



ANALYST BRIEFING

Quarter Ended 30 September 2020

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Our Response To COVID-19

Ensuring A Sustainable Business

Immediate Response

Activated Business Continuity Plan

- Work-from-home implemented seamlessly
- Work at all sites resumed upon implementation of CMCO
- Repurposed marketing budget into rebates/packages for customers
- Conducted sales and marketing activities digitally

Conducted deep business impact assessment

- Ongoing risk assessment and mitigation

Ensured wellbeing of staff and customers

- Introduced SOPs to ensure well-being of employees/customers are safeguarded

Long-term Response to COVID-19 Impact

Revisit the Group's Strategy

- Review upcoming launches
- Ongoing review of organisational structure

Embarked on austerity and cost cutting measures

- Cutting corporate overheads
- All Senior Management have taken a temporary 30% salary cut and reductions in certain benefits/allowances
- Salary cuts and reduction of allowances for employees above a certain grade level

Increased Corporate Social Responsibility Activities Relating to COVID-19

Donated and sponsored **RM1.4 Million** through MRCB's CSR activities and Yayasan MRCB

MRCB Financial Summary

MRCB 9M FY2020 Overview

Revenue RM 891 mil. ▲ 5% y-o-y	Loss Before Tax RM (188) mil. ▼ 677% y-o-y
Loss After Tax RM (203) mil. ▼ 1,885% y-o-y	Net Gearing 0.26x
Total Assets RM 8,330 mil.	Total Equity RM 4,561 mil.
Loss Per Share (4.60) sen ▼ 1,250% y-o-y	Market Cap RM 2,074 mil.

MRCB Segment Overview

	Property Development	Engineering & Construction	Others
Revenue RM mil.	490	363	38
Revenue Contribution	55%	41%	4%
Operating Profit RM mil. <i>Margin %</i>	34 7.0%	(199) (54.7)%	6 14.8%

9M FY2020 Key Numbers

RM126 mil. Property Sales	RM1.2 bil. Property Unbilled Sales	RM21.9 bil. External Construction Order Book	RM20.5 bil. Construction Unbilled Order Book
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Note:

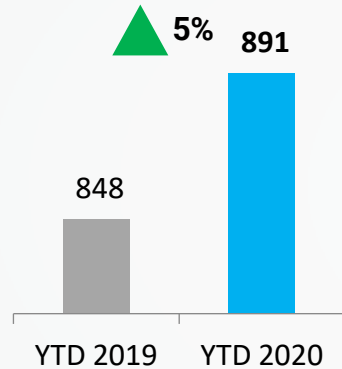
* **EPS**; Weighted Average No of Shares as at 30 September 2020 = 4,412,046,269

** **Market Cap** as at 30 September 2020; Number of Shares as at 30 September 2020 = 4,412,046,269 x RM0.47

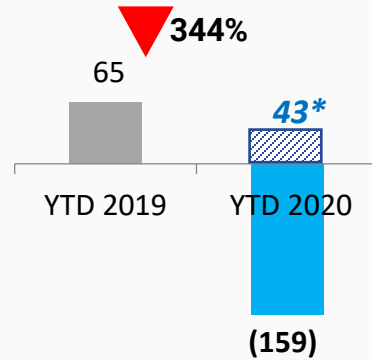
Key Highlights

9M FY2020 vs. 9M FY2019

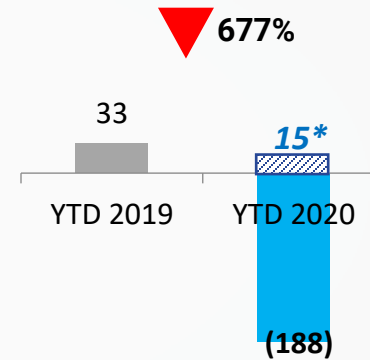
Revenue (RM mil.)



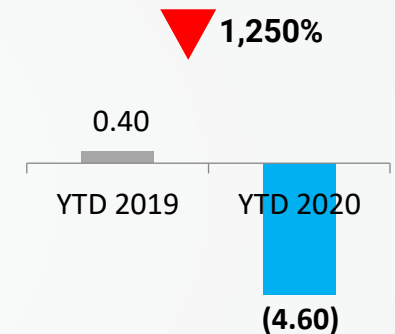
Operating Profit (RM mil.)



PBT (RM mil.)



EPS (sen)



Key Highlights

- The 5% increase in revenue 9M FY2020 vs. 9M FY2019 contributed by Property Development & Investment, on account of revenue recognition from 1060 Carnegie in Melbourne.
- Loss Before Tax of RM187.5 million was largely due to impairment provisions provided in 2Q FY2020 (RM202.5 million). Excluding these provisions, the Group would have recorded a profit of RM15.0 million for 9M FY2020, despite the total halt of construction during the MCO period and the low productivity during the CMCO period.
- The decline in Profit Before Tax compared to the corresponding period in 2019 is further amplified by the gain before tax of RM58.8 million from the disposal of the Group's entire 30% equity interest in One IFC Sdn Bhd recorded in Q2 FY2019.
- LRT3 contributed PAT of RM1.6 mil. 9M FY2020 (booked under Share of Results of JV) compared to RM1.2 mil. 9M FY2019.
- MQREIT and MRCB Quill Management contributed PAT of RM12.1 million.
- Issued RM600 mil. in the first tranche of the RM5bn Sukuk Murabahah on 14 August 2020.

Note:

* Excludes impairment provisions

Financial Performance

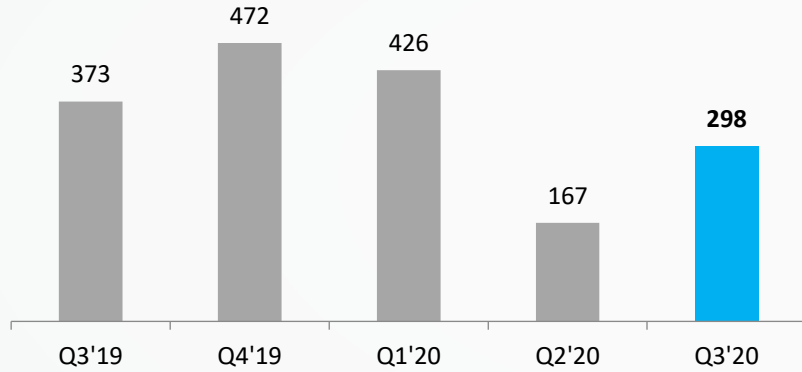
Profit & Loss

RM Million	Q3 (3M)			9M		
	FY2020	FY2019	Y-o-Y Growth %	FY2020	FY2019	Y-o-Y Growth %
Revenue	298	373	(20.2)%	891	848	5.0%
Other Operating Income	15	11	42.7%	33	88	(62.4)%
Total Revenue	313	383	(18.4)%	924	936	(1.3)%
Operating Expenses	297	358	(17.1)%	1,083	871	24.4%
Operating Profit/(Loss)	16	25	(37.1)%	(159)	65	>(100)%
<i>Operating Profit/(Loss) Margin (%)</i>	5.3%	6.8%		(17.9)%	7.7%	
Finance costs	12	14	(14.1)%	37	39	(3.0)%
Share of results of associates	4	4	17.6%	11	9	31.7%
Share of results of joint ventures	(1)	(1)	(14.5)%	(2)	(3)	(21.9)%
Profit/(Loss) before taxation	8	14	(46.6)%	(188)	33	>(100)%
Taxation	7	12	(43.6)%	15	21	(26.7)%
Profit/Loss for the period	1	2	(63.3)%	(203)	11	>(100)%
<i>PAT/(LAT) Margins (%)</i>	0.3%	0.6%		(22.8)%	1.3%	
EPS (sen)	0.02	0.06	(66.7)%	(4.60)	0.40	>(100)%

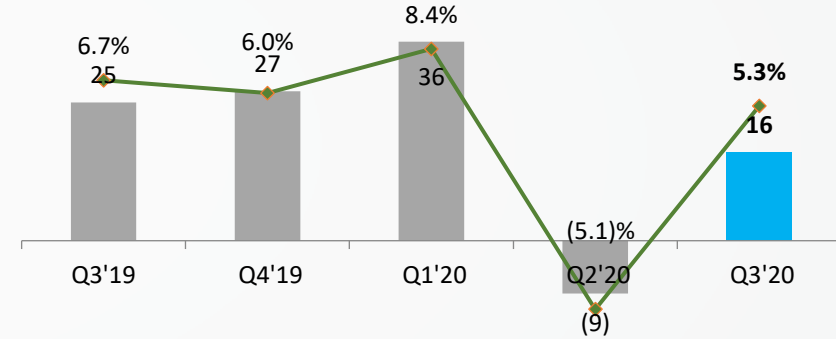
Financial Performance

Quarterly Analysis

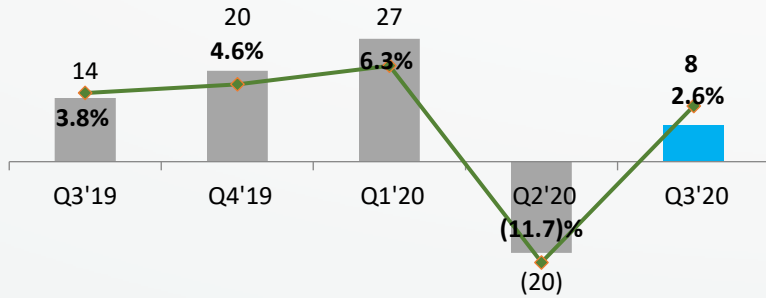
Revenue



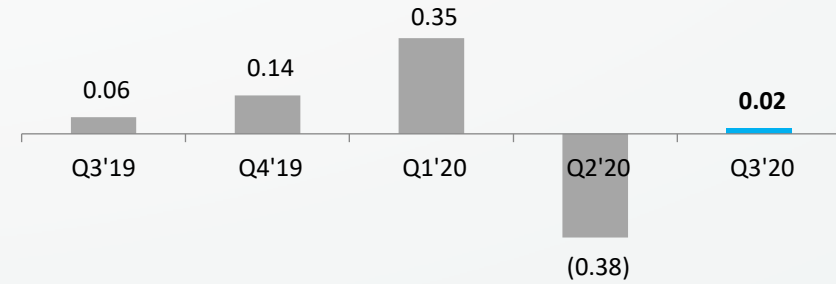
Operating Profit* and Margin*



PBT* and Margin*



EPS* (sen)



Note:

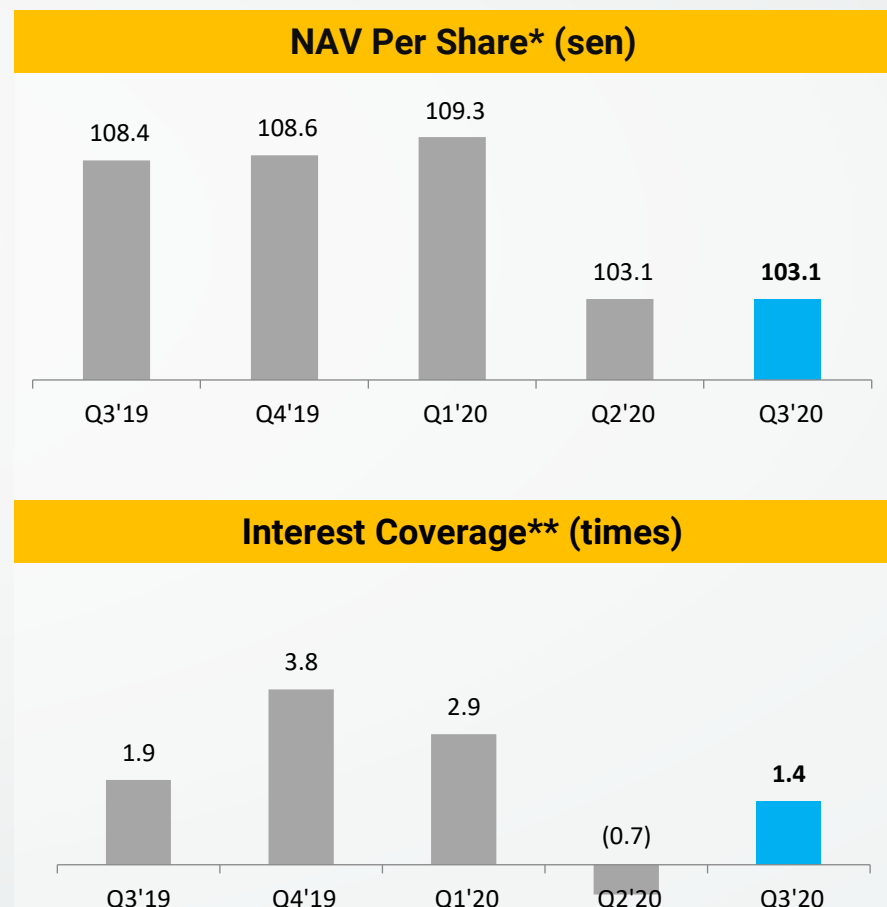
Figures are in RM'mil. and margins in %

* Excludes impairment provisions in Q2 FY2020

Financial Performance

Balance Sheet

RM Million	30 Sep 2020	30 Jun 2020
Total Assets		
Current Assets	3,023	3,050
Non-Current Assets	5,307	5,189
Assets held for sale	-	78
Total Assets	8,330	8,317
Total Liabilities		
Current Liabilities	1,634	1,953
Non-Current Liabilities	2,135	1,801
Total Liabilities	3,769	3,754
Total Equity		
Shareholder's Equity	4,550	4,549
Non Controlling Interests	11	15
Total Equity	4,561	4,564
Net assets per share attributable to the equity holders of the Company (sen)	103.1	103.1



Note:

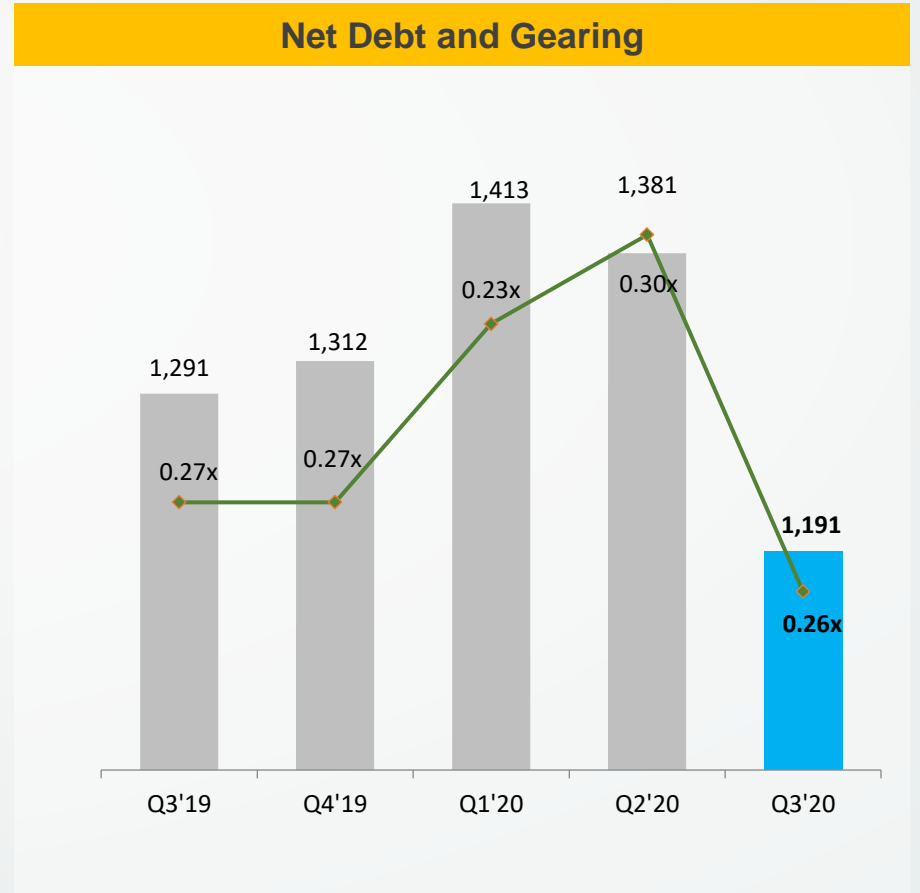
* **NAV per share**; Number of Shares as at 30 Sep 2020 = 4,412,046,269

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

Financial Performance

Borrowings

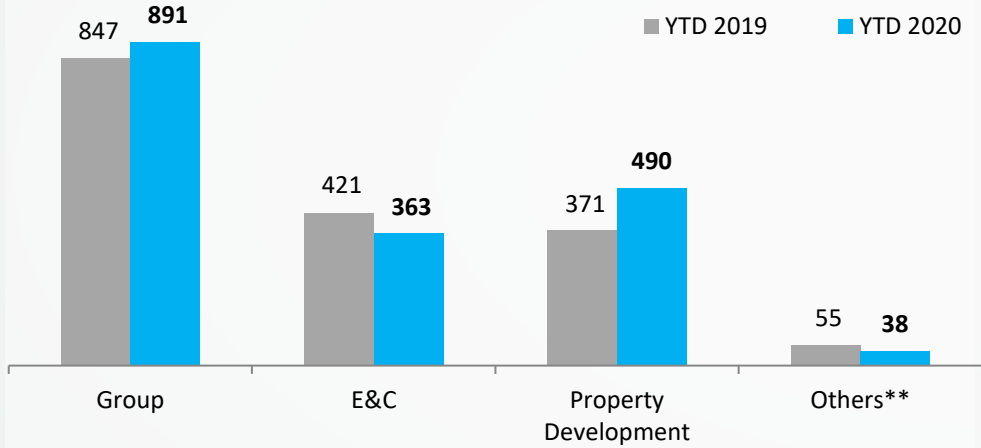
Leverage Profile (RM Million)	30 Sep 2020	30 Jun 2020
Debt		
Short Term Borrowings	622	934
Long Term Borrowings	1,333	1,001
HP creditors	0	0
Total Debt	1,955	1,935
Less: Deposits, cash and bank balances	514	554
Other investment	250	-
Net Debt	1,191	1,381
Total equity	4,561	4,564
Net Gearing	0.26x	0.30x



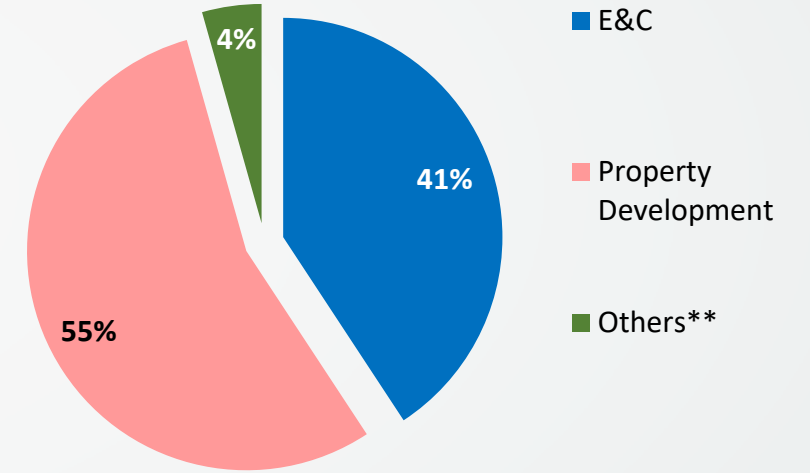
Segmental Reporting

Overview

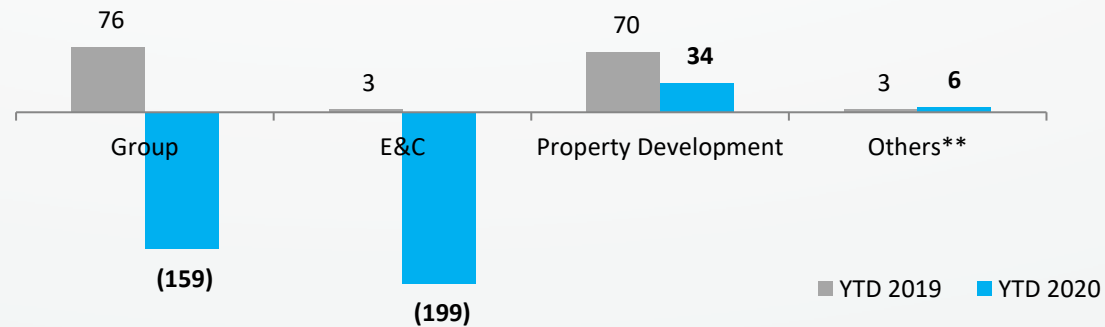
Revenue Split – RM891 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM(159) mil.



Note:

Figures are in RM'mil. and margins in %

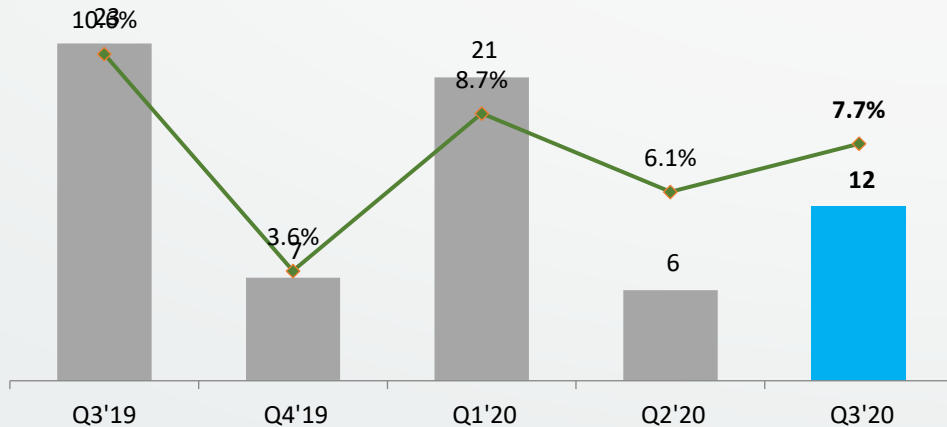
** Others include Facilities Management & Parking and Others

Segmental Reporting

Property Development & Investment

RM Million	Q3 (3M)			9M		
	FY2020	FY2019	Y-o-Y Growth %	FY2020	FY2019	Y-o-Y Growth %
Revenue	153	215	(28.8)%	490	371	31.8%
Profit	12	23	(48.6)%	34	70	(50.8)%
Profit/(Loss) exc. Impairment Provisions	12	23	(48.6)%	38	70	(44.9)%
Margin* (%)	7.7%	10.6%		7.9%	18.8%	

Profit* and Margin*



Performance Discussion

Contributed 55% of Group revenue.

32% increase in Revenue in 9M FY2020 vs 9M FY2019, contributed by: 1060 Carnegie in Melbourne, Sentral Suites in KL Sentral, 9 Seputeh in Jalan Klang Lama, and the office towers in PJ Sentral Garden City.

MQREIT and MRCB Quill Management contributed PAT of RM12.1 mil.

45% decrease in Operating Profit due to minimal construction progress during restriction orders, the lockdown in Victoria State, Australia in 3Q FY2020, and a one-off disposal gain of RM58.8 million recorded in the corresponding period in 2019.

Revenue increased due to:

- **1060 Carnegie** in Melbourne (100% completed; 141 units sold; 104 units settled)
- **Sentral Suites** (39% completed); **TRIA, 9 Seputeh** (30% completed)

Sales in 9M FY2020: RM126 mil, unbilled sales: RM1.2 bil.

Note:

Figures are in RM'mil. and margins in %

* Excludes impairment provisions in Q2 FY2020

Segmental Reporting

Property Development & Investment

Property Sales of RM126 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 30 September 2020	Sales** Breakdown 3Q 2020 (RM'mil)	
Completed Projects				
Sentral Residences	1,439	98%	14.4	} 45% from Completed Projects
VIVO 9 Seputeh	980	80%	21.9	
Kalista, Bukit Rahman Putra	102	85%	6.1	
1060 Carnegie	300	83%	14.8	
St. Regis	161	10%	-	
Ongoing Projects				
TRIA 9 Seputeh	934	40%	1.5	} 55% from Ongoing Projects
Sentral Suites	1,535	84%	59.2	
Alstonia, Bukit Rahman Putra	248	25%	6.7	
SIDEC	62	35%	1.4	
TOTAL	5,761		126.0	

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 RM1.2 Billion

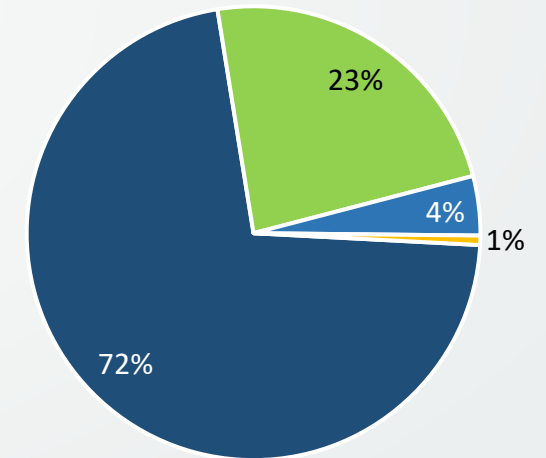
Project	Construction Progress	Revenue Recognised* 9M FY2020 (RM'mil)	Unbilled Sales (RM'mil)
Residential			
Sentral Suites	38.7%	126.0	860.0
TRIA 9 Seputeh	30.0%	30.3	282.0
Alstonia, Bukit Rahman Putra	10.7%	1.8	50.8
Commercial			
MYIPO PJ Sentral	96.9%	66.0	8.0
TOTAL		224.1	1,200.8

99%
from
Residential

1%
from
Commercial

Breakdown of Unbilled Sales

■ Sentral Suites ■ TRIA ■ Alstonia ■ MYIPO



Sentral Suites, which makes up 72% of Unbilled Sales, will contribute more revenue and profit as construction progresses

Note:

* Revenue Recognised refers to properties that have been sold to buyers, which will be recognised progressively as the properties are constructed.

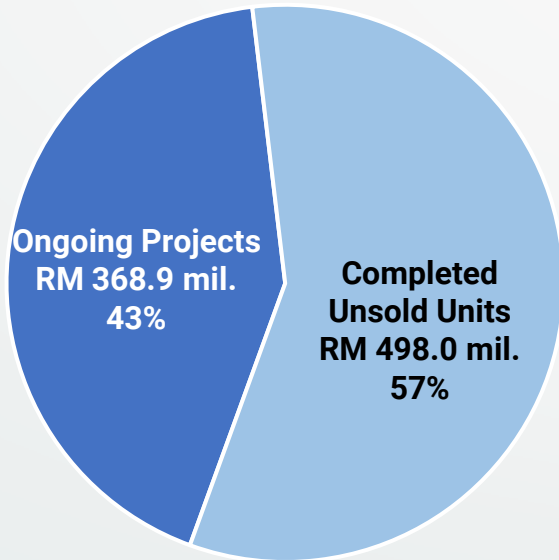
Segmental Reporting

Property Development & Investment

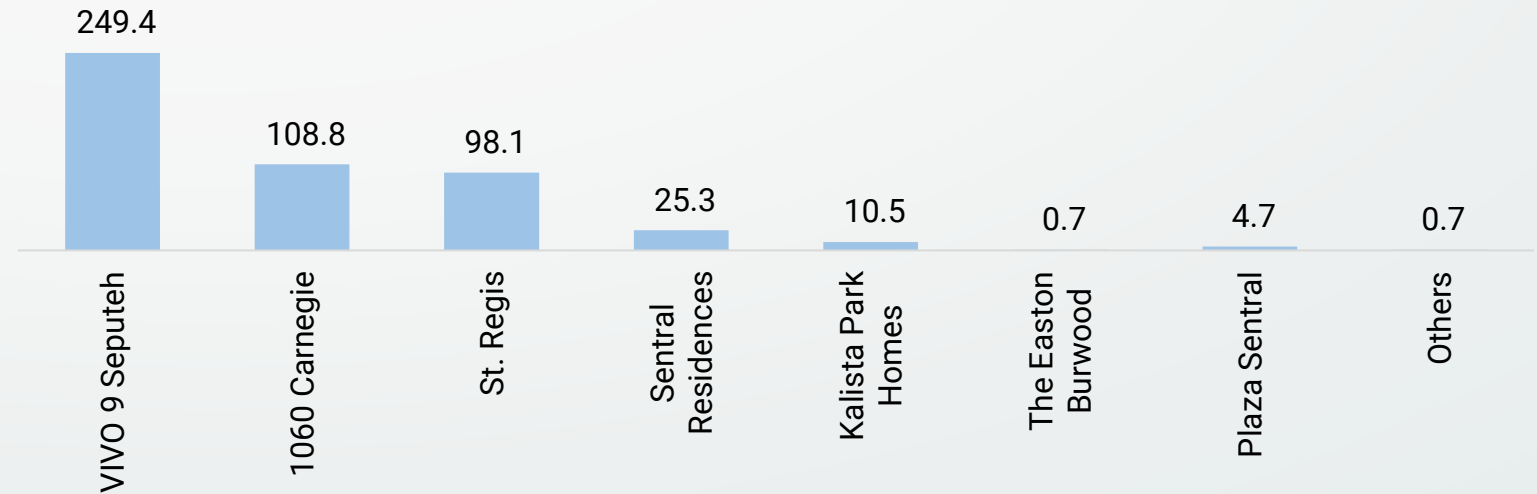
What We Have To Sell: RM0.9 Billion

Ongoing Projects	Completed Unsold Units	Total
RM368.9 mil.	RM498.0 mil.	RM866.9 mil.

Total excluding 1060 Carnegie = **RM758.1 mil.**



Breakdown of Completed Unsold Units (RM' mil.)



Segmental Reporting

Property Development & Investment

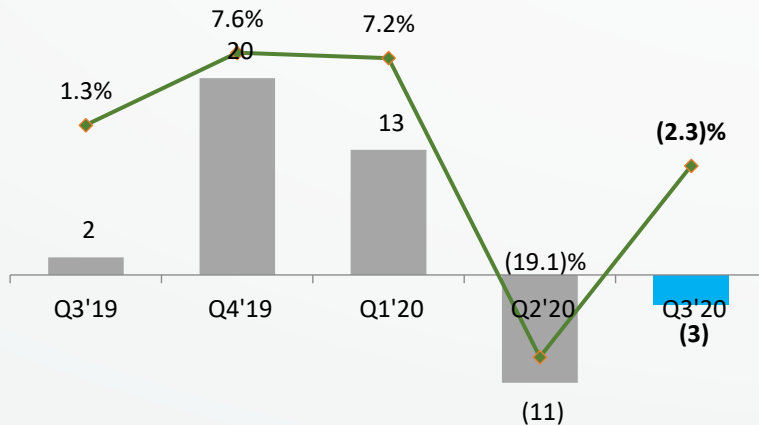
	Land Size (Acres)	GDV RM' mil.	% Stake	Start Date	Completion Date
Transport Oriented Developments					
KL Sentral: Lot F	5.70	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.97	2,698	100%	2015	2027
Cyberjaya City Centre	41.45	5,350	70%	2017	2024
Kwasa Sentral	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	290	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	6,093			
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	32,411			

Segmental Reporting

Engineering, Construction & Environment

RM Million	Q3 (3M)			9M		
	FY2020	FY2019	Y-o-Y Growth %	FY2020	FY2019	Y-o-Y Growth %
Revenue	132	137	(4.1)%	363	421	(13.7)%
Profit	(3)	2	>(100)%	(199)	3	>(100)%
Profit/(Loss) exc. Impairment Provisions	(3)	2	>(100)%	(1)	3	>(100)%
Margin* (%)	(2.3)%	1.3%		(0.3)%	0.8%	

Profit* and Margin*



Performance Discussion

Contributed 41% of Group Revenue; mostly contributed in Q1 pre-MCO: EPF Headquarters at Kwasa Sentral, DASH, SUKE, MRT2 projects.

Decrease in Revenue due to the complete halt in construction works during the MCO and the lower productivity during the CMCO, which impacted construction progress and revenue recognition.

Loss due to provision of RM197.4 million for the impairment of contract assets, trade and other receivables likely to be impacted as a result of the pandemic in Q2 FY2020.

LRT3: RM1.6 mil. profit earned and booked under Share of Joint Ventures vs. RM1.2 mil. in 9M FY2019.

External construction order book : RM21.9 bil.
Unbilled construction order book : RM20.5 bil.

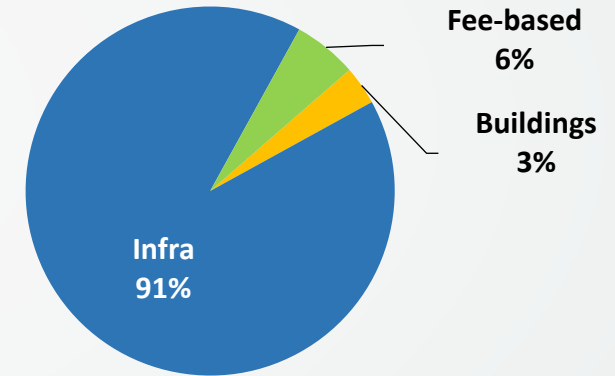
Segmental Reporting

Engineering, Construction & Environment

Unbilled External Order Book – RM20,546 mil.

External Contracts (RM Million)	Contract Value	Progress
Buildings:		
Desaru Convention Centre	62	99%
PR1MA Kajang	173	91%
PR1MA Brickfields	335	12%
FINAS	170	8%
Infra:		
MRT2 V210 Package - 2.6km Guideway	483	80%
Kwasa Utama C8 (provisional TCC)	2,958	28%
DASH - Package CB2	341	82%
LRT3	5,686*	39%
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
SUKE - CA2 Package	317	46%
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	21,862	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	Bukit Jalil Sentral	10,957	50.1%
2.	LRT3	5,686	26.0%
3.	Kwasa Utama C8	3,135	14.3%
4.	MRT2 – V210 Package	483	2.2%
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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