

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(RM'000)	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31.3.2022 (unaudited)	31.3.2021 (unaudited)	31.3.2022 (unaudited)	31.3.2021 (unaudited)
Revenue		810,714	226,709	810,714	226,709
Expenses		(765,840)	(220,921)	(765,840)	(220,921)
Other operating income	13	7,460	9,083	7,460	9,083
Profit from operations		52,334	14,871	52,334	14,871
Finance costs		(23,212)	(18,244)	(23,212)	(18,244)
Share of results of associates		3,691	4,222	3,691	4,222
Share of results of joint ventures		(1,046)	4,865	(1,046)	4,865
Profit before tax		31,767	5,714	31,767	5,714
Income tax expense	15	(17,796)	(1,790)	(17,796)	(1,790)
Profit for the financial period		13,971	3,924	13,971	3,924
Other comprehensive income for the financial period, net of tax:					
Item that may be reclassified subsequently to profit or loss					
- currency translation differences		1,327	824	1,327	824
Total comprehensive income for the financial period, net of tax		15,298	4,748	15,298	4,748
Profit for the financial period attributable to:					
Equity holders of the Company		14,033	5,201	14,033	5,201
Non-controlling interests		(62)	(1,277)	(62)	(1,277)
		13,971	3,924	13,971	3,924
Total comprehensive income / (loss) for the financial period attributable to:					
Equity holders of the Company		15,360	6,018	15,360	6,018
Non-controlling interests		(62)	(1,270)	(62)	(1,270)
		15,298	4,748	15,298	4,748
Earnings per share attributable to the ordinary equity holders of the Company (sen)	23				
- Basic		0.31	0.12	0.31	0.12
- Diluted		0.31	0.12	0.31	0.12

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(RM'000)	As at 31.3.2022 (unaudited)	As at 31.12.2021 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	698,499	704,207
Investment properties	1,482,434	1,478,255
Right-of-use assets	34,609	38,322
Inventories	1,961,917	1,951,952
Associates	463,846	473,897
Joint ventures	286,080	287,126
Long term loan and receivables	225,844	225,653
Amount due from joint ventures	80,010	80,010
Lease receivables	1,320	1,637
Intangible assets	214,322	215,661
Deferred tax assets	95,640	97,293
	<u>5,544,521</u>	<u>5,554,013</u>
Current assets		
Inventories	836,816	857,676
Trade and other receivables	1,394,421	1,424,636
Amount due from associates and joint ventures	24,305	20,400
Contract assets	648,484	643,387
Lease receivables	1,261	1,257
Tax recoverable	9,090	22,723
Financial assets at fair value through profit or loss	62,843	102,659
Deposits, cash and bank balances	726,545	578,707
	<u>3,703,765</u>	<u>3,651,445</u>
TOTAL ASSETS	<u>9,248,286</u>	<u>9,205,458</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

(RM'000)	As at 31.3.2022 (unaudited)	As at 31.12.2021 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	4,356,106	4,356,106
Retained earnings	172,966	160,529
Other reserves	(2,631)	(3,958)
	<u>4,526,441</u>	<u>4,512,677</u>
Non-controlling interests	29,347	27,813
Total equity	<u>4,555,788</u>	<u>4,540,490</u>
Non-current liabilities		
Post-employment benefit obligations	17,647	17,406
Long term borrowings	1,464,211	1,453,625
Long term liabilities	372,419	366,789
Government grant	129,779	130,063
Deferred tax liabilities	71,340	73,703
Contract liabilities	140,258	140,258
Lease liabilities	29,141	31,001
Provision for restoration costs	852	840
	<u>2,225,647</u>	<u>2,213,685</u>
Current liabilities		
Trade and other payables	1,666,047	1,772,535
Current tax liabilities	18,249	23,533
Short term borrowings	630,140	478,572
Contract liabilities	137,150	128,518
Lease liabilities	7,559	9,099
Other liabilities	7,543	38,863
Provision for restoration costs	163	163
	<u>2,466,851</u>	<u>2,451,283</u>
Total liabilities	<u>4,692,498</u>	<u>4,664,968</u>
TOTAL EQUITY AND LIABILITIES	<u>9,248,286</u>	<u>9,205,458</u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>101.3</u>	<u>101.0</u>

The condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

C. CONSOLIDATED STATEMENT OF CASH FLOWS

(RM'000)	3 MONTHS ENDED	
	31.3.2022 (unaudited)	31.3.2021 (unaudited)
Operating activities		
Cash receipts from customers	828,192	222,505
Cash paid to suppliers and employees	(871,248)	(315,147)
Cash used in operations	(43,056)	(92,642)
Bank service charges paid	(1,106)	(575)
Net taxes paid	(9,490)	(10,213)
Net cash used in operating activities	(53,652)	(103,430)
Investing activities		
Dividend received	13,512	12,528
Non-equity investments	40,369	30,712
Net cash generated from investing activities	53,881	43,240
Financing activities		
Proceeds from borrowings	179,775	164,618
Repayment of borrowings	(19,954)	(266,624)
Finance costs paid	(16,981)	(25,199)
Pledge of restricted cash	(177,650)	(9,202)
Net cash used in financing activities	(34,810)	(136,407)
Decrease in cash and cash equivalent	(34,581)	(196,597)
Cash and cash equivalents at beginning of the financial period	479,863	431,287
Foreign currency translation difference on opening balance	4,769	-
Cash and cash equivalent at end of financial period	450,051	234,690

For the purpose of the consolidated statements of cash flows, the cash and cash equivalents comprised the following:

(RM'000)	3 MONTHS ENDED	
	31.3.2022 (unaudited)	31.3.2021 (unaudited)
Bank balances and deposits	726,545	353,017
Less: Bank balances and deposits held as security value	(276,494)	(118,327)
	450,051	234,690

The condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(RM'000)	<u>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</u>				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total		
As at 1 January 2022	4,356,106	(3,958)	160,529	4,512,677	27,813	4,540,490
Comprehensive income / (loss)						
Profit / (loss) for the financial period	-	-	14,033	14,033	(62)	13,971
Other comprehensive income						
Currency translation differences	-	1,327	-	1,327	-	1,327
Total comprehensive income / (loss)	-	1,327	14,033	15,360	(62)	15,298
Transaction with owners						
Acquisition of balance equity in a subsidiary	-	-	(1,596)	(1,596)	1,596	-
Total transaction with owners	-	-	(1,596)	(1,596)	1,596	-
As at 31 March 2022 (unaudited)	<u>4,356,106</u>	<u>(2,631)</u>	<u>172,966</u>	<u>4,526,441</u>	<u>29,347</u>	<u>4,555,788</u>

(RM'000)	<u>OTHER RESERVES</u>			Total
	Other Reserves	Currency Translation Reserves	Retirement Benefit Reserves	
As at 1 January 2022	1,666	210	(5,834)	(3,958)
Other comprehensive income				
Currency translation differences	-	1,327	-	1,327
Total comprehensive income	-	1,327	-	1,327
As at 31 March 2022 (unaudited)	<u>1,666</u>	<u>1,537</u>	<u>(5,834)</u>	<u>(2,631)</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

(RM'000)	<u>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</u>				<u>Non-controlling Interests</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>		
As at 1 January 2021	4,331,702	5,211	213,721	4,550,634	10,112	4,560,746
Comprehensive income / (loss)						
Profit / (loss) for the financial year	-	-	15,834	15,834	(9,116)	6,718
Other comprehensive income / (loss)						
Currency translation differences	-	(802)	-	(802)	7	(795)
Post-employment benefits obligation	-	2	(2)	-	-	-
Total comprehensive income / (loss)	-	(800)	15,832	15,032	(9,109)	5,923
Transactions with owners						
Share-based payment transaction	-	(8,369)	996	(7,373)	-	(7,373)
Acquisition of balance equity in subsidiaries	-	-	(25,900)	(25,900)	25,900	-
Acquisition of a subsidiary	-	-	-	-	910	910
Issue of shares						
- Dividend reinvestment plan	24,404	-	-	24,404	-	24,404
Dividends paid for financial year ended						
- 31 December 2020	-	-	(44,120)	(44,120)	-	(44,120)
Total transactions with owners	24,404	(8,369)	(69,024)	(52,989)	26,810	(26,179)
As at 31 December 2021 (audited)	4,356,106	(3,958)	160,529	4,512,677	27,813	4,540,490

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

(RM'000)	OTHER RESERVES				Total
	Other Reserves	Currency Translation Reserves	Share Scheme Reserves	Retirement Benefit Reserves	
As at 1 January 2021	1,666	1,012	8,369	(5,836)	5,211
Other comprehensive (loss) / income					
Currency translation differences	-	(802)	-	-	(802)
Post-employment benefits obligation	-	-	-	2	2
Total comprehensive (loss) / income	-	(802)	-	2	(800)
Transactions with owners					
Share-based payment transaction	-	-	(8,369)	-	(8,369)
Total transactions with owners	-	-	(8,369)	-	(8,369)
As at 31 December 2021 (audited)	1,666	210	-	(5,834)	(3,958)

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT****1. BASIS OF PREPARATION**

This unaudited quarterly financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2021.

Below are the applicable new standards and amendments to standards and interpretations which came into effect in the current financial year beginning on 1 January 2022:

- (1) Amendments to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities'
- (2) Amendments to MFRS 3 'Reference to Conceptual Framework'
- (3) Amendments to MFRS 116 'Proceeds before intended use'
- (4) Amendments to MFRS 137 'Onerous contracts—cost of fulfilling a contract'
- (5) Amendments to MFRS 16 'Leases' Illustrative Example 13

The adoption of the above Amendments to the MFRSs does not have any significant effect on the consolidated financial statements of the Group.

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding annual financial statements was not subject to any qualification.

3. SEASONAL OR CYCLICAL FLUCTUATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review. However, the results of the quarter under review were partially affected by the Government mandated restrictions due to the Covid-19 pandemic.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE**

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the financial quarter under review.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect on the results of the financial quarter under review.

6. CHANGES IN DEBT AND EQUITY SECURITIES

The following are the changes in debt securities for the Company subsequent to the financial period ended 31 March 2022:

Borrowings

Repayment of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
2	1	12 April 2021	13 April 2022	RM200,000,000	1 year

Issuance of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
4	1	13 April 2022	14 April 2023	RM200,000,000	1 year

Save as disclosed above, there were no other issuances, cancellations, repurchases, and resale of shares by the Company during the financial quarter under review.

7. DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2021 of 1.00 sen per ordinary share, amounting to RM44,675,095 on 20 May 2022.

There was no dividend declared or paid by the Company for the financial quarter under review.



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2022					
Total revenue	190,185	725,364	10,211	44,091	969,851
Inter-segment revenue	(3,589)	(112,828)	(760)	(41,960)	(159,137)
External revenue	186,596	612,536	9,451	2,131	810,714
Segment profit	21,062	25,682	2,183	2,057	50,984
Unallocated corporate expenses					(1,660)
Finance income					3,010
Finance costs					(23,212)
Share of results of associates and joint ventures	2,638	7	-	-	2,645
Profit before tax					31,767



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING (cont'd)

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2021					
Total revenue	139,344	159,792	9,747	45,308	354,191
Inter-segment revenue	(7,182)	(75,358)	(857)	(44,085)	(127,482)
External revenue	132,162	84,434	8,890	1,223	226,709
Segment profit/(loss)	13,117	(1,645)	433	4,411	16,316
Unallocated corporate expenses					(5,273)
Finance income					3,828
Finance costs					(18,244)
Share of results of associates and joint ventures	3,173	5,914	-	-	9,087
Profit before tax					5,714

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT**

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

10. MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

There was no material event subsequent to the end of the financial quarter ended 31 March 2022 that has not been reflected in this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the financial quarter under review.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(RM'000)	As at 31.3.2022	As at 31.12.2021
Performance guarantees extended to third parties *	951,324	972,924

* Included in the performance guarantees extended to third parties is an amount of RM31.3 million that had been called on previously by third parties. The Group has instituted injunction proceedings against the third parties. In the Financial Year 2019, the Group and the third parties entered into a Dispute Resolution Agreement whereby the third parties agreed to an interim injunction to preserve the status quo on the performance guarantees pending determination of the dispute between the parties via Arbitration. The Arbitration process has commenced in Financial Year 2021. On this basis, the performance guarantees have not been provided for in the financial statements.

There were no material contingent assets to be disclosed.

13. OTHER OPERATING INCOME

There were no other items of an unusual nature in the other operating income in the financial quarter under review.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

14. PROFIT FROM OPERATIONS

Profit from operations was arrived at after (charging)/crediting:

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Depreciation of:				
- investment properties	(3,079)	(2,978)	(3,079)	(2,978)
- property, plant and equipment	(7,147)	(4,606)	(7,147)	(4,606)
(Amortisation)/recognition of:				
- order book	(984)	(642)	(984)	(642)
- right-of-use assets	(3,195)	(4,623)	(3,195)	(4,623)
- government grant	284	145	284	145
- patent	(306)	(306)	(306)	(306)

15. INCOME TAX EXPENSE

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
In Malaysia				
Current tax	(17,257)	(6,879)	(17,257)	(6,879)
Over provision in prior financial years	-	664	-	664
Deferred tax	(831)	4,409	(831)	4,409
	<u>(18,088)</u>	<u>(1,806)</u>	<u>(18,088)</u>	<u>(1,806)</u>
Foreign				
Current tax	(48)	(17)	(48)	(17)
Deferred tax	340	33	340	33
	<u>(292)</u>	<u>16</u>	<u>(292)</u>	<u>16</u>
Income tax expense	<u>(17,796)</u>	<u>(1,790)</u>	<u>(17,796)</u>	<u>(1,790)</u>

The dividend income received from the Group's associate, Sentral REIT is taxable. The computation of the tax for the financial quarter under review has been accounted for accordingly.

The deferred tax was mainly due to the net impact of non-deductible temporary differences, as well as the recognition of unabsorbed tax losses and deductible timing differences as deferred tax assets.

16. CORPORATE PROPOSALS

There were no corporate proposals announced that are yet to be completed at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****17. GROUP BORROWINGS**

The tenure of the Group borrowings classified as long and short term were as follows:

(RM'000)	Long term	Short term	Total
As at 31.3.2022			
Secured	1,464,211	480,140	1,944,351
Unsecured	-	150,000	150,000
	1,464,211	630,140	2,094,351
As at 31.3.2021			
Secured	1,229,777	448,271	1,678,048
Unsecured	-	150,000	150,000
	1,229,777	598,271	1,828,048

The net increase of RM266.3 million in the Group's borrowings compared to 31 March 2021 was mainly due to two issuances of Sukuk Murabahah of RM200.0 million on 12 April 2021 and RM600.0 million on 18 October 2021. The proceeds were used for repayment of other project financing and working capital facilities amounting to approximately RM533.7 million.

As at 31 March 2022, the borrowings consisted mainly of:

Secured term loans

- (a) Financing facility of RM218.5 million for the Group's working capital;
- (b) Sukuk Murabahah Program totaling RM1,412.1 million, comprising RM1,400.0 million principal and RM8.7 million accrued profits, for the Group's working capital; and
- (c) Other project loans of RM313.7 million for the Group's on-going property development and construction projects.

Unsecured short-term loans

- (d) Short term borrowings of RM150.0 million for the Group's working capital.

The Group's borrowings as at 31 March 2022 were denominated in Ringgit Malaysia. The weighted average interest rate as at 31 March 2022 was 4.21% per annum (31 March 2021: 3.83%).

The Group's Net Gearing as at 31 March 2022 was 0.29 times (31 March 2021: 0.26 times).

18. MATERIAL LITIGATION

There was no material litigation arising from the Group's operational transactions as at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE

(RM'000)	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 MONTHS ENDED		VARIANCE (Value / %)	3 MONTHS ENDED		VARIANCE (Value / %)
	31.3.2022	31.3.2021		31.3.2022	31.3.2021	
Revenue	810,714	226,709	584,005 258%	810,714	226,709	584,005 258%
Operating profit	52,334	14,871	37,463 252%	52,334	14,871	37,463 252%
Profit before interest and tax	49,324	11,043	38,281 347%	49,324	11,043	38,281 347%
Profit before tax	31,767	5,714	26,053 456%	31,767	5,714	26,053 456%
Profit after tax	13,971	3,924	10,047 256%	13,971	3,924	10,047 256%
Total profit attributable to equity holders of the Company	14,033	5,201	8,832 170%	14,033	5,201	8,832 170%

In the financial quarter ended 31 March 2022, the Group recorded revenue and profit before tax of RM810.7 million and RM31.8 million respectively, compared to revenue of RM226.7 million and profit before tax of RM5.7 million recorded in the corresponding period in 2021. The higher revenue and profit before tax was largely due to the consolidation of the LRT3 project company, Setia Utama LRT3 Sdn Bhd ("SULSB"), which took MRCB's ownership to 100% and allowed the Group to recognise 100% of the revenues and profits from the project.

During the first three months of 2022, as the Government announced plans to transition to the endemic phase from the 1 April 2022, construction operations continued to face disruptions from site closures initiated as a precautionary measure when Covid-19 positive cases were detected on sites, lower productivity rates due to caps placed on the percentage of workforce allowed at sites at any given time, restrictions on the type of works that could be carried out, as well as significant disruptions in the supply chain which led to a shortage of workers and essential building materials.

Operating profits were mainly derived from the LRT3 project, which reached physical construction progress of 71% and financial progress of 63% at the end of March 2022, and contributed profit before tax of RM33.5 million in Q1 2022, compared to RM5.9 million in aggregate on an equity accounting basis in the corresponding period in 2021 when it was only 50% owned. Additional contributions also came from the sale of completed unsold inventory and on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM3.9 million to the Group compared with RM4.3 million in the preceding financial quarter ended 31 March 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)

Segmental Breakdown of Revenue & Profit/(Loss) – Note 8*

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
<u>Revenue</u>				
Property development & investment	186,596	132,162	186,596	132,162
Engineering, construction & environment	612,536	84,434	612,536	84,434
Facilities management & parking	9,451	8,890	9,451	8,890
Others	2,131	1,223	2,131	1,223
	<u>810,714</u>	<u>226,709</u>	<u>810,714</u>	<u>226,709</u>
(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
<u>Profit/(loss)</u>				
Property development & investment	21,062	13,117	21,062	13,117
Engineering, construction & environment	25,682	(1,645)	25,682	(1,645)
Facilities management & parking	2,183	433	2,183	433
Others	2,057	4,411	2,057	4,411
	<u>50,984</u>	<u>16,316</u>	<u>50,984</u>	<u>16,316</u>

* Profit/(loss) before unallocated corporate expenses, finance costs and income and share of associates & joint ventures results.

The revenue and profit of the Group was mainly attributable to the two core operating segments below:

(i) Property Development & Investment

The Property Development & Investment Division recorded revenue of RM186.6 million in the first three months of 2022. The 41% increase was largely due to improved conditions compared to the corresponding period in 2021, which was impacted by the Conditional Movement Control Order and mandated lockdowns, the closure of foreign borders and construction site closures that affected construction progress; as well as the recognition of spillover revenue in Q1 2022 for sales that were made in late 2021 during the Home Ownership Campaign that ended on 31 December 2021.

The main revenue contributors were the Group's on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra. Recurring rental income from the Group's investment properties, such as Celcom Tower in PJ Sentral Garden City, also contributed to the revenue recognised by the Division.

The Division also saw a 61% increase in operating profit in Q1 2022, largely as a result of its on-going property development projects achieving higher construction progress. As at 31 March 2022, two of the Group's largest property development projects, Sentral Suites and TRIA 9 Seputeh, reached construction progress of 68% and 69% respectively, and will continue to contribute revenue and profits as construction progresses.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM3.9 million to the Group compared with RM4.3 million in the preceding financial quarter ended 31 March 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)

(i) Engineering, Construction & Environment

The Engineering, Construction & Environment Division recorded Revenue of RM612.5 million in the financial period ended 31 March 2022 compared to RM84.4 million in the corresponding period. The increase was mainly due to the LRT3 project undertaken by the Group's wholly-owned subsidiary SULSB.

Apart from the LRT3 project, the Division's revenue was also contributed by the construction progress of the EPF Headquarters at Kwasa Damansara, Damansara-Shah Alam Elevated Highway Package CB2 ("DASH"), Mass Rapid Transit 2 Package V210 ("MRT2"), Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 ("SUKE") and the PR1MA Brickfields Project.

The Division's operating profit of RM25.7 million in Q1 2022 was also largely due to the LRT3 project, which reached physical construction progress of 71% and financial progress of 63% as at 31 March 2022.

20. FINANCIAL REVIEW FOR THE QUARTER UNDER REVIEW COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	VARIANCE (Value / %)
(RM'000)	31/3/2022	31/12/2021	
Revenue	810,714	858,113	(47,399) / (6%)
Operating profit	52,334	149,000	(96,666) / (65%)
Profit before interest and tax	49,324	149,116	(99,792) / (67%)
Profit before tax	31,767	123,910	(92,143) / (74%)
Profit after tax	13,971	74,454	(60,483) / (81%)
Total profit attributable to equity holders of the Company	14,033	75,205	(61,172) / (81%)

The Group recorded revenue and profit before taxation of RM810.7 million and RM31.8 million respectively, in the quarter ended 31 March 2022, compared to revenue of RM858.1 million and profit before taxation of RM123.9 million recorded in the preceding quarter ended 31 December 2021. The higher revenue recorded in the preceding quarter was mainly due to the higher revenue contributed by the LRT3 project compared to the current quarter, whilst higher profit was also recorded in the preceding quarter as a result of the RM123.7 million gain recognised under Other Operating Income in relation to 661.3 acres of land injected into MRCB's 100% owned subsidiary, Seri Iskandar Development Corporation Sdn Bhd ("SIDEK").

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS**

The Group's major source of revenue and operating profits come from its Property Development & Investment and Engineering, Construction & Environment divisions.

(i) Property Development & Investment

As at 31 March 2022, the Group's Property Development & Investment Division sold RM22.9 million worth of properties from its on-going developments.

Of the Group's residential projects currently in development, Sentral Suites has achieved a sales rate of 84%, TRIA in 9 Seputeh has achieved a sales rate of 47% and Alstonia in Bukit Rahman Putra a sales rate of 35%. The Division will continue to focus its marketing efforts on its residential development projects, namely Sentral Suites in KL Sentral (GDV: RM1,535 million), TRIA in 9 Seputeh (GDV: RM939 million) and Alstonia in Bukit Rahman Putra (GDV: RM248 million), as well as the remaining completed unsold units in VIVO Residences in 9 Seputeh, Kalista Park Homes in Bukit Rahman Putra, and the remaining 4 units at 1060 Carnegie in Melbourne, Australia. Of the Group's completed developments, as at 31 March 2022, VIVO Residences in 9 Seputeh had achieved a sales rate of 84% and Kalista in Bukit Rahman Putra 85%. In Melbourne, while 2 units were sold in Q1 2022, only 1 unit achieved financial settlement resulting in a total of 171 units having achieved financial settlement as at 31 March 2022, out of a total of 176 units available for sale.

Revenue and operating profit in the Property Development & Investment Division will continue to be progressively recognised in line with construction progress in 2022 and beyond. Sentral Suites and TRIA have both reached 68% and 69% construction progress respectively, while Alstonia has reached 33% construction progress as at 31 March 2022, and these three developments will continue to contribute revenue and profits as construction progresses.

The Company's immediate priorities in 2022 remain on enhancing cashflow by monetising its inventory of unsold completed stock, which stood at RM349.7 million on 31 March 2022, and looks forward to improved sales from foreign buyers with the opening of borders, particularly for our VIVO 9 Seputeh development and St Regis units.

In the meantime, the Group will continue to closely monitor conditions in the broader economy and property market, revising its strategies and financial targets accordingly, including reviewing its future launches if conditions dictate.

With interests in 1,007.91 acres of urban land with a GDV of RM33 billion, the Group has a sustainable supply of long-term land for future projects. The Division has cumulative unbilled sales of RM818.3 million, which will be recognised progressively over the construction period of the development projects:

On-going Property Development Projects	% Construction Progress	Unbilled Sales (RM'Mil)
Sentral Suites	68%	548.7
TRIA, 9 Seputeh	69%	211.8
Alstonia, Bukit Rahman Putra	33%	46.3
Amaryllis, SIDEC	36%	11.5
TOTAL		818.3

The Division will continue to earn a relatively stable income stream from its remaining investment property from Celcom Tower, as well as its 27.94% interest in Sentral REIT.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS (cont'd)****(ii) Engineering, Construction & Environment**

The Engineering, Construction & Environment Division's long-term external client order book expanded by RM5.6 billion following the acquisition of the LRT3 project joint venture company SULSB to RM27.3 billion at the end of 2021. The Division has begun to recognise 100% of the revenues and profits from SULSB and will do so for the remainder of the project, which is due to be completed in 2024. As at 31 March 2022, the project has achieved physical construction progress of 71% and financial progress of 63%.

The Engineering, Construction & Environment Division continues to actively tender for more infrastructure contracting projects to replenish its order book, but there have been very few new large infrastructure construction projects put out to tender. The Division's open tenders stood at RM370 million as at 31 March 2022, after many previous project tenders were indefinitely postponed due to the pandemic. As at 31 March 2022, the external client order book stood at RM27.3 billion, while the unbilled portion was RM18.5 billion. This long-term orderbook will ensure that the Division has a steady pipeline of contracts to sustain its business over the very long term. While the Group's DASH, SUKE and MRT2 construction packages are nearing completion and a significant portion of its current jobs are "in-house" construction projects for the Property Development & Investment Division, where the revenue earned is eliminated at Group consolidation, MRCB is looking forward to continue to tender for any large infrastructure projects such as the upcoming MRT3 project.

Major Construction Projects	Contract Value (RM' Mil)	% Completion*
LRT 3	11,372	63%
Bukit Jalil Sentral	10,957	0%
Kwasa Utama C8	3,093	83%**
MRT2 Package V210	497	91%
PR1MA Brickfields	276	25%
DASH	400	89%
SUKE	317	71%
Others	373	
Total	27,285	

* Denotes financial progress.

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

22. VARIANCE ON FORECAST PROFIT/PROFIT GUARANTEE

Not applicable.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****23. EARNINGS PER SHARE (EPS) (cont'd)****Basic EPS**

The basic EPS is calculated by dividing the net loss in the financial period by the weighted average number of shares in issue during the financial period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Net profit for the financial period attributable to the owners of the parent (RM'000)	14,033	5,201	14,033	5,201
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,412,046	4,467,510	4,412,046
Basic EPS (sen)	0.31	0.12	0.31	0.12

Diluted EPS

The diluted EPS is calculated by dividing the net profit in the financial period by the adjusted weighted average number of shares in issue during the financial period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Net profit for the financial period attributable to the owners of the parent (RM'000)	14,033	5,201	14,033	5,201
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,412,046	4,467,510	4,412,046
- Adjustment for warrants B ('000)	-	-	-	-
- Adjustment for ordinary shares not yet granted under Restricted Share Plan ('000)	-	11,301	-	11,301
	4,467,510	4,423,347	4,467,510	4,423,347
Diluted EPS (sen)	0.31	0.12	0.31	0.12

Warrants B were not included in the calculation for the financial period under review because the fair value of the issued ordinary shares as at 31 March 2022 was lower than warrant B's exercise price. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES**Exposure to credit risk, credit quality and collateral

Given the varied nature of the Group's customer base, the following analysis of trade receivables by type of customers are considered the most appropriate disclosure of credit concentration.

(RM'000)	As at 31.3.2022	As at 31.12.2021
Property development	124,201	115,534
Property investment	25,228	22,846
Engineering, construction & environment	837,915	909,619
Facilities management & parking	4,278	4,560
Others	2,848	2,848
	<u>994,470</u>	<u>1,055,407</u>
Retention sums for contracts included in trade receivables under engineering, construction & environment	<u>671,003</u>	<u>688,329</u>

Impairment losses

(a) Property development

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. The Group experiences a low risk of default from its property development activities as sales of development units are made to a large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default. In view of that, the Group has not recognised any further impairment losses in respect of trade receivables arising from its property development.

(b) Engineering, construction & environment

The Group is exposed to significant concentration of credit risk to a few customers, mainly consisting of Government-linked Companies ("GLCs"). The expected credit loss rate on the amounts outstanding from GLCs are determined subsequent to considering the capacity of the GLCs in meeting their contractual cash flow obligations in the near term and the economic and business conditions in the longer term.

The closing allowances for trade receivables of the engineering, construction and environmental segment as at 31 March 2022 was RM49.3 million (31 December 2021: RM49.3 m).

(c) Property investment and facilities management & parking

The Group applies MFRS 9 'Financial Instruments' simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables in its property investment and facilities management & parking segments.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

E. NOTES TO THE REPORT (cont'd)

24. TRADE RECEIVABLES (cont'd)

Impairment losses (cont'd)

(c) Property investment and facilities management & parking (cont'd)

The loss allowances as at 31 March 2022 and 31 December 2021 were determined as follows for trade receivables in the property investment and facilities management & parking segments:

The ageing of trade receivables of the Group arising from the property investment and facilities management & parking segments as at the end of the financial quarter under review were as follows:

	Gross (RM'000)	Individual impairment (RM'000)	Expected loss rate (%)	Collective impairment (RM'000)	Net (RM'000)
31.3.2022					
Not past due	602	-	-	-	602
Past due					
- less than three months	4,037	-	-	-	4,037
- between three to six months	352	(330)	-	-	22
- between six months and one year	4,834	(594)	-	-	4,240
- more than one year	19,681	(12,452)	-	-	7,229
	<u>29,506</u>	<u>(13,376)</u>	<u>-</u>	<u>-</u>	<u>16,130</u>
31.12.2021					
Not past due	512	-	-	-	512
Past due					
- less than three months	4,277	(201)	-	-	4,076
- between three to six months	4,100	(381)	-	-	3719
- between six months and one year	4,503	(568)	-	-	3,935
- more than one year	14,014	(12,220)	-	-	1,794
	<u>27,406</u>	<u>(13,370)</u>	<u>-</u>	<u>-</u>	<u>14,036</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES (cont'd)**Impairment losses (cont'd)

(c) Property investment and facilities management & parking (cont'd)

The closing allowances for the Group's trade receivables in the property investment and facilities management & parking segments as at 31 March 2022 reconcile to the opening loss allowances as follows:

(RM'000)	As at 31.3.2022	As at 31.12.2021
Opening loss allowance as at 1 January	13,370	8,876
Impairment loss recognised	8	4,906
Impairment loss reversed	(2)	(362)
Impairment loss written off	-	(50)
As at 31 March 2022 / 31 December 2021	<u>13,376</u>	<u>13,370</u>

Kuala Lumpur
31 May 2022

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary