



ANALYST BRIEFING

Quarter Ended 30 September 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 9M2022 vs 2020 Baseline (Scope 1 & Scope 2)

▼15%

TCFD



SCIENCE
BASED
TARGETS

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

Achieved a 3.0 score for
FTSE4GOOD
Bursa Malaysia Index

BBB rating from **MSCI**



Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

2021 MSWG-ASEAN CG Award

- Recipient of **Excellence Award** (**Ranked 2nd out of 864** in overall CG Disclosure)
- Recipient of **Industry Excellence Award** (**Ranked 1st** in Industry Excellence Award for CG Disclosure for the 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** for **Transparency** at
The Star/FIABCI
Malaysia Developers Awards 2022

ISO 37001-certified
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.

GradMalaysia
Most Popular Graduate Employer 2022 Award
for the Property & Development Sector

Note:

* for Scope 1 & Scope 2

Performance shown include those that are most impactful and/or were recently achieved. For a complete list, please refer to <https://ir2.chartnexus.com/mrcb/docs/MRCB-ESG-Brief.pdf>

MRCB Financial Summary

MRCB 9M FY2022 Overview

Revenue RM 2,371 mil. ▲ 302% y-o-y	Profit Before Tax RM 117 mil. ▲ 286% y-o-y
Profit After Tax RM 40 mil. ▲ 160% y-o-y	Net Gearing 0.37x
Total Assets RM 9,329 mil.	Total Equity RM 4,524 mil.
Earnings Per Share 1.16 sen ▲ 187% y-o-y	Market Cap RM 1,340 mil.

MRCB Segment Overview

	Property Development	Engineering & Construction	Others
Revenue RM mil.	653	1,675	43
Revenue Contribution	28%	71%	1%
Op. Profit/(Loss) RM mil.	125	61	(4)
Margin %	19.1%	3.7%	(9.5)%

9M FY2022 Key Numbers

RM342.2 mil. Property Sales	RM 624.0 mil. Property Unbilled Sales	RM26.7 bil. External Construction Order Book ¹	RM17.9 bil. Construction Unbilled Order Book ²
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Order Book includes long term Bukit Jalil contract of RM11.0 bil.

¹ External Construction Order Book excluding Bukit Jalil: RM15.8 bil.

² Construction Unbilled Order Book excluding Bukit Jalil: RM6.9 bil.

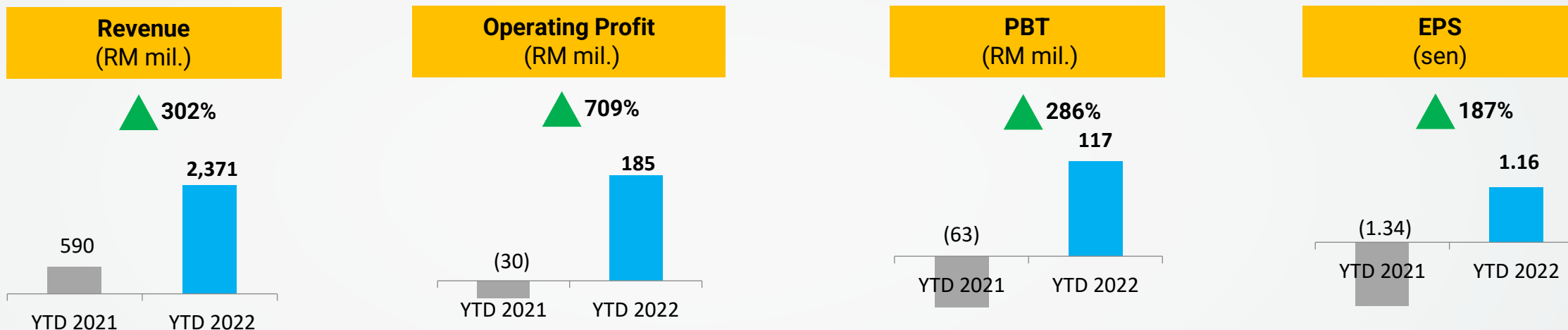
Note:

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

** Market Cap as at 30 Sept 2022; Number of Shares as at 30 Sept 2022 = 4,467,509,508 x RM0.300

Key Highlights

9M FY2022 vs 9M FY2021



Key Highlights

- The higher Revenue and Profit in 9MFY2022 was mainly due to more normalised operations, which resulted in increased revenue and profit recognition from higher property sales and construction progress.
- Good progress of LRT3 project: physical construction progress of 77% and financial progress of 71% at the end of Sept 2022.
- Property sales of RM342.2 mil.
- Sentral REIT and Sentral REIT Management contributed PAT of RM11.5 mil. vs RM14.0 mil in 9MFY2021.
- Balance sheet remains strong, with net gearing of 0.37 times.

Financial Performance

Profit & Loss

RM Million	Q3 (3M)			9M		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	860	138	>100%	2,371	590	>100%
Other Operating Income	6	9	(37.6)%	41	27	54.9%
Total Revenue	866	147	>100%	2,412	617	>100%
Operating Expenses	787	164	>100%	2,228	647	>100%
Operating Profit/(Loss)	79	(17)	>100%	185	(30)	>100%
<i>Operating Profit/(Loss) Margin (%)</i>	9.2%	(12.0)%		7.8%	(5.1)%	
Finance costs	24	23	6.7%	72	61	17.5%
Share of results of associates	3	5	(26.7)%	7	14	(48.5)%
Share of results of joint ventures	(1)	5	>(100)%	(3)	15	>(100)%
Profit/Loss before taxation	57	(30)	>100%	117	(63)	>100%
Taxation	41	2	>100%	76	5	>100%
Profit/(Loss) for the period	16	(32)	>100%	40	(68)	>100%
<i>PAT/(LAT) Margins (%)</i>	1.8%	(23.2)%		1.7%	(11.5)%	
EPS (sen)	0.53	(0.72)	>100%	1.16	(1.34)	>100%

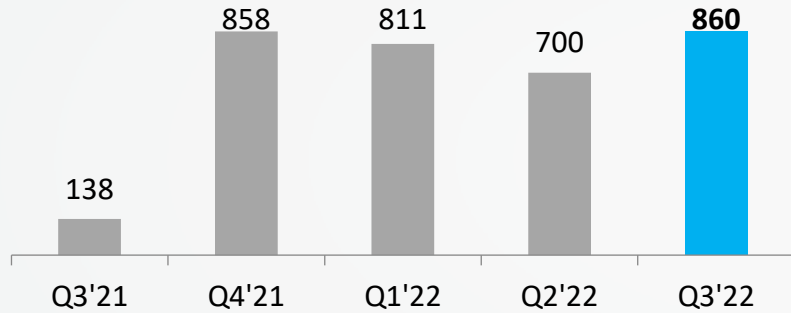
Note:

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.

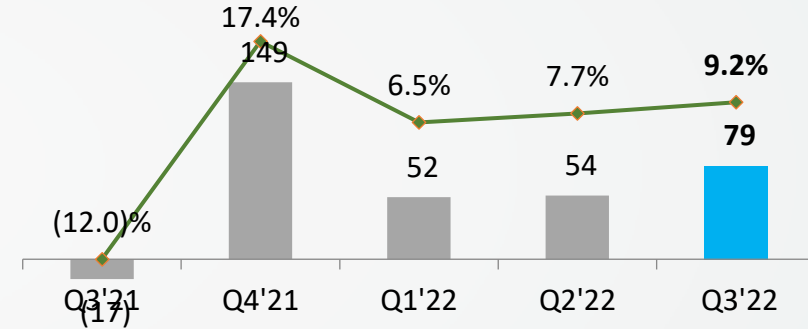
Financial Performance

Quarterly Analysis

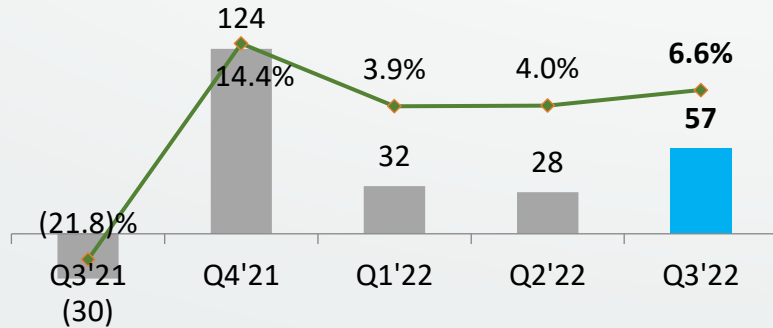
Revenue



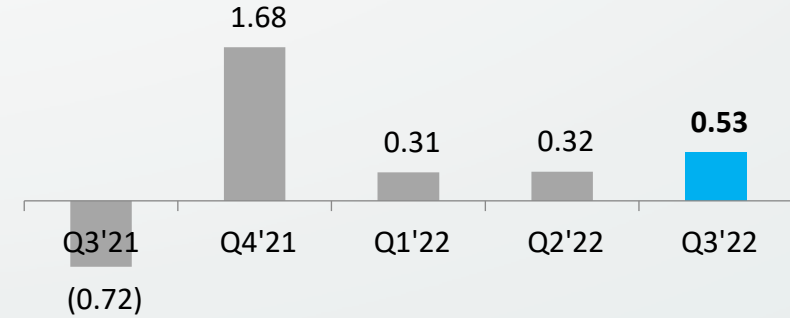
Operating Profit and Margin



PBT and Margin



EPS (sen)



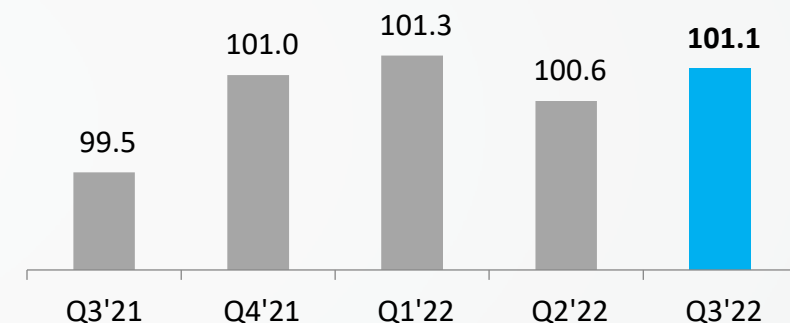
Note:
Figures are in RM'mil. and margins in %

Financial Performance

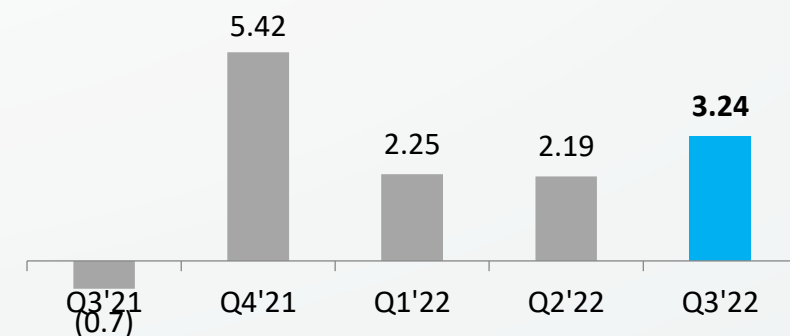
Balance Sheet

RM Million	30 Sept 2022	31 Dec 2021
Total Assets		
Current Assets	3,721	3,651
Non-Current Assets	5,608	5,554
Total Assets	9,329	9,205
Total Liabilities		
Current Liabilities	2,764	2,451
Non-Current Liabilities	2,041	2,214
Total Liabilities	4,805	4,665
Total Equity		
Shareholder's Equity	4,519	4,512
Non Controlling Interests	5	28
Total Equity	4,524	4,540
Net assets per share attributable to the equity holders of the Company (sen)	101.10	101.00

NAV Per Share* (sen)



Interest Coverage** (times)



Note:

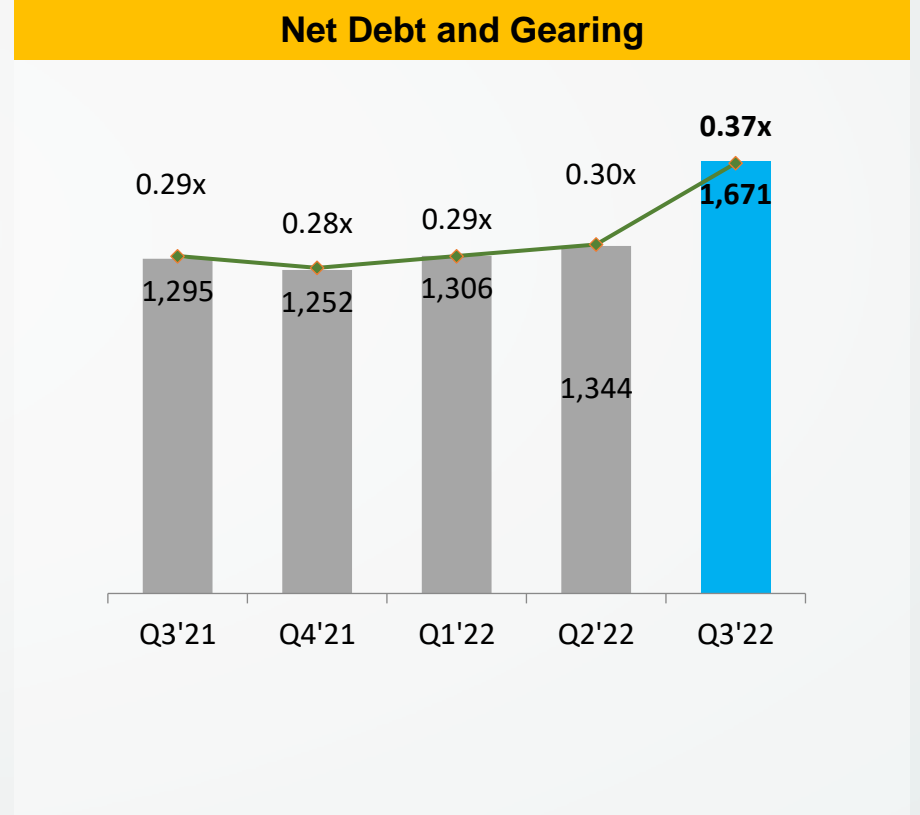
* **NAV per share**; Number of Shares as of 30 Sept 2022 = 4,467,509,508

** Based on Profit from operations

Financial Performance

Borrowings

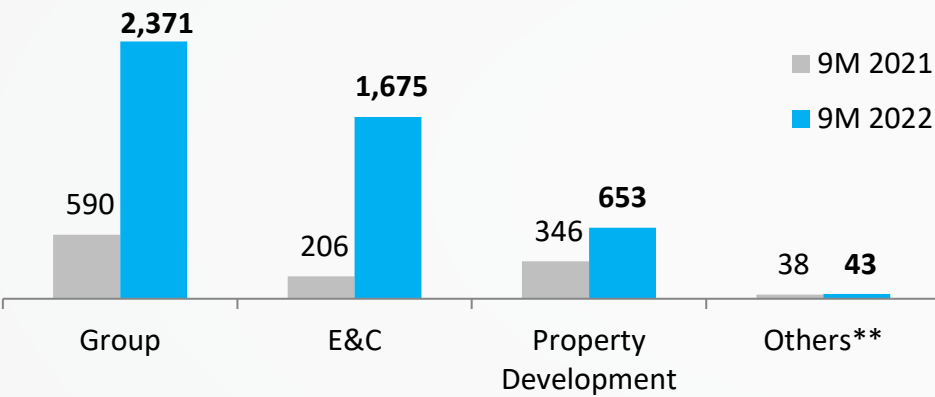
Leverage Profile (RM Million)	30 Sept 2022	31 Dec 2021
Debt		
Short Term Borrowings	889	479
Long Term Borrowings	1,267	1,453
Total Debt	2,156	1,932
Less: Deposits, cash and bank balances	373	579
Other investment	112	101
Net Debt	1,671	1,252
Total equity	4,524	4,540
Net Gearing	0.37x	0.28x



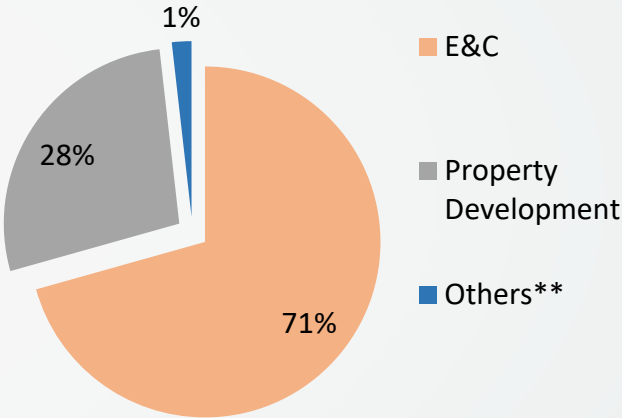
Segmental Reporting

Overview

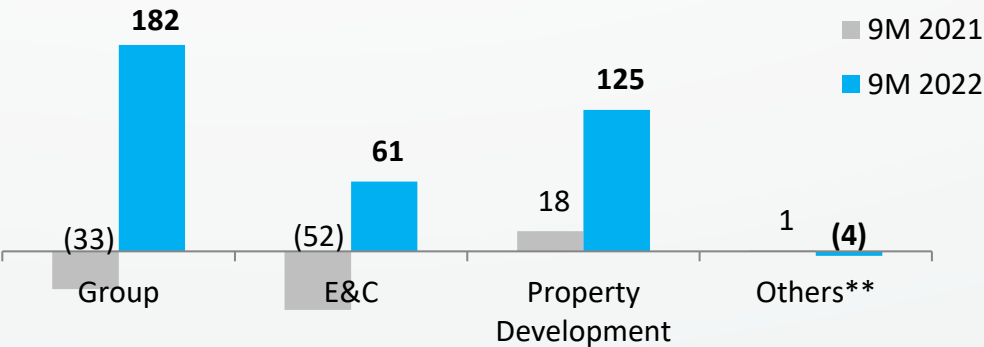
Revenue Split – RM2,371 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM182 mil.

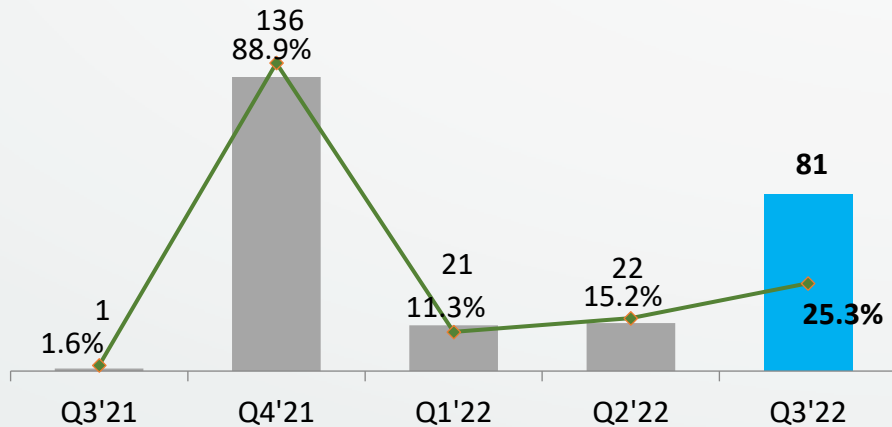


Segmental Reporting

Property Development & Investment

RM Million	Q3 (3M)			9M		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	322	71	>100%	653	346	89%
Profit	81	1	>100%	125	18	>100%
Margin* (%)	25.3%	1.6%		19.1%	5.1%	

Profit and Margin



Performance Discussion

Contributed 28% 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 RM11.5 million.

Higher revenue and profits due to:-

- Better operating conditions/construction progress in 9MFY2022 compared to 9MFY2021, which was impacted by the MCO, mandated lockdowns, the closure of foreign borders and construction site closures.

Property Sales in 9MFY2022: RM342.2 mil, Unbilled Sales: RM624.0 mil.

Sales further improved in October to RM385.1mil.

Note:

Figures are in RM'mil. and margins in %

Segmental Reporting

Property Development & Investment

Property Sales of RM342.2 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 30 Sept 2022	Sales** Breakdown YTD 2022 (RM'mil)	
Completed Projects				56% from Completed Projects
Sentral Residences	1,439	100%	9.5	
VIVO 9 Seputeh – Residential	982	84%	5.1	
VIVO 9 Seputeh - Commercial	188	88%	165.1	
Kalista, Bukit Rahman Putra	102	88%	2.6	
1060 Carnegie – Residential	296	99%	5.3	
1060 Carnegie – Commercial	29	56%	0.0	
St. Regis	164	21%	4.6	
Ongoing Projects				44% from Ongoing Projects
TRIA 9 Seputeh	939	53%	73.3	
Sentral Suites - Residential	1,535	85%	29.2	
Sentral Suites - Commercial	102	35%	13.3	
Alstonia, Bukit Rahman Putra	248	46%	27.9	
Amaryllis, SDEC	17	96%	0.0	
Lilium, SDEC	29	22%	6.3	
TOTAL	6,070		342.2	

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 RM624.0 Million

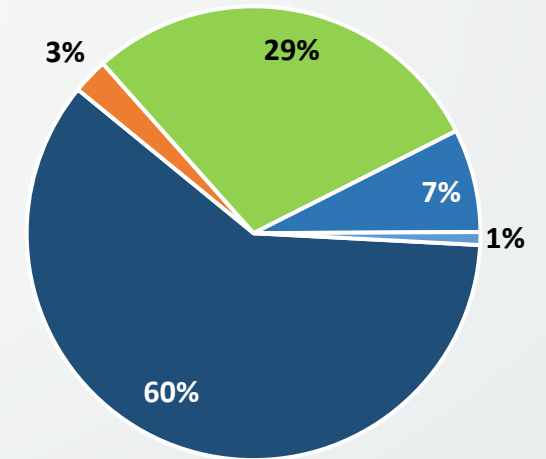
Project	Construction Progress	Revenue Recognised* In FY2022 (RM'mil)	Unbilled Sales (RM'mil)
Residential			
Sentral Suites	81.2%	220.6	374.8
TRIA 9 Seputeh	85.3%	123.0	181.7
Alstonia, Bukit Rahman Putra	46.2%	23.3	46.0
Amaryllis, SDEC	73.7%	7.1	5.7
Commercial			
Sentral Suites	79.1%	19.8	15.8
TOTAL		393.8	624.0

97%
from
Residential

3%
from
Commercial

Breakdown of Unbilled Sales

- Sentral Suites (Residential)
- Sentral Suites (Retail)
- TRIA



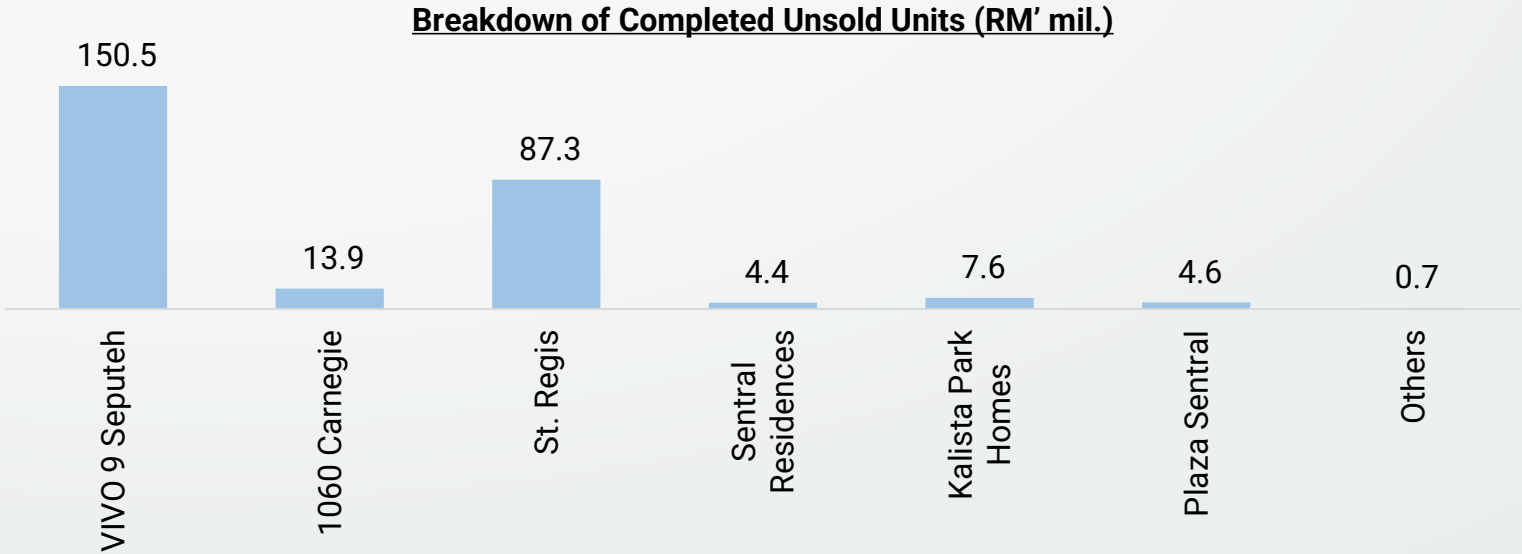
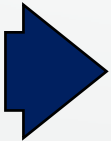
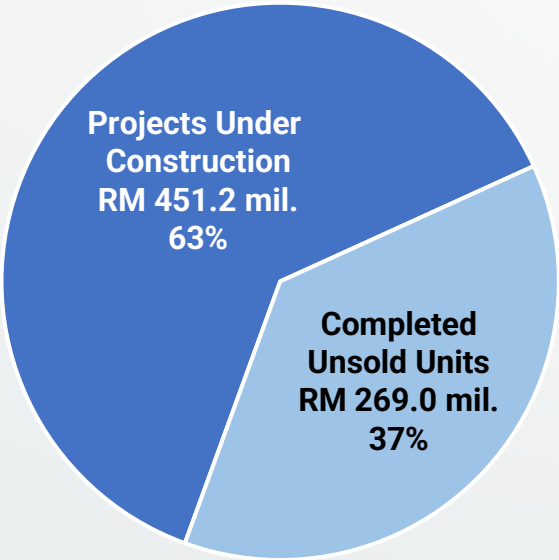
Sentral Suites (residential), which makes up 60% of Unbilled Sales, will contribute more revenue and profit as construction progresses

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
RM451.2 mil.	RM269.0 mil.	RM720.2 mil.



Segmental Reporting

Property Development & Investment

Property Projects in the Pipeline – RM4.7 Billion

2022 Launches	Expected Launch*	GDV (RM'mil)	Units
SIDEC, Phase 2D2 (Lilium)	<i>Launched in 2Q</i>	29	90 double storey houses
Total 2022		RM29 mil	90 units
2023 Launches			
VISTA, Surfer's Paradise, Gold Coast	1Q	~900 (AUD296)	280
Kwasa Sentral Plot F (Residensi Tujuh)	1Q	329	573
Lot J, KL Sentral	4Q	229	266
Tower 1, PJ Sentral	4Q	626	999
Total 2023		RM2,084 mil	2,118 units
2024 Launches			
Bukit Jalil Sentral, Phase 1A	1Q	808	1,200
The Symphony Center, Auckland	2Q	~1,300 (NZD452)	63
Tower 5, PJ Sentral	4Q	486	340
Total 2024		RM2,594 mil	1,603 units

Note:

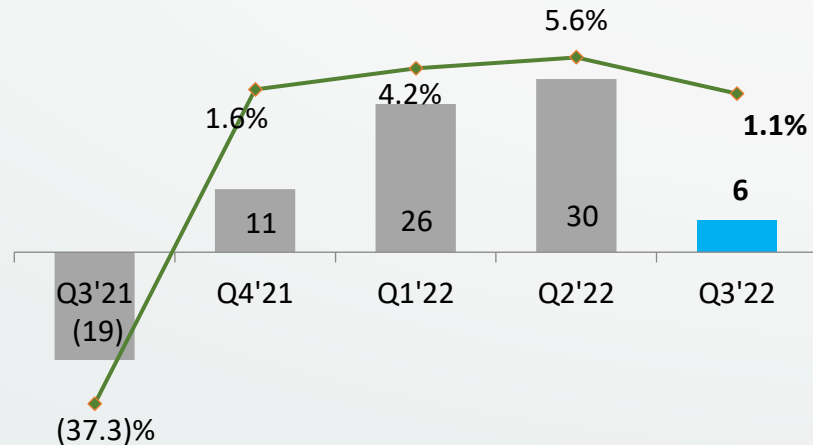
* Expected launch dates, GDV and units are subject to changes, depending on prevailing property market

Segmental Reporting

Engineering, Construction & Environment

RM Million	Q3 (3M)			9M		
	FY2022	FY2021	Y-o-Y Growth %	FY2022	FY2021	Y-o-Y Growth %
Revenue	523	50	>100%	1,675	206	>100%
Profit	6	(19)	>100%	61	(52)	>100%
Margin* (%)	1.1%	(37.3)%		3.7%	(25.0)%	

Profit and Margin



Performance Discussion

Contributed 71% of Group Revenue, largely from: LRT3, Menara KWSP at Kwasa Damansara, and the DASH, MRT2 and SUKE projects.

Higher revenue and profit vs 9MFY2021 largely due to the LRT3 project, which reached physical construction progress of 77% and financial progress of 71% as at 30 Sept 2022.

Open Tender book is RM30 bil.

- In Q2 FY2022 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).

Completed project in Q3 2022 : MRT2 V210 Package - 2.6km Guideway (RM497 mil. contract value)

External construction order book : RM26.7 bil.

Unbilled construction order book : RM17.9 bil.

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

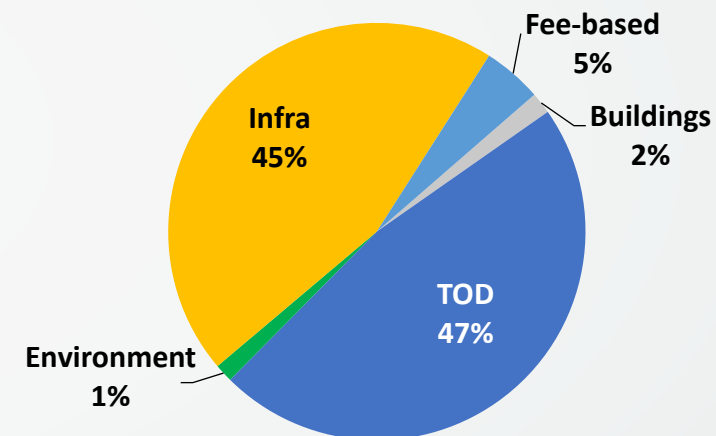
Segmental Reporting

Engineering, Construction & Environment: Order Book

Unbilled External Order Book – RM17,898 mil.¹ as at 30 Sept 2022

External Contracts (RM Million)	Contract Value	Progress ²
Buildings:		
PR1MA Brickfields	276	36%
FINAS	170	12%
Infrastructure:		
SUKE - CA2 Package	317	82%
LRT3	11,372	71%
DASH – CB2 Package	400	92%
Transit Oriented Development (TOD) projects:		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,490	0% 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	26,742	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	LRT3	11,372	42.5%
2.	Bukit Jalil Sentral	10,957	41.0%
3.	Kwasa Utama C8	2,667	10.0%
4.	DASH – CB2 Package	400	1.5%
5.	Muara Sg Pahang Phase 3	380	1.4%

Note:

¹ Unbilled External Order Book *excluding* Bukit Jalil: RM6.9 bil.

² Denotes financial progress

³ 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



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

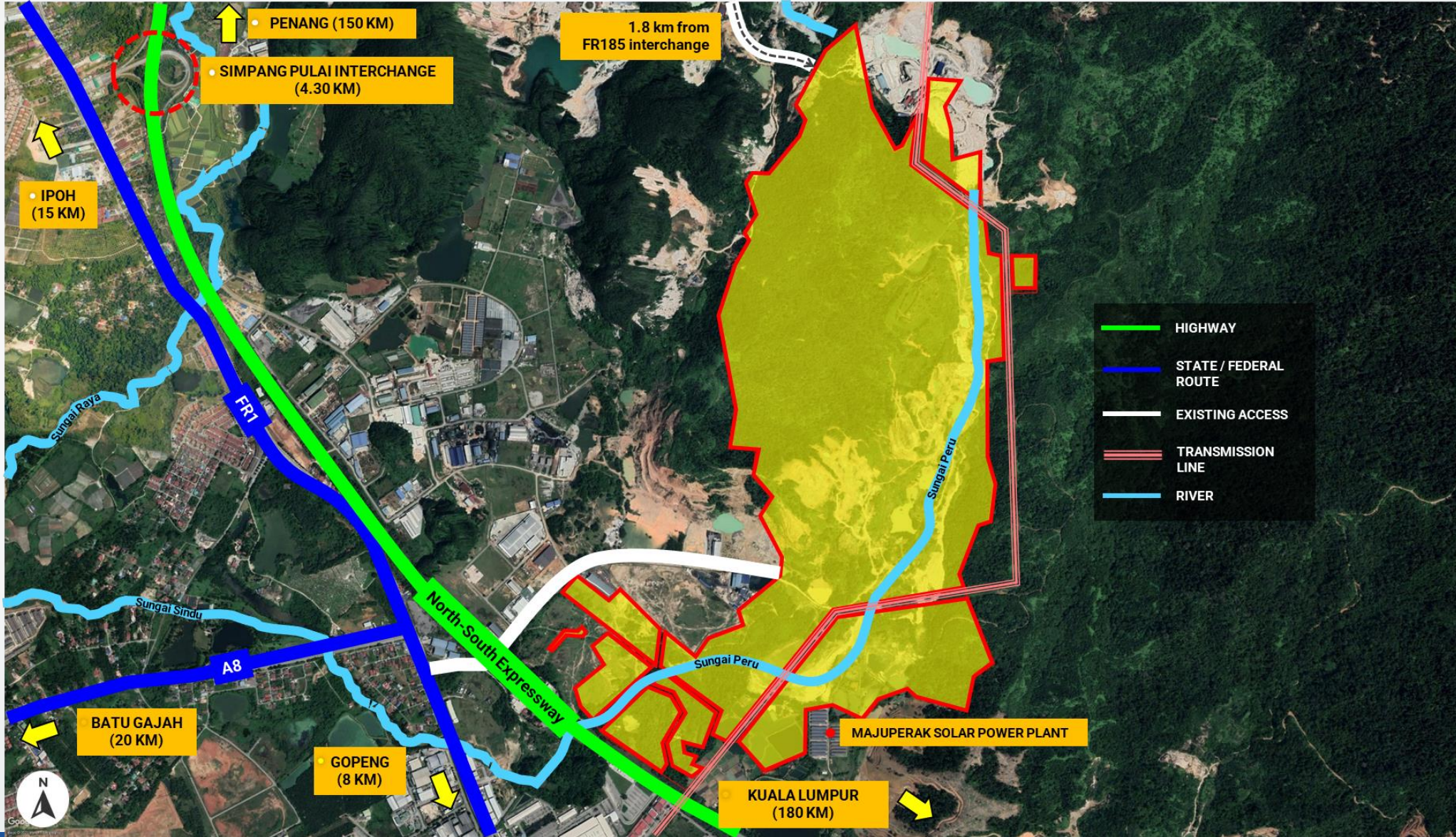
GDV:
TBD

Land area:
810.57 acres

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

Type of development:
Sustainable integrated
logistics hub

Targeted development:
2022



VISTA

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:

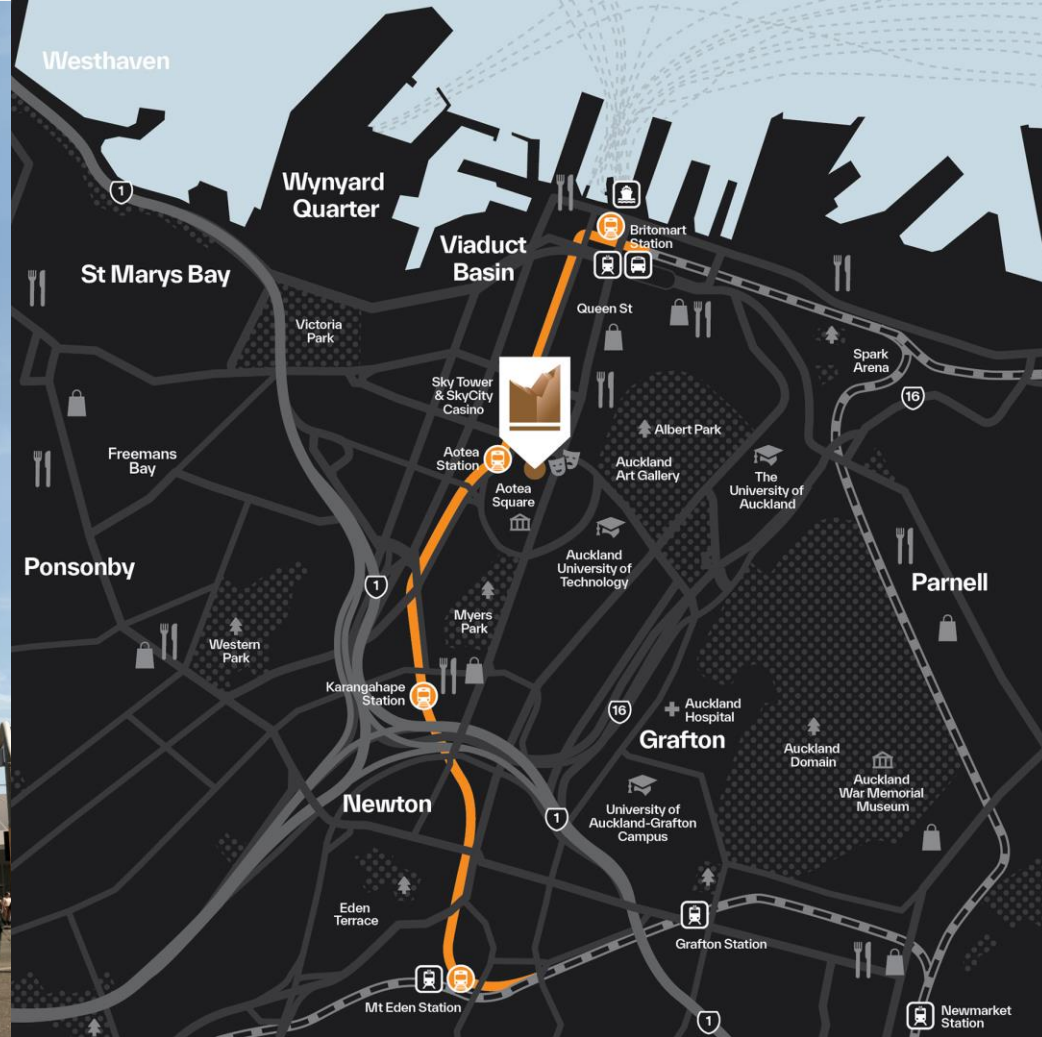
- 21-storey building with a mixture of retail and commercial space and 70+ luxury apartments with integrated access to Aotea Station
- Site area 1.08 acres

Targeted development:

2024

Targeted completion:

2027





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