

**MRCB**

# ANALYST BRIEFING

Quarter Ended 31 December 2023

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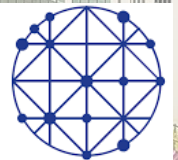
**FTSE4GOOD**  
Bursa Malaysia Index



FTSE4Good



**MSCI**



# MRCB Key ESG Updates

## Climate Change & the Environment

Target: Net Zero Carbon (Scope 1 and Scope 2) by 2040

49% 

reduction in Scope 1 and Scope 2 carbon emissions intensity in Q4 FY2023 vs 2020 baseline

Task Force on Climate-Related Financial Disclosure (TCFD)

Conducted **financial impact assessment of physical climate risks** on our business based on TCFD recommendations

A constituent of **FTSE4GOOD** Bursa Malaysia Index since 2014

Overall score up from 3.2 to **3.6**

Ranked top of the 2<sup>nd</sup> Quartile in end-2023 assessment

Measuring a company's resilience to long-term, financially relevant ESG risk

**MSCI**  **A**  
ESG Rating **Upgraded** from BBB to

## Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

Institutionalising Sustainability-related Processes

Improving internal processes

i.e. Sustainable Design Policy, Sustainable Data Management Policy & Procedures

Improving Scope 3 Emissions Reporting

- Partnered with UNGC to implement **supply chain sustainability assessments**
- **Early adopter** of Bursa Malaysia's **Centralised Sustainability Intelligence Platform** for the construction sector

Improving the quality of Corporate Reporting

- **Gold Award** at the **2023 Australasian Reporting Awards**
- **Gold Award** for Governance, Reporting & Transparency in the large corporation category at the **ESG Positive Impact Awards 2022**
- **Silver Award** for Most Consistent Performer Over 5 Years at the **2023 The Edge ESG Awards**

# MRCB Financial Summary

## MRCB 12M FY2023 Overview

<b>Revenue</b> RM <b>2,514</b> mil. ▼ (22)% y-o-y	<b>Profit Before Tax</b> RM <b>134</b> mil. ▼ (13)% y-o-y
<b>Profit After Tax</b> RM <b>101</b> mil. ▲ 89% y-o-y	<b>Net Gearing</b> <b>0.16x</b>
<b>Total Assets</b> RM <b>9,010</b> mil.	<b>Total Equity</b> RM <b>4,600</b> mil.
<b>Earnings Per Share</b> <b>2.26</b> sen ▲ 56% y-o-y	<b>Market Cap</b> RM <b>1,988</b> mil.

## MRCB Segment Overview

	Property Development	Engineering & Construction	Others
<b>Revenue RM mil.</b>	<b>712</b>	<b>1,737</b>	<b>66</b>
<b>Revenue Contribution</b>	<b>28%</b>	<b>69%</b>	<b>3%</b>
<b>Operating Profit RM mil.</b>	<b>149</b>	<b>87</b>	<b>(11)</b>
<b>Margin %</b>	<b>20.9%</b>	<b>5.0%</b>	<b>(17.0)%</b>

## 12M FY2023 Key Numbers

<b>RM831.3 mil.</b> Property Sales	<b>RM234.9 mil.</b> Property Unbilled Sales	<b>RM26.1 bil.</b> External Construction Order Book <sup>1</sup>	<b>RM15.7 bil.</b> Construction Unbilled Order Book <sup>2</sup>
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Order Book includes long term Bukit Jalil contract of RM11.0 bil.

<sup>1</sup> External Construction Order Book excluding Bukit Jalil: RM15.1 bil.

<sup>2</sup> Construction Unbilled Order Book excluding Bukit Jalil: RM4.8 bil.

**Note:**

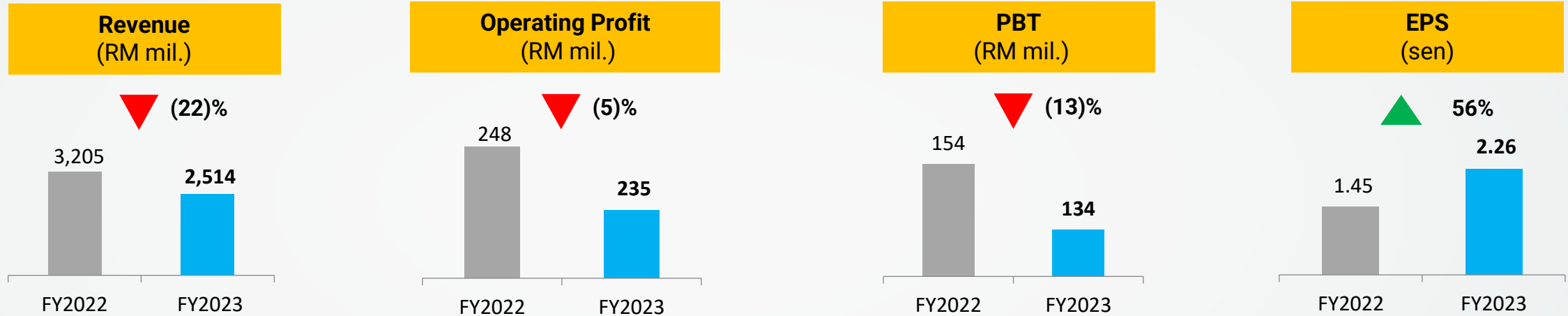
\* **EPS**; Weighted Average No of Shares as at 31 December 2023 = 4,467,509,508

\*\* **Market Cap** as at 31 December 2023; Number of Shares as at 31 December 2023 = 4,467,509,508 x RM0.445

Due to rounding, numbers presented throughout this and other pages may not add up precisely to the totals provided

# Key Highlights

## 12M FY2023 vs 12M FY2022



### Key Highlights

- Lower Revenue and Profit in 12M FY2023, mainly due to the completion of three major infrastructure construction projects in late 2022 and the completion of two major property development projects in H1 2023
- Property sales in 2023 up 74% to RM831.3 million vs 2022
- PBT up 111% in Q4 2023 vs Q4 2022, and up 327% vs preceding quarter due to the disposal of Menara CelcomDigi and Plaza Alam Sentral.
- PAT up 89% to RM101.1 million in 2023 vs 2022
- LRT3 achieved physical construction progress of 92% as at 31 Dec 2023
- Net Gearing down to 16% as at 31 Dec 2023
- Growth to be driven by RM1.5 billion of launches in Australia and Malaysia in 2023 and RM4.0 billion of future launches in New Zealand and Malaysia, along with a RM30 billion tender book, in addition to the potential redevelopments of Stadium Shah Alam and KL Sentral Station and other climate change adaptation infrastructure projects (e.g. flood mitigation)

# Financial Performance

## Profit & Loss

RM Million	Q4 (3M)			12M		
	FY2023	FY2022	Y-o-Y Growth %	FY2023	FY2022	Y-o-Y Growth %
Revenue	669	834	(19.8)%	2,514	3,205	(21.6)%
Other Operating Income	179	19	>100%	210	61	>100%
Operating Expenses	(747)	(790)	(5.5)%	(2,489)	(3,018)	(17.5)%
<b>Operating Profit</b>	<b>100</b>	<b>63</b>	<b>59.3%</b>	<b>235</b>	<b>248</b>	<b>(5.3)%</b>
<i>Operating Profit Margin (%)</i>	15.0%	7.6%		9.3%	7.7%	
Finance costs	(26)	(27)	(4.5)%	(113)	(99)	13.8%
Share of results of associates	7	3	>100%	18	10	76.7%
Share of results of joint ventures	(2)	(1)	32.1%	(5)	(5)	19.8%
Profit before taxation	80	38	>100%	134	154	(13.0)%
Taxation	0	(25)	>(100)%	(33)	(101)	(67.1)%
<b>Profit for the period</b>	<b>80</b>	<b>13</b>	<b>&gt;100%</b>	<b>101</b>	<b>54</b>	<b>88.8%</b>
<i>PAT Margins (%)</i>	12.0%	1.6%		4.0%	1.7%	
<b>EPS (sen)</b>	<b>1.80</b>	<b>0.29</b>	<b>&gt;100%</b>	<b>2.26</b>	<b>1.45</b>	<b>55.9%</b>

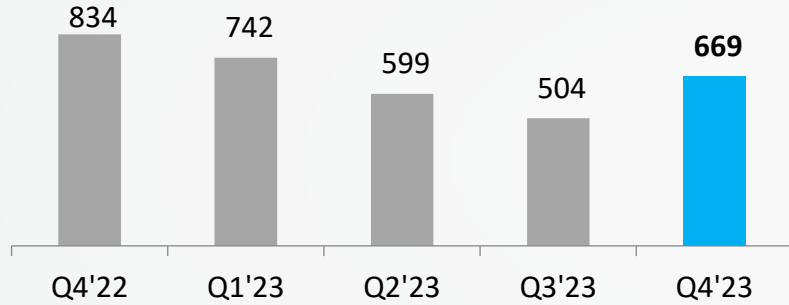
**Note:**

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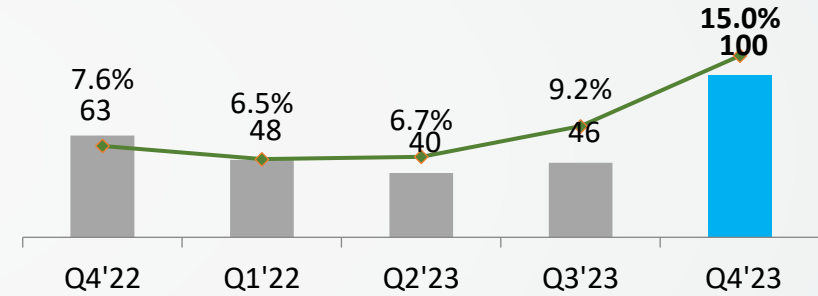
# Financial Performance

## Quarterly Analysis

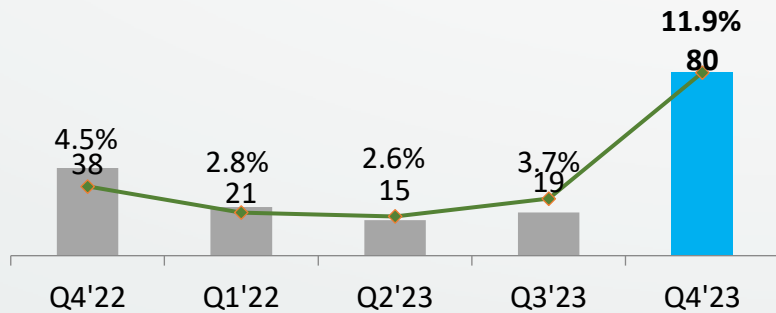
### Revenue



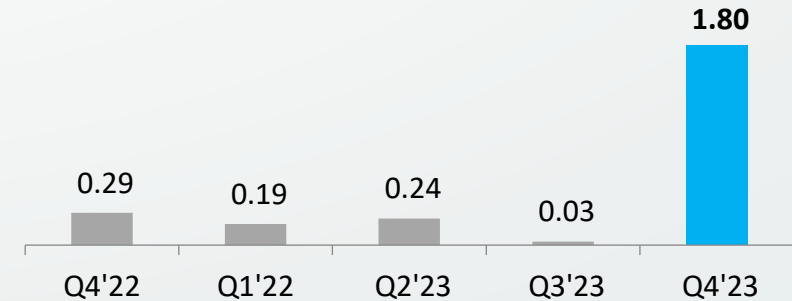
### Operating Profit and Margin



### PBT and Margin



### EPS (sen)



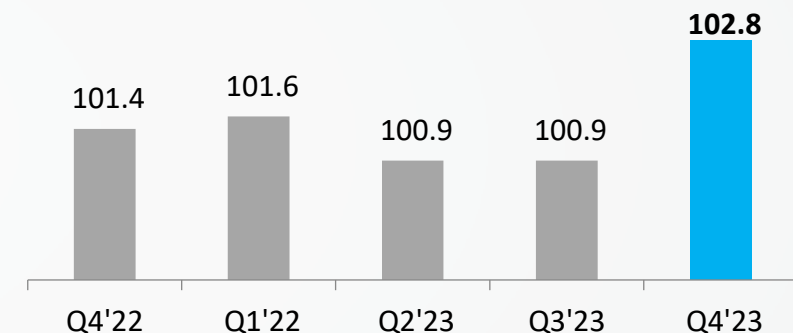
Note:  
Figures are in RM'mil. and margins in %

# Financial Performance

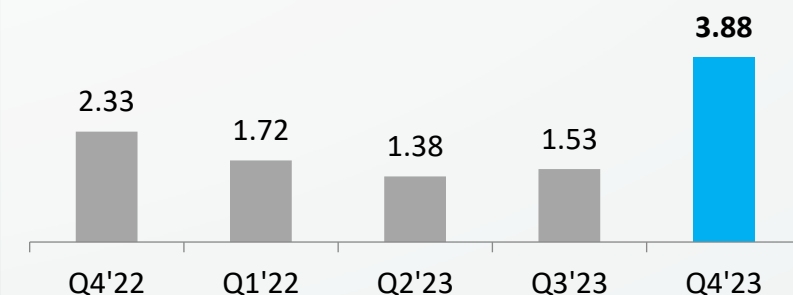
## Balance Sheet

RM Million	31 Dec 2023	31 Dec 2022
		(audited)
<b>Total Assets</b>		
Current Assets	3,562	3,547
Non-Current Assets	5,448	5,681
<b>Total Assets</b>	<b>9,010</b>	<b>9,228</b>
<b>Total Liabilities</b>		
Current Liabilities	2,155	2,697
Non-Current Liabilities	2,255	1,995
<b>Total Liabilities</b>	<b>4,410</b>	<b>4,692</b>
<b>Total Equity</b>		
Shareholder's Equity	4,594	4,531
Non Controlling Interests	6	6
<b>Total Equity</b>	<b>4,600</b>	<b>4,537</b>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<b>102.80</b>	<b>101.40</b>

### NAV Per Share\* (sen)



### Interest Coverage\*\* (times)



**Note:**

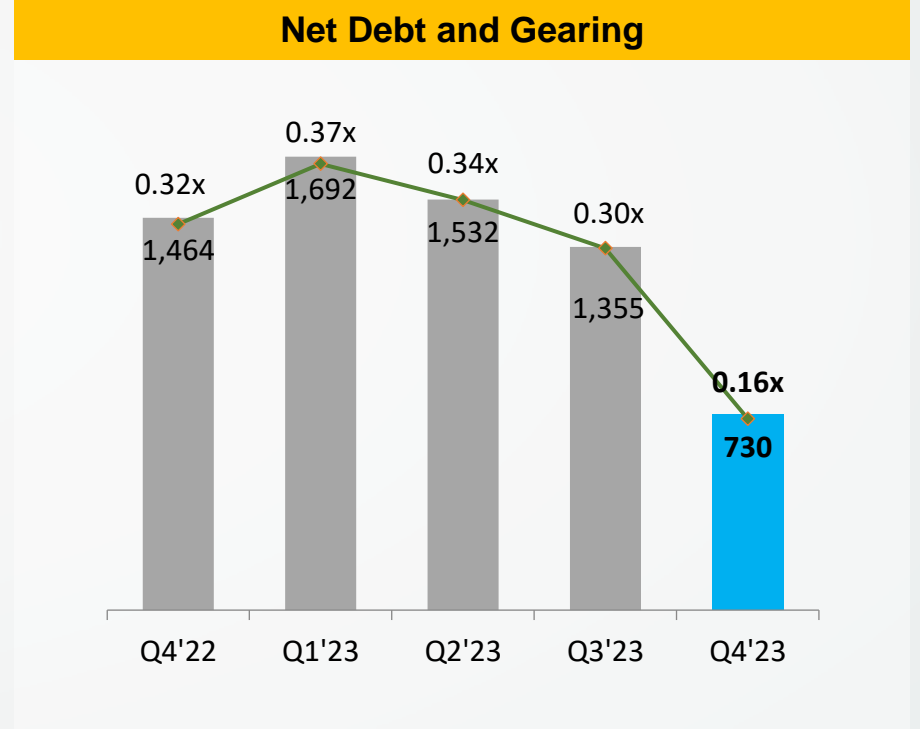
\* **NAV per share**; Number of Shares as of 31 December 2023 = 4,467,509,508

\*\* Based on Profit from operations

# Financial Performance

## Borrowings

Debt Profile (RM Million)	31 Dec 2023	31 Dec 2022
		(audited)
<b>Debt</b>		
Short Term Borrowings	311	841
Long Term Borrowings	1,491	1,216
<b>Total Debt</b>	<b>1,802</b>	<b>2,057</b>
Less: Deposits, cash and bank balances	972	534
Other investment	100	59
<b>Net Debt</b>	<b>730</b>	<b>1,464</b>
Total equity	4,600	4,537
<b>Net Gearing</b>	<b>0.16x</b>	<b>0.32x</b>

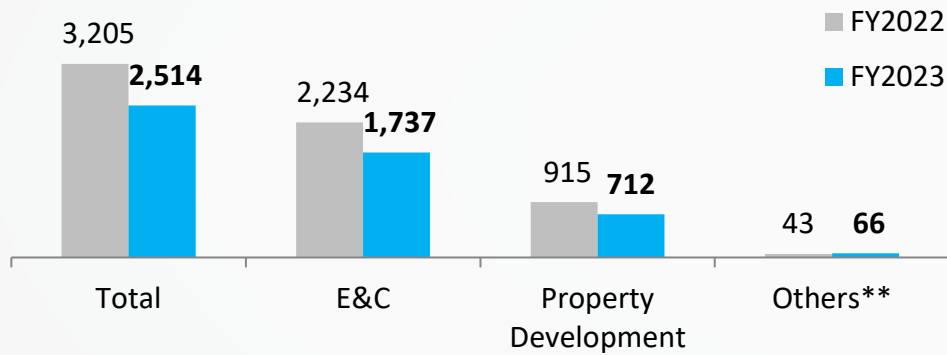




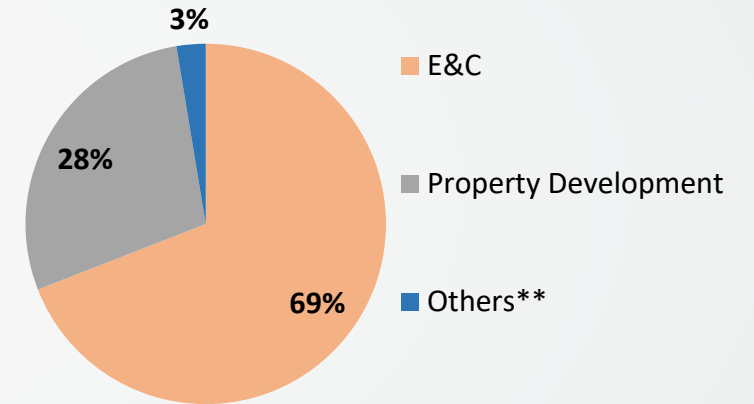
# Segmental Reporting

## Overview

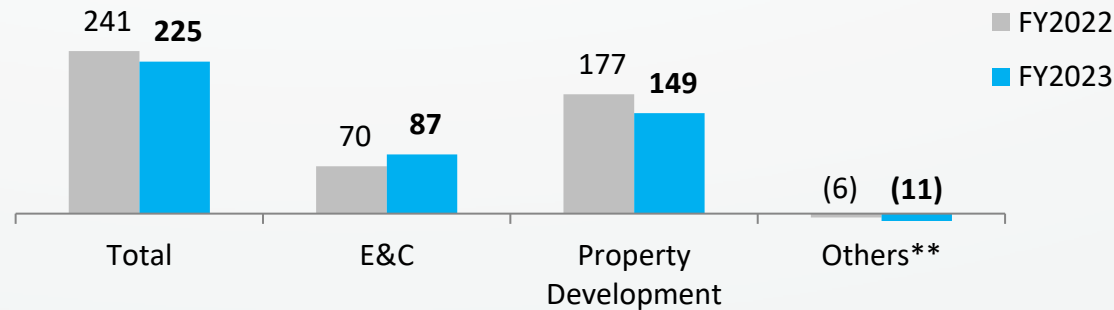
### Revenue Split – RM2,514 million



### Revenue Contribution Analysis



### Segmental Profit Split – RM225 million



**Note:**

Figures are in RM'mil. and margins in %

\*\* **Others** include Facilities Management & Parking and Others

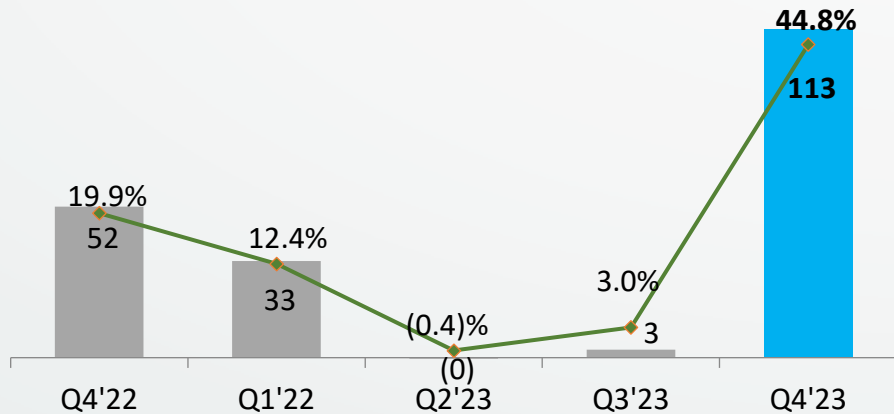
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# Segmental Reporting

## Property Development & Investment

RM Million	Q4 (3M)			12M		
	FY2023	FY2022	Y-o-Y Growth %	FY2023	FY2022	Y-o-Y Growth %
Revenue	252	261	(3.3)%	712	915	(22.2)%
<b>Profit</b>	<b>113</b>	<b>52</b>	<b>&gt;100%</b>	<b>149</b>	<b>177</b>	<b>(15.7)%</b>
Margin* (%)	44.8%	19.9%		20.9%	19.3%	

### Profit and Margins



### Performance Discussion

**Contributed 28% of Group revenue from** the Sentral Suites development in KL Sentral, TRIA 9 Seputeh mixed residential development in Jalan Klang Lama, Alstonia in Bukit Rahman Putra and recurring rental income.

Sentral REIT and Sentral REIT Management contributed PAT of RM18.8 million.

#### Lower revenue and profit due to:-

- The completion of Sentral Suites in March 2023 and the completion of TRIA 9 Seputeh in May 2023; and
- The higher profit in Q4 2023 contributed by the disposals of Menara CelcomDigi and Plaza Alam Sentral

**Residential Property Sales up 74% higher to RM831.3 million in 2023 vs 2022**  
**VISTA achieved RM213.6 million sales** – sales rate of 14% at 31 December 2023

**Unbilled Sales: RM234.9 million.** Sales in Jan 2024 : RM111.9 million.

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

# Segmental Reporting

## Property Development & Investment

### Property Sales of RM831.3 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 31 December 2023	Sales** Breakdown YTD 2023 (RM'mil)
<b>Completed Projects</b>			
Sentral Suites - Residential	1,535	94%	161.2
Sentral Suites - Commercial	102	76%	19.8
VIVO 9 Seputeh – Residential	982	90%	60.8
VIVO 9 Seputeh – Commercial (incl. retail car park)	266	87%	0.0
Kalista, Bukit Rahman Putra	102	94%	3.0
1060 Carnegie – Residential	295	100%	0.0
1060 Carnegie – Commercial	29	56%	0.0
St.Regis	165	71%	64.5
TRIA 9 Seputeh	940	83%	260.7
<b>Ongoing Projects</b>			
Alstonia, Bukit Rahman Putra	248	65%	36.1
Amaryllis, SIDEC	17	100%	0.6
Lilium, SIDEC	32	69%	11.0
26 VISTA, Gold Coast, Australia	1,511	14%	213.6
<b>TOTAL</b>	<b>6,224</b>		<b>831.3</b>

69%  
from Completed Projects

31%  
from Ongoing Projects

**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

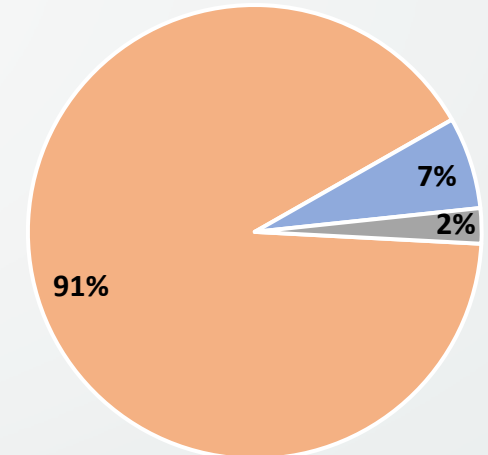
Total Unbilled Sales from Ongoing Projects of RM234.9 Million

Project	Construction Progress	Revenue Recognised* In FY2023 (RM'mil)	Unbilled Sales** (RM'mil)
<b>Residential</b>			
Alstonia, Bukit Rahman Putra	86.8%	107.7	15.4
Lilium, SIDEC	85.2%	16.0	5.9
VISTA, Gold Coast	0.0%	0.0	213.6
<b>TOTAL</b>		<b>123.7</b>	<b>234.9</b>



### Breakdown of Unbilled Sales

- VISTA, Gold Coast
- Alstonia
- Lilium



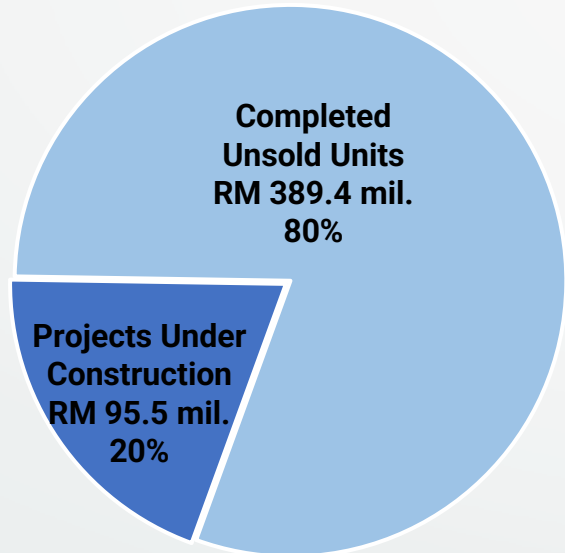
VISTA which makes up 91% of Unbilled Sales, will contribute to revenue and operating profit upon physical completion and the handover of units to purchasers

# Segmental Reporting

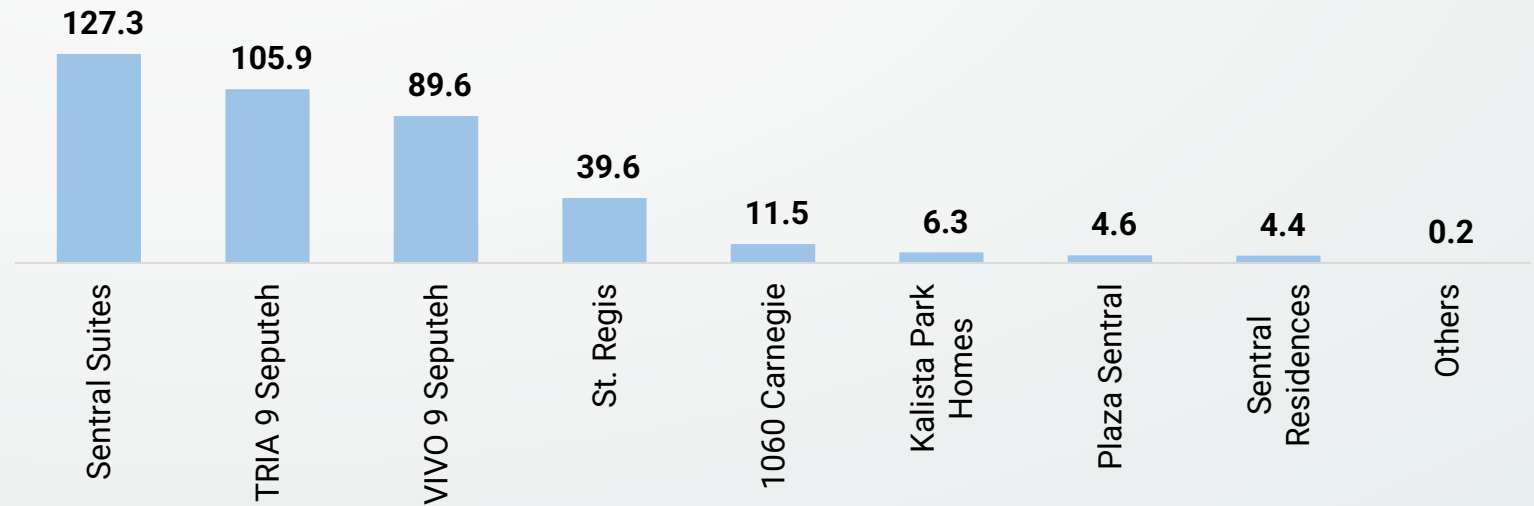
## Property Development & Investment

### What We Have To Sell: RM0.5 Billion (by Gross Development Cost)

Unsold Projects Under Development	Completed Unsold Units*	Total
RM95.5 million	RM389.4 million	RM484.9 million



### Breakdown of Completed Unsold Units (RM' million)



# Segmental Reporting

## Property Development & Investment

### Property Projects in the Pipeline – RM7.1 Billion\*

2023 Launches		GDV	Units
VISTA, Surfer's Paradise, Gold Coast	2Q**	~1,511 (AUD504 mil)	280
Kwasa Sentral Plot F (Residensi Tujuh)	4Q	RM384 mil	573
<b>Total 2023</b>		<b>RM1,895 mil</b>	<b>853 units</b>
2024 Launches			
The Symphony Center, Auckland	2Q	~1,300 (NZD452 mil)	78
Bukit Jalil Sentral, Phase 1A and 1B	4Q	RM900 mil	1,200
Lot F, KL Sentral CBD	4Q	RM1,000 mil	TBD
9 Seputeh, Parcel A	4Q	RM400 mil	490
<b>Total 2024</b>		<b>RM3,600 mil</b>	<b>1,768 units</b>
2025 Launches			
Bledisloe House, Auckland City Center	1Q	~0.4 bil (NZD137 mil)	En Bloc
Lot R, KL Sentral CBD	2Q	RM72 mil	110
Tower 1, PJ Sentral	TBD	RM626 mil	900
Tower 5, PJ Sentral	TBD	RM486 mil	En Bloc
<b>Total 2025</b>		<b>RM1,584 mil</b>	<b>1,010 units</b>

Note:

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

\*\* Launched in April 2023

# VISTA, Surfers Paradise, Gold Coast

## GDV

AUD 504 mil. (~RM1.5 bil.)

## Land Purchase price

AUD 17 mil. (~RM50 mil.)

## Location

26 Vista Street, Surfers Paradise, Gold Coast, Australia

**0.766**

Acres

Launched in

**April 2023**

**280**

Units

Sales rate as of Jan 2024

**16%**



# VISTA, Surfers Paradise, Gold Coast

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# Residensi Tujuh, Kwasa Damansara City Center

## GDV

RM384 mil.

## Location

Kwasa Damansara City Centre, a neo-urban city featuring a 94-acre integrated development that will feature world-class infrastructures.

**29**  
Storeys

**573**  
Units

Launched in  
**Sept**  
**2023**



# Residensi Tujuh



# The Symphony Centre, Auckland City Center

## GDV

NZD 452 mil. (~RM1.3 bil.)

## Location

Next to Aotea Square and above the future Aotea Station in mid-town CBD, at the intersection of Mayoral Drive and Wellesley Street

**1.08**  
Acres

**78**  
Units

Targeted  
Launch  
**2024**



# The Symphony Centre, Auckland City Center



# Bledisloe House, Auckland City Center

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## GDV

NZD 137 mil. (~RM0.4 bil.)

## Location

A Government heritage building located next to The Symphony Centre

Targeted Development  
**2025**

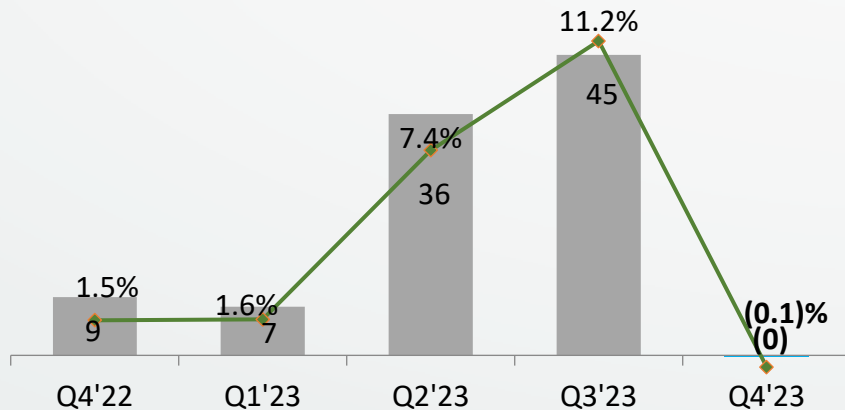


# Segmental Reporting

## Engineering, Construction & Environment

RM Million	Q4 (3M)			12M		
	FY2023	FY2022	Y-o-Y Growth %	FY2023	FY2022	Y-o-Y Growth %
Revenue	399	559	(28.6)%	1,737	2,234	(22.3)%
<b>Profit</b>	<b>(0)</b>	<b>9</b>	<b>(103.5)%</b>	<b>87</b>	<b>70</b>	<b>24.9%</b>
Margin* (%)	(0.1)%	1.5%		5.0%	3.1%	

### Profit and Margins



Note:

Figures are in RM'mil. and margins in %

### Performance Discussion

**Contributed 69% of Group Revenue from:** LRT3 and Muara Sg Pahang Phase 3 project

**Lower revenue and higher profit** due to:

- The lower revenue due to completion of DASH Package CB2, Kwasa Utama C8 and MRT Package V210 infrastructure projects in late 2022; and
- The higher profit was from the LRT3 project

**LRT3 project** achieved physical construction progress of 92% and financial progress of 88% as at 31 Dec 2023:

Total Contract Value: RM11.4 bil	% Contract Value	% Physical Completion
Systems works	25%	89%
Civil works	75%	94%

**Tenderbook: RM30 bil.** (excl. redevelopment of Shah Alam Stadium and KL Sentral Station etc)

**External Order book: RM26.1 billion; Unbilled: RM15.7 billion**

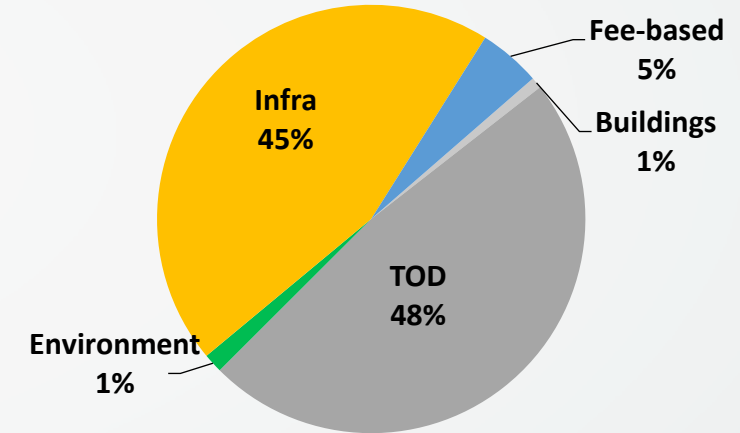
# Segmental Reporting

## Engineering, Construction & Environment: Order Book

Unbilled External Order Book – RM15,717 mil.<sup>1</sup> as at 31 December 2023

External Contracts (RM Million)	Contract Value	Progress <sup>2</sup>
<b>Buildings:</b>		
FINAS	220	19%
<b>Infrastructure:</b>		
SUKE - CA2 Package	317	90%
LRT3	11,427	88%
<b>Transit Oriented Development (TOD) projects:</b>		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,435	0% <sup>3</sup>
<b>Environment:</b>		
Muara Sg Pahang Phase 3	380	24%
<b>Fee-based orders:</b>		
Kwasa Utama, C8 - management contract	177	
Kwasa Land - PDP Infra	176	
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
<b>Total</b>	<b>26,116</b>	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	LRT3	11,427	43.8%
2.	Bukit Jalil Sentral	10,957	42.0%
3.	Kwasa Utama C8	2,612	10.0%
4.	Muara Sg Pahang Phase 3	380	1.5%
5.	SUKE – CA2 Package	317	1.2%



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