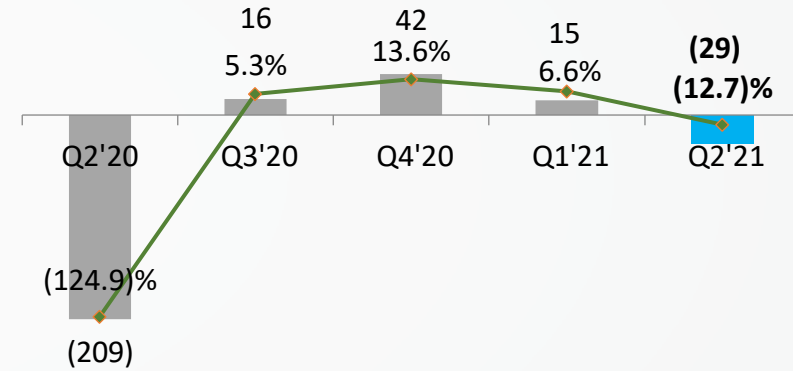
Financial Performance

Quarterly Analysis

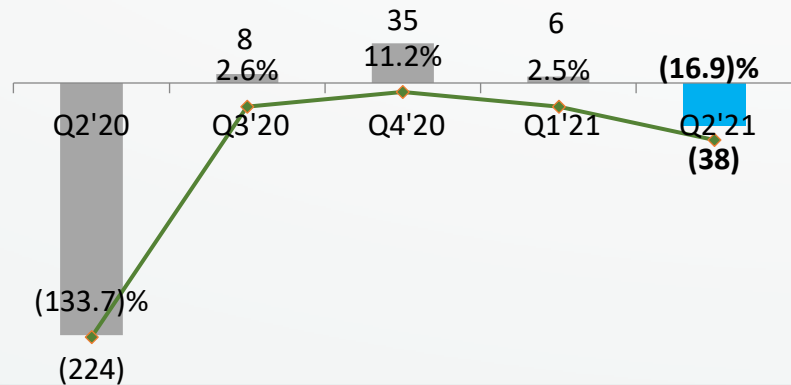
Revenue



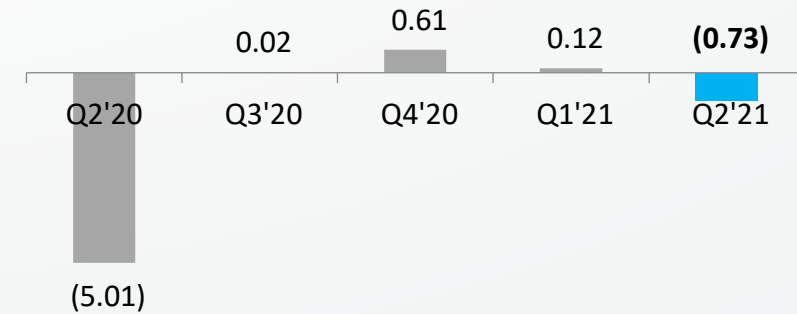
Operating Profit* and Margin*



PBT* and Margin*



EPS* (sen)



Note:

Figures are in RM'mil. and margins in %

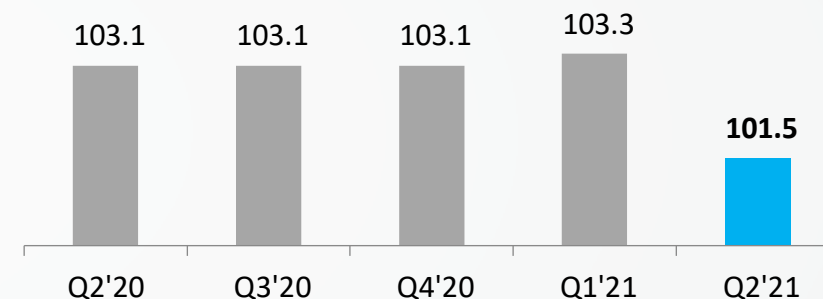
* Excludes impairment provisions in Q2 FY2020

Financial Performance

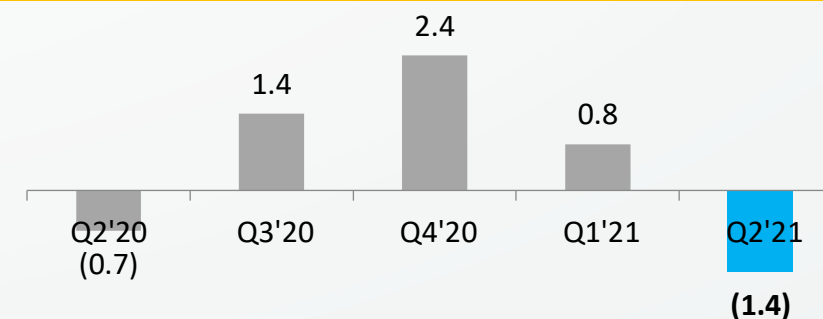
Balance Sheet

RM Million	30 June 2021	31 March 2021
Total Assets		
Current Assets	2,712	2,793
Non-Current Assets	5,412	5,380
Assets held for sale	-	-
Total Assets	8,124	8,173
Total Liabilities		
Current Liabilities	1,589	1,586
Non-Current Liabilities	2,030	2,021
Total Liabilities	3,619	3,607
Total Equity		
Shareholder's Equity	4,477	4,557
Non Controlling Interests	28	9
Total Equity	4,505	4,566
Net assets per share attributable to the equity holders of the Company (sen)	101.5	103.3

NAV Per Share* (sen)



Interest Coverage** (times)



Note:

* **NAV per share**; Number of Shares as at 30 June 2021 = 4,467,509,508

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

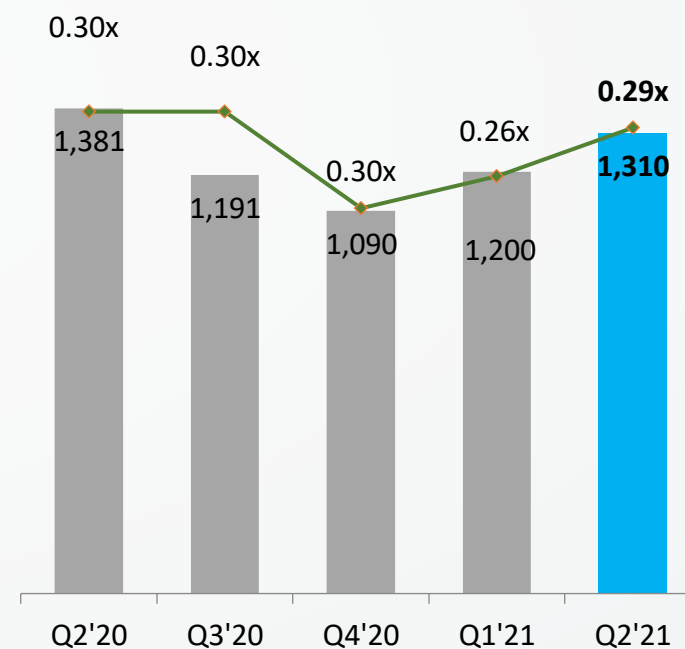
Financial Performance

Borrowings

Leverage Profile (RM Million)	30 June 2021	31 March 2021
Debt		
Short Term Borrowings	710	598
Long Term Borrowings	1,235	1,230
HP creditors	0	0
Total Debt	1,945	1,828
Less: Deposits, cash and bank balances	359	353
Other investment	276	275
Net Debt	1,310	1,200
Total equity	4,505	4,566
Net Gearing	0.29x	0.26x

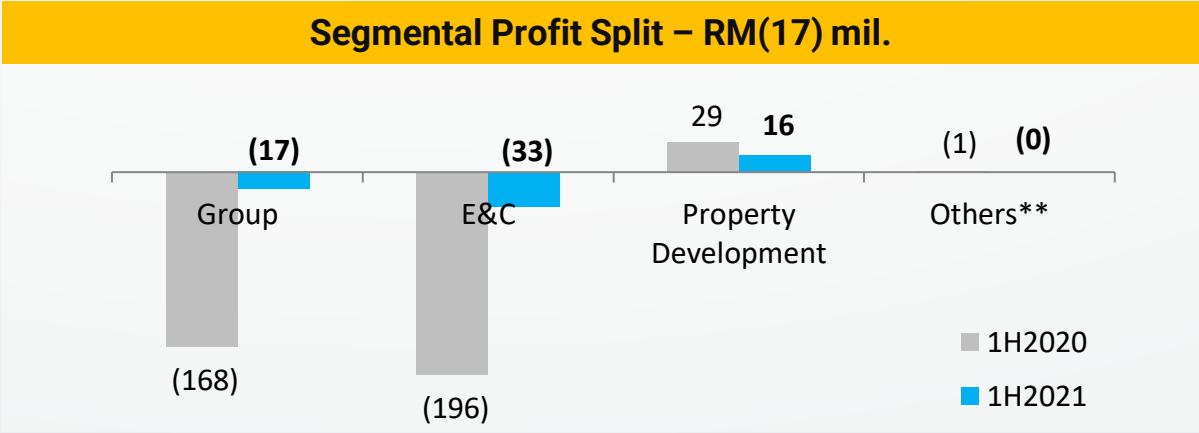
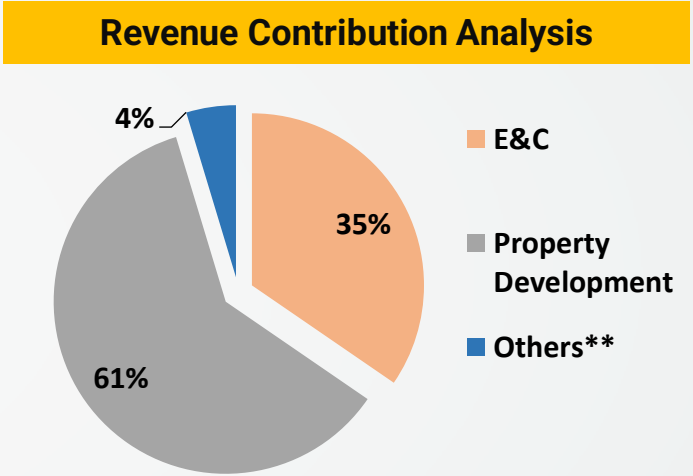
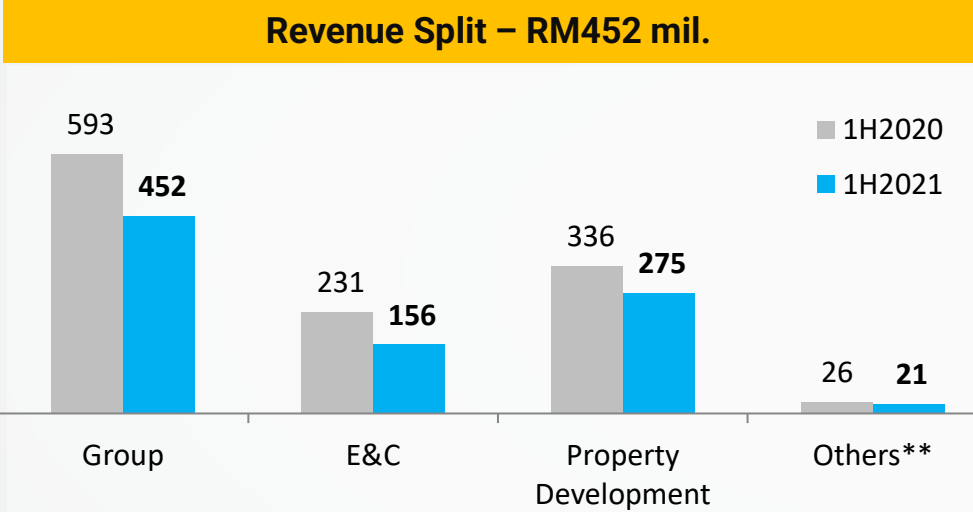
Average funding cost has reduced from 3.93% in 31/12/2020 to 3.83% in 30/6/2021

Net Debt and Gearing



Segmental Reporting

Overview



MRCB

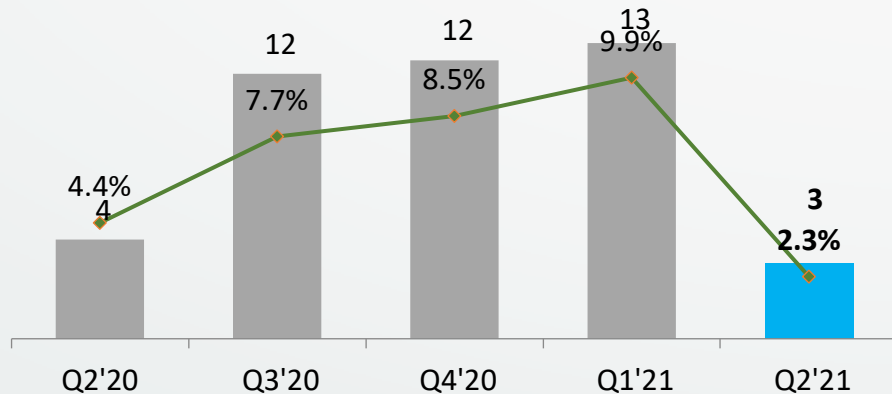
Note:
Figures are in RM'mil. and margins in %
** Others include Facilities Management & Parking and Others

Segmental Reporting – Key Highlights

Property Development & Investment

RM Million	Q2 (3M)			1H		
	FY2021	FY2020	Y-o-Y Growth %	FY2021	FY2020	Y-o-Y Growth %
Revenue	143	100	42.8%	275	336	(18.3)%
Profit	3	4	(24.0)%	16	29	(42.4)%
Margin* (%)	2.3%	4.4%		6.0%	8.5%	

Profit* and Margin*



Performance Discussion

Contributed 61% 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; 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 RM8.3 million.

Lower revenue and operating profit due to:

- Much lower contribution from 1060 Carnegie
 - Only 42 units reaching financial settlement in 1H FY2021 (Q1: 7 units; Q2: 35 units) vs 79 units in 1H FY2020
 - 100% completed; 155 units settled out of 158 sold from 176 available units
- Slower construction progress due to reinstatement of MCO in May and June 2021, resulting in lower revenue recognition from Sentral Suites (52% construction progress) and TRIA@9 Seputeh (48% construction progress) in Q2FY2021 vs Q1FY2021

Property Sales in 1H2021: RM107.4 mil, Unbilled Sales: RM 979 mil.

Segmental Reporting – Key Highlights

Property Development & Investment

Property Sales of RM107.4 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 30 June 2021	Sales** Breakdown YTD 2021 (RM'mil)	
Completed Projects				67% from Completed Projects
Sentral Residences	1,439	99%	0.0	
VIVO 9 Seputeh	980	82%	5.1	
Kalista, Bukit Rahman Putra	102	85%	0.0	
1060 Carnegie – Residential	298	90%	58.1	
1060 Carnegie – Commercial	29	28%	8.1	
St. Regis	161	13%	0.0	
Easton, Burwood	191	100%	1.0	
Ongoing Projects				33% from Ongoing Projects
TRIA 9 Seputeh	934	41%	9.7	
Sentral Suites	1,535	84%	14.3	
Alstonia, Bukit Rahman Putra	248	27%	4.5	
Amaryllis, SDEC	41	75%	6.6	
TOTAL	5,958		107.4	

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

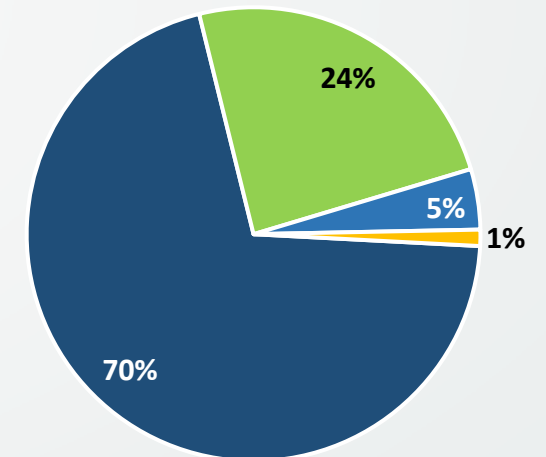
Total Unbilled Sales of RM979 Million

Project	Construction Progress	Revenue Recognised* 6M FY2021 (RM'mil)	Unbilled Sales (RM'mil)
Residential			
Sentral Suites	52.1%	97.0	688.0
TRIA 9 Seputeh	48.2%	43.0	237.0
Alstonia, Bukit Rahman Putra	21.5%	3.0	42.2
Amaryllis, SDEC	9.2%	0.3	11.3
TOTAL		143.3	978.5

100%
from
Residential

Breakdown of Unbilled Sales

■ Sentral Suites ■ TRIA ■ Alstonia ■ Amaryllis



Sentral Suites, which makes up 70% of Unbilled Sales, will contribute more revenue and profit as construction progresses

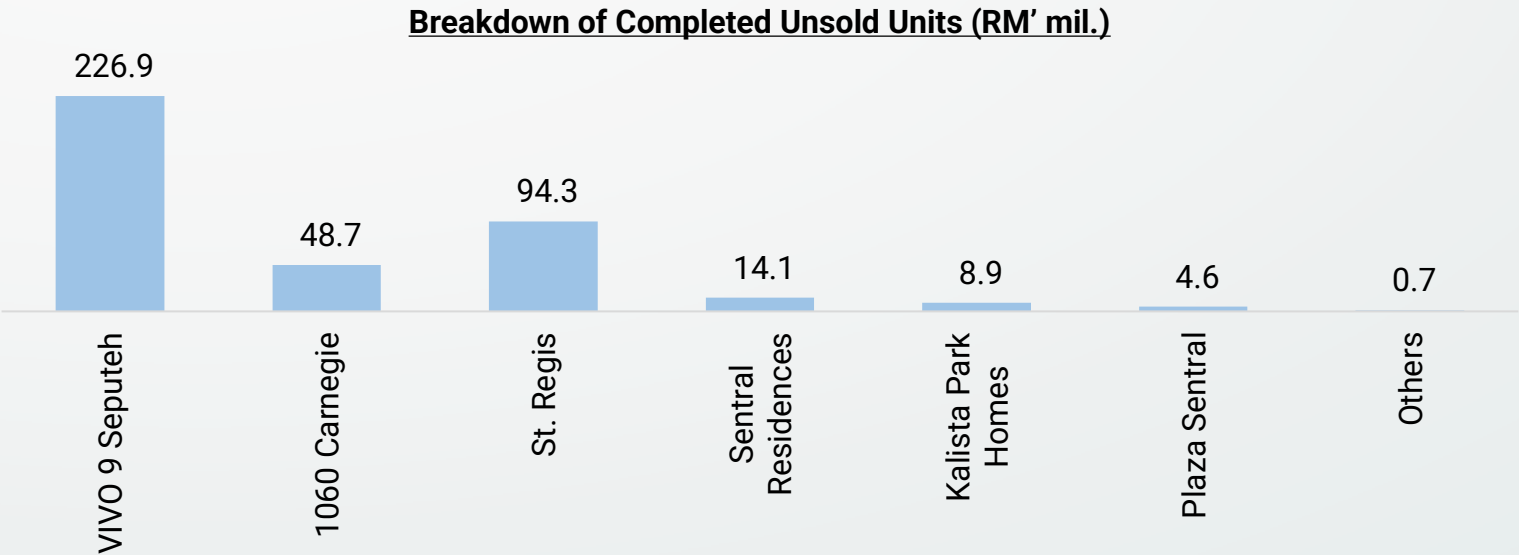
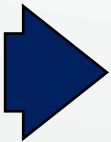
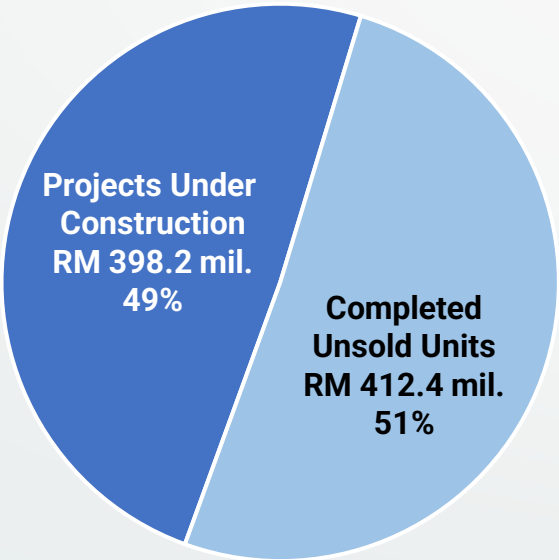
Segmental Reporting – Key Highlights

Property Development & Investment

What We Have To Sell: RM0.8 Billion

Projects Under Construction	Completed Unsold Units	Total
RM398.2 mil.	RM412.4 mil.	RM810.6 mil.

Total excluding unlaunched retail/office units in 1060 Carnegie and VIVO 9 Seputeh = **RM234.3 mil.**



Property Development & Investment

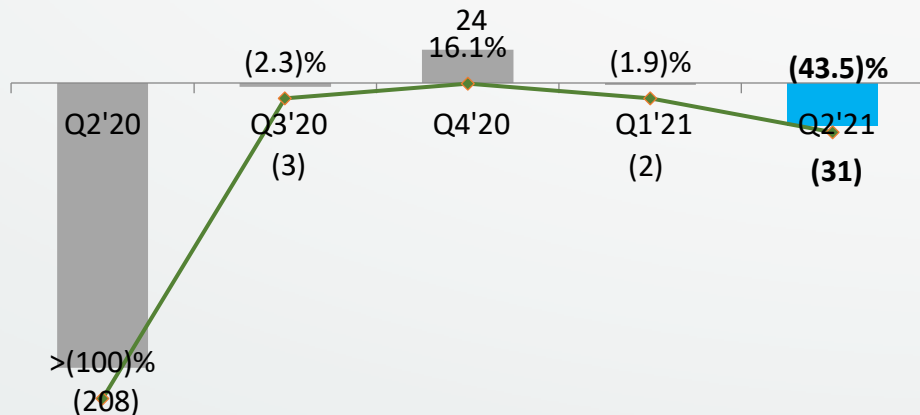
	Land Size (Acres)	GDV RM' mil.	% Stake	Start Date	Completion Date
Transport Oriented Developments					
KL Sentral: Lot F	5.70	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.97	2,698	100%	2015	2027
Cyberjaya City Centre	41.45	5,350	70%	2017	2024
Kwasa Sentral	64.30	10,851	70%	2018	2030
Total	145.33	25,548			
Commercial Developments					
Pulai Land Johor	67.52	770	100%	TBD	TBD
Total	67.52	770			
Residential Developments					
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
Total	94.96	6,103			
Others					
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
Total	15.63	-			
Grand Total	323.44	32,421			

Segmental Reporting – Key Highlights

Engineering, Construction & Environment

RM Million	Q2 (3M)			1H		
	FY2021	FY2020	Y-o-Y Growth %	FY2021	FY2020	Y-o-Y Growth %
Revenue	72	57	27.0%	156	231	(32.4)%
Profit	(31)	(208)	85.0%	(33)	(196)	83.1%
Margin* (%)	(43.5)%	>(100)%		(21.1)%	(84.5)%	

Profit* and Margin*



Performance Discussion

Contributed 35% of Group Revenue, largely from: EPF Headquarters at Kwasa Sentral, and the DASH, MRT2 and SUKE projects.

Lower revenue compared to the corresponding period in 2020 was mainly due to the first half of 2020 benefitting from a full 2 months of operations before the MCO was imposed.

The 83% narrowing of losses in the first half of 2021 was due to a RM197.4 million provision made for the impairment of contract assets, trade and other receivables as a result of the pandemic in 1H 2020.

LRT3 project contributed higher profit after tax of RM13.2 mil vs RM1.4 mil in 2020 due to construction progress achieved in 2021

External construction order book : RM21.3 bil.

Unbilled construction order book : RM17.6 bil.

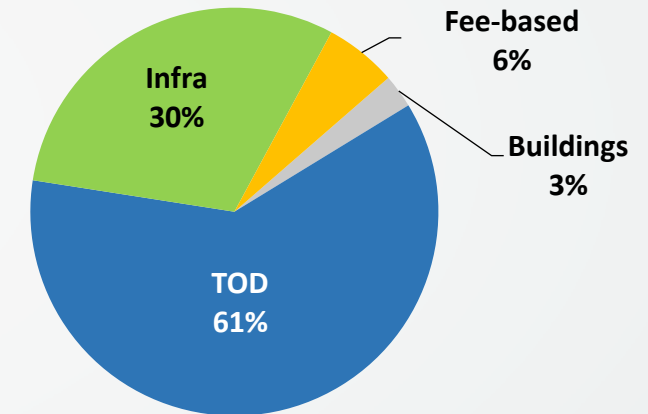
Segmental Reporting – Key Highlights

Engineering, Construction & Environment

Unbilled External Order Book – RM17,582 mil.

External Contracts (RM Million)	Contract Value	Progress**
Buildings:		
Desaru Convention Centre	62	99%
PR1MA Brickfields	335	19%
FINAS	170	8%
Infra:		
MRT2 V210 Package - 2.6km Guideway	497	87%
SUKE - CA2 Package	317	53%
LRT3	5,686*	58%
Transit Oriented Development (TOD) projects:		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,916	56%
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	21,320	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	Bukit Jalil Sentral	10,957	51.4%
2.	LRT3	5,686	26.7%
3.	Kwasa Utama C8	3,093	14.5%
4.	MRT2 – V210 Package	497	2.3%
5.	PR1MA Brickfields	335	1.6%
6.	SUKE – CA2 Package	317	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; progress shown is physical progress

** Denotes financial progress



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