MRCB

ANALYST BRIEFING

Quarter Ended 30 June 2020

www.mrcb.com

Table of Contents

Our Response To COVID-19

Ensuring A Sustainable Business

Immediate Response	Long-term Response to COVID-19 Impact

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

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 **RM1.3 Million** through MRCB's CSR activities and Yayasan MRCB

MRCB Financial Summary

MRCB 1H FY2020 Overview

Revenue RM **593** mil. ▲ 25% y-o-y	**Loss Before Tax** RM **(195)** mil. ▼ 1,170% y-o-y
Loss After Tax RM **(204)** mil. ▼ 2,314% y-o-y	**Net Gearing** **0.30**x
Total Assets RM **8,317** mil.	**Total Equity** RM **4,564** mil.
Loss Per Share **(4.62)** sen ▼ 1,459% y-o-y	**Market Cap** RM **2,074** mil.

MRCB Segment Overview

	Property Development	Engineering & Construction	Others
Revenue RM mil.	336	232	25
Revenue Contribution	*57%*	*39%*	*4%*
Operating Profit RM mil. ***Margin %***	23 *6.7%*	(196) *(84.5)%*	(1) *(5.1)%*

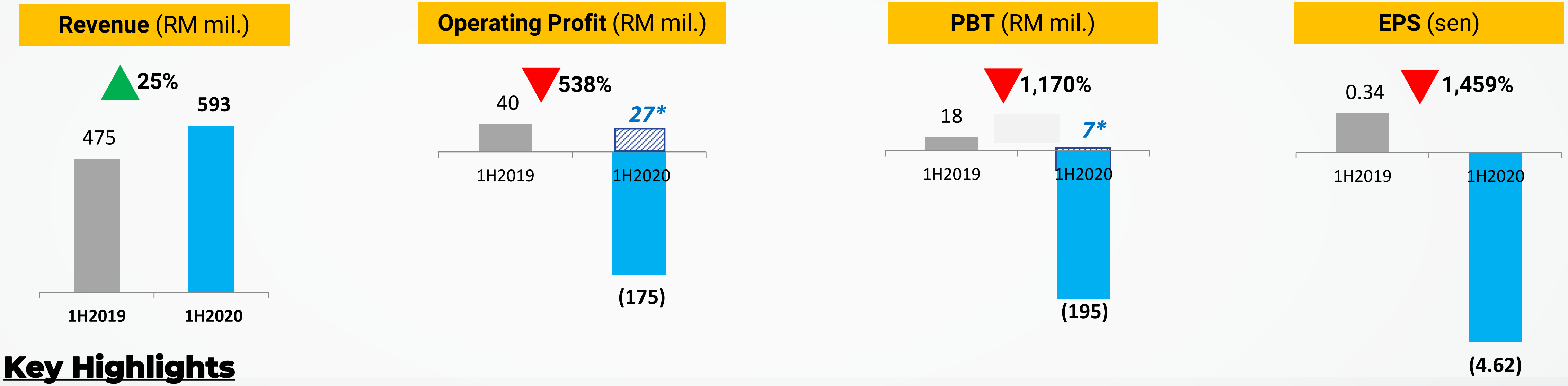
1H FY2020 Key Numbers

RM86 mil. Property Sales	**RM1.3 bil.** Property Unbilled Sales	**RM21.9 bil.** External Construction Order Book	**RM20.7 bil.** Construction Unbilled Order Book

Note:
* *EPS*; Weighted Average No of Shares as at 30 June 2020 = 4,412,046,269
** ***Market Cap*** as at 30 June 2020; Number of Shares as at 30 June 2020 = 4,412,046,269 x RM0.47

Key Highlights

1H FY2020 vs. 1H FY2019



Key Highlights

- The 25% increase in revenue in 1H2020 vs. 1H2019 contributed by Property Development & Investment, on account of revenue recognition from 1060 Carnegie in Melbourne.
- Engineering, Construction & Environment recognised 18% lower revenue due to the MCO and CMCO.
- Loss Before Tax in 1H2020 was due to the provision of RM202.5 million for the impairment of contract assets, trade and other receivables likely to be impacted as a result of the pandemic, mainly from some of the completed projects by Engineering, Construction & Environment.
- Small PBT recorded of RM7.4 million, pre-impairment provision
- LRT3 contributed PAT of RM1.4 mil. in 1H2020 (booked under Share of Results of JV) compared to RM1.0 mil. in 1H2019.
- MQREIT and MRCB Quill Management contributed PAT of RM7.7 mil.
- Issued RM600 mil. in the first tranche of the RM5bn Sukuk Murabahah on 14 August 2020.

Note:
* Excludes impairment provisions

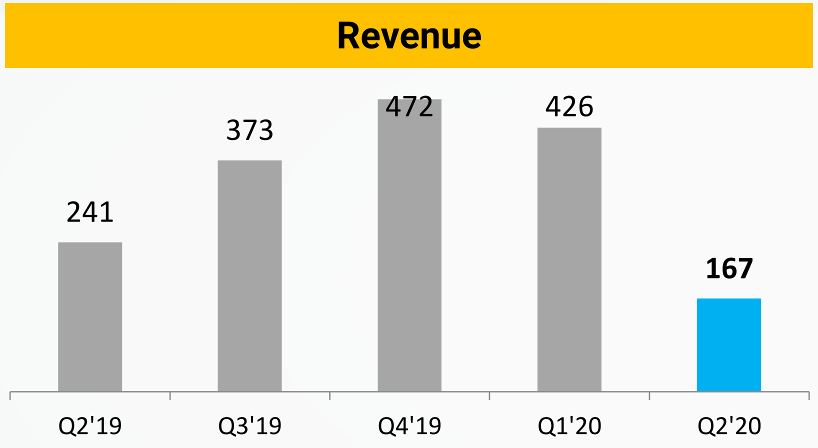
Financial Performance

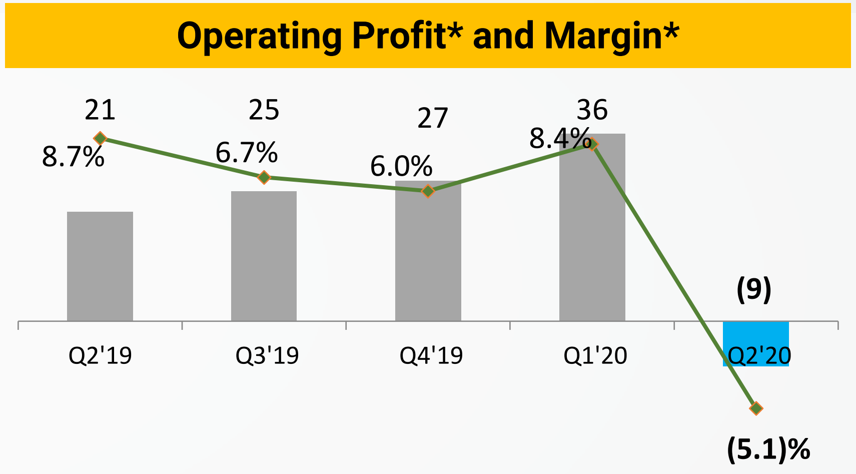
Profit & Loss

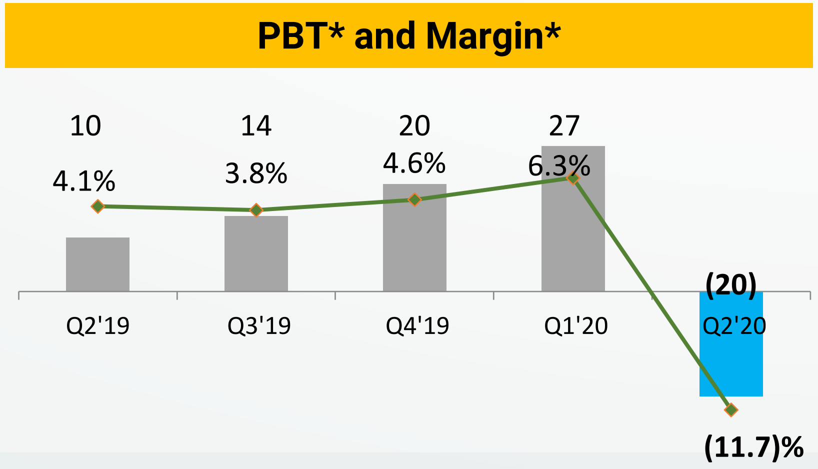
RM Million	Q2 (3M) FY2020	Q2 (3M) FY2019	Q2 (3M) Y-o-Y Growth %	1H FY2020	1H FY2019	1H Y-o-Y Growth %
Revenue	167	241	(31)%	593	475	25%
Other Operating Income	10	66	(85)%	18	78	(77)%
Total Revenue	177	307	*(42)%*	611	553	*11%*
Operating Expenses	389	286	*36%*	786	513	*53%*
Operating Profit/Loss	**(211)**	**21**	***>(100)%***	**(175)**	**40**	***>(100)%***
Operating Profit/Loss Margin (%)	*(126.3)%*	*8.8%*	-	*(29.6)%*	*8.4%*	-
Finance costs	(13)	(13)	*5%*	(26)	(25)	*3%*
Share of results of associates	4	2	*77%*	7	5	*42%*
Share of results of joint ventures	(1)	(1)	*82%*	(1)	(2)	*(26)%*
Profit/Loss before taxation	(222)	10	*>(100)%*	(195)	18	*>(100)%*
Taxation	3	(2)	*>(100)%*	(9)	(9)	*(4)%*
Profit/Loss for the period	**(219)**	**8**	***>(100)%***	**(204)**	**9**	***>(100)%***
PAT/LAT Margins (%)	*(131.3)%*	*3.2%*	-	*(34.4)%*	*1.9%*	-
EPS (sen)	**(4.98)**	**0.25**	***>(100)%***	**(4.62)**	**0.34**	***>(100)%***

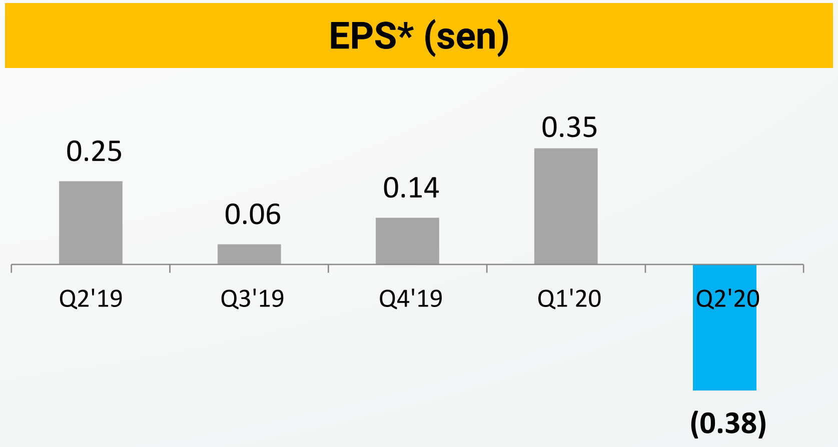
Financial Performance

Quarterly Analysis









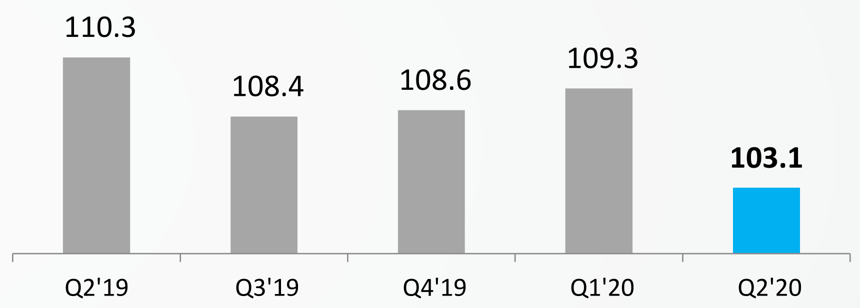
Note:
Figures are in RM'mil. and margins in %
* Excludes impairment provisions

Financial Performance

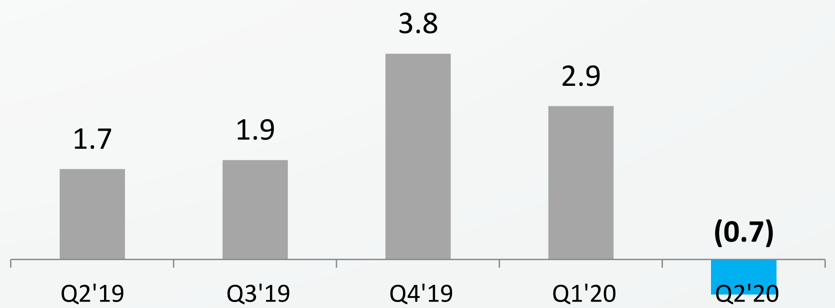
Balance Sheet

RM Million	30 Jun 2020	31 Mar 2020
Total Assets		
Current Assets	3,050	3,289
Non-Current Assets	5,189	5,175
Assets held for sale	78	78
Total Assets	**8,317**	**8,542**
Total Liabilities		
Current Liabilities	1,953	1,902
Non-Current Liabilities	1,801	1,799
Total Liabilities	**3,754**	**3,702**
Total Equity		
Shareholder's Equity	4,549	4,808
Non Controlling Interests	15	32
Total Equity	**4,564**	**4,840**
Net assets per share attributable to the equity holders of the Company (sen)	**103.1**	**109.3**

NAV Per Share* (sen)



Interest Coverage**



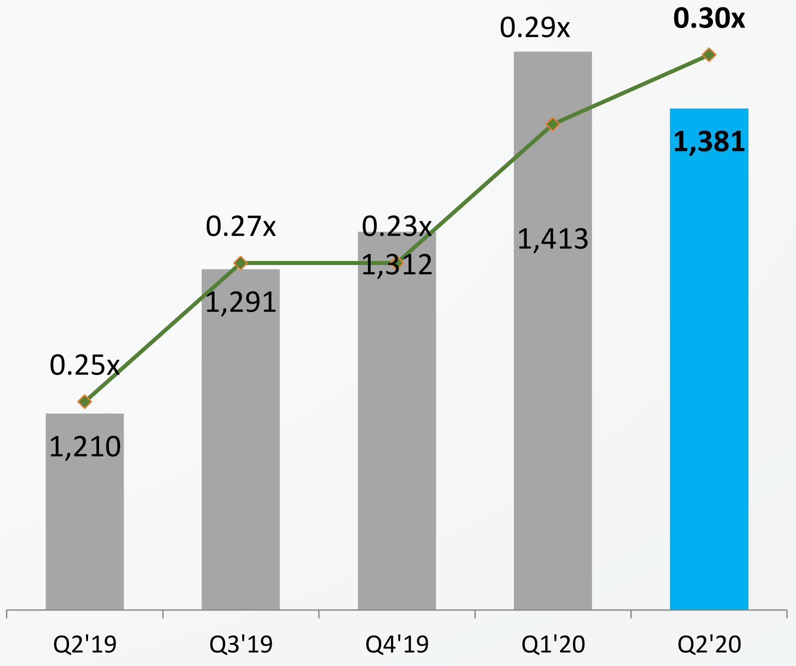
Note:
* *NAV per share*; Number of Shares as at 30 Jun 2020 = 4,412,046,269
** Based on Profit from operations excluding impairment provisions

Financial Performance

Borrowings

Leverage Profile (RM Million)	30 Jun 2020	31 Mar 2020
Debt		
Short Term Borrowings	934	919
Long Term Borrowings	1,001	1,003
HP creditors	0	1
Total Debt	**1,935**	**1,923**
Less: Deposits, cash and bank balances	554	510
Net Debt	**1,381**	**1,413**
Total equity	4,564	4,840
Net Gearing	**0.30x**	**0.29x**

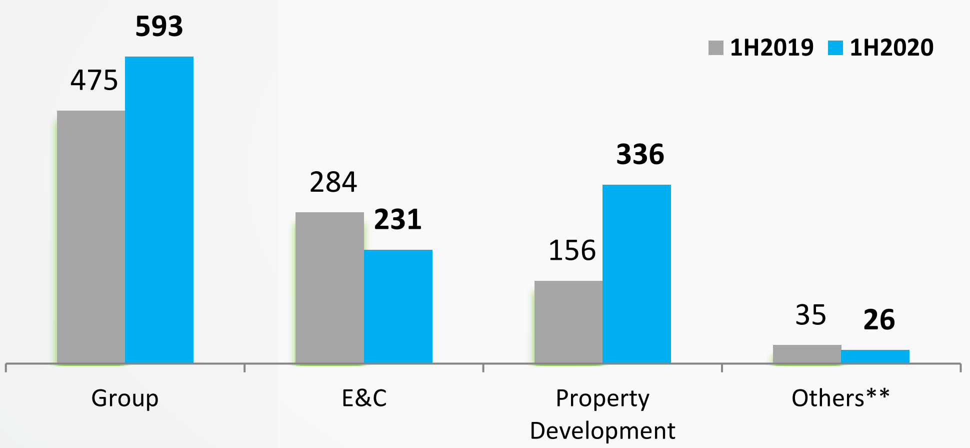
Net Debt and Gearing



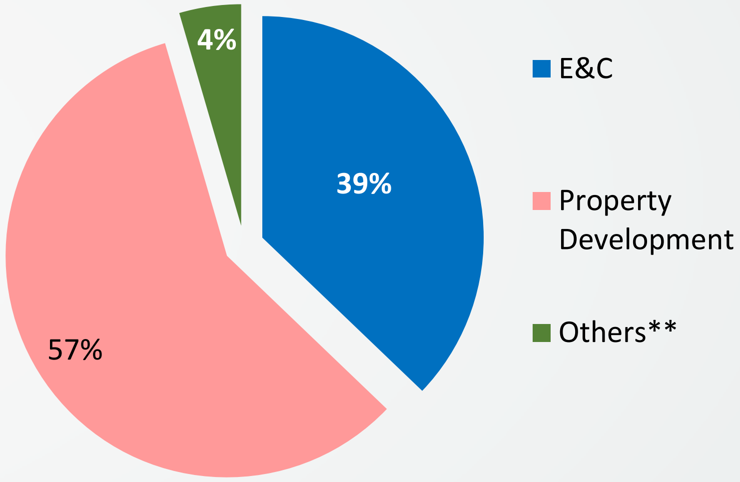
Segmental Reporting

Overview

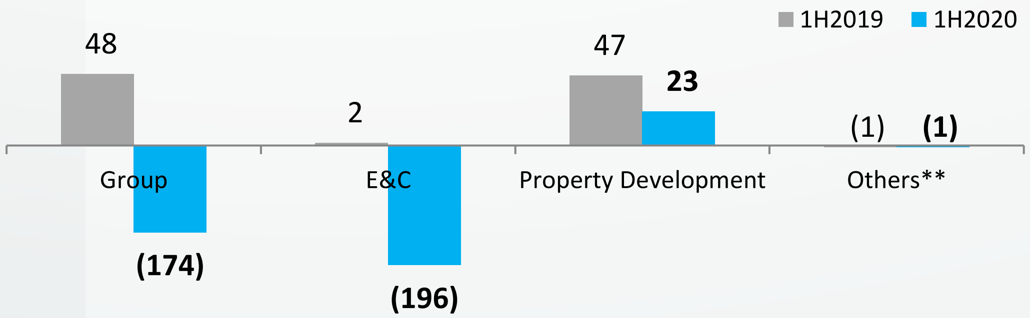
Revenue Split – RM593 mil.



Revenue Contribution Analysis



Segmental Profit Split – RM(174) mil.



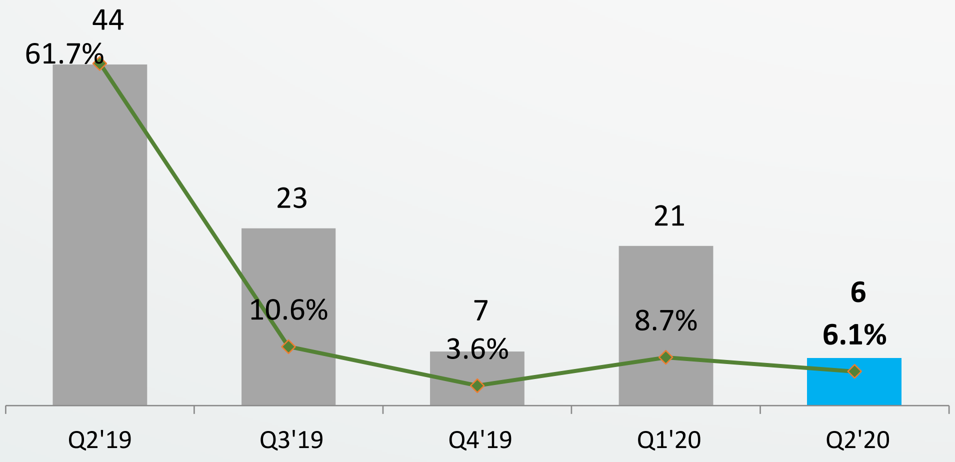
Note:
Figures are in RM'mil. and margins in %
** *Others* include Facilities Management & Parking and Others

Segmental Reporting

Property Development & Investment

RM Million	Q2 (3M) FY2020	Q2 (3M) FY2019	Q2 (3M) Y-o-Y Growth %	1H FY2020	1H FY2019	1H Y-o-Y Growth %
Revenue	100	71	*40%*	336	156	*115%*
Profit	**2**	**44**	***(95)%***	**23**	**47**	***(52)%***
Profit/(Loss) exc. Impairment Provisions	**6**	**44**	***(84)%***	**27**	**47**	***(43)%***
Margin (%)*	*6.1%*	*61.7%*		*7.9%*	*30.0%*	

Profit* and Margin*



Performance Discussion

115% increase in Revenue vs 1H2019; contributed 57% of Group revenue.

Revenue contributors: 1060 Carnegie in Melbourne, Sentral Suites in KL Sentral, 9 Seputeh in Jalan Klang Lama, office towers in PJ Sentral Garden City, Sentral Residences and Kalista Park Homes in Bukit Rahman Putra.

MQREIT and MRCB Quill Management contributed PAT of RM7.7 mil.

Revenue increased due to:

- **1060 Carnegie** in Melbourne (100% completed; recognised revenue and profits for 79 units in line with settlement and handing over of completed units)
- **Sentral Suites** (34% completed – target 45% end 2020)
- **TRIA, 9 Seputeh** (27% completed – target 40% end 2020)

Sales in 1HFY2020: RM86 mil, unbilled sales: RM1.3 bil.

Note:
Figures are in RM'mil. and margins in %
* Excludes impairment provisions

Segmental Reporting

Property Development & Investment

Property Sales of RM86 Million

Project	Total Project GDV (RM'mil)	% Sales Achieved* as at 30 June 2020	Sales** Breakdown 1H 2020 (RM'mil)
Completed Projects			
Sentral Residences	1,439	98%	14.4
VIVO 9 Seputeh	980	82%	19.5
Kalista, Bukit Rahman Putra	102	83%	3.4
1060 Carnegie	300	82%	9.0
St. Regis	161	10%	-
Ongoing Projects			
TRIA 9 Seputeh	934	40%	1.6
Sentral Suites	1,534	83%	36.0
Alstonia, Bukit Rahman Putra	248	25%	1.6
SIDEC	61	34%	0.6
TOTAL	**5,759**		**86.1**

54% from Completed Projects

46% 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

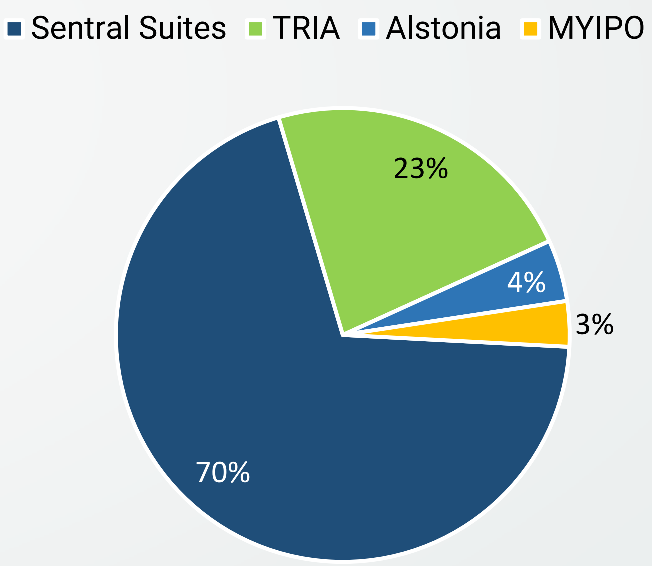
Total Unbilled Sales of RM1.3 Billion

Project	Construction Progress	Revenue Recognised* 1H FY2020 (RM'mil)	Unbilled Sales (RM'mil)
Residential			
Sentral Suites	34.2%	69	904
TRIA 9 Seputeh	26.7%	20	296
Alstonia, Bukit Rahman Putra	9.8%	1	57
Commercial			
MYIPO PJ Sentral	86.7%	32	42
TOTAL		**122**	**1,299**

97% from Residential

3% from Commercial

Breakdown of Unbilled Sales



Sentral Suites, which makes up 70% 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.

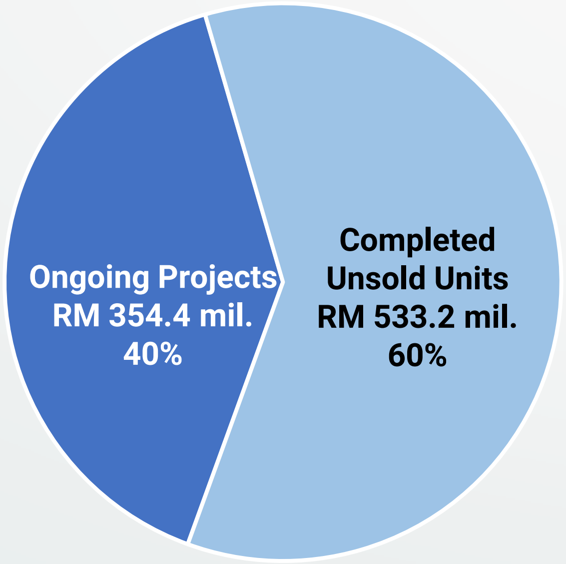
Segmental Reporting

Property Development & Investment

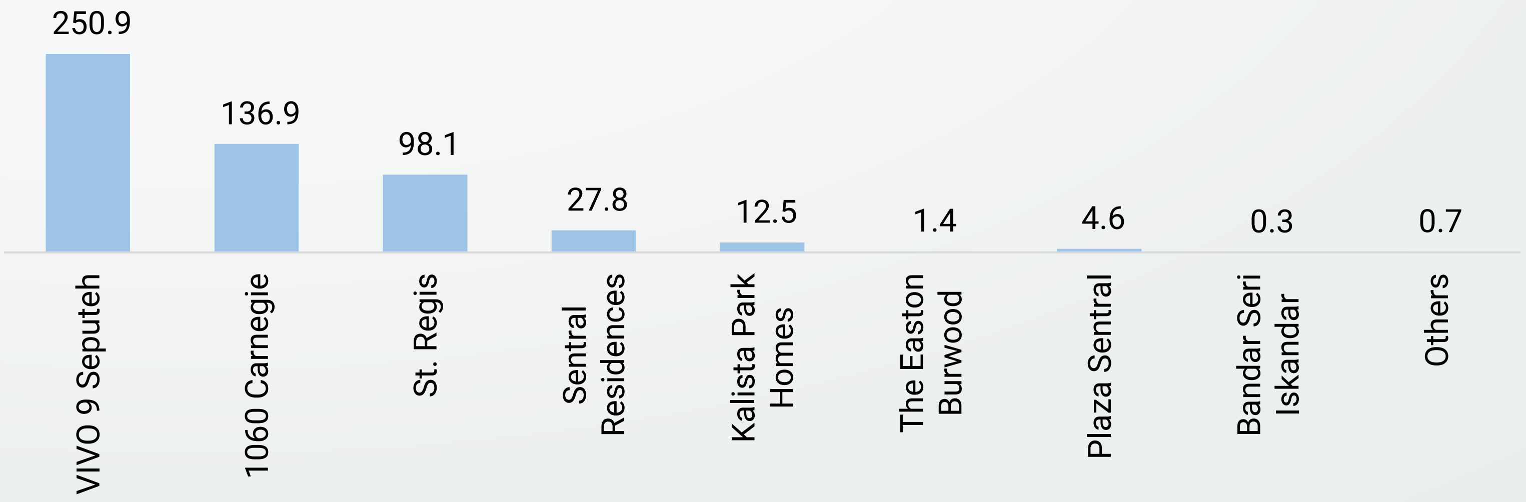
What We Have To Sell: RM0.9 Billion

Ongoing Projects	Completed Unsold Units	**Total**
RM354.4 mil.	RM533.2 mil.	**RM887.6 mil.**

*Total excluding 1060 Carnegie = **RM750.7 mil.***



Breakdown of Completed Unsold Units (RM' mil.)



Note:
* Values are listed at GDC

Segmental Reporting

Property Development & Investment

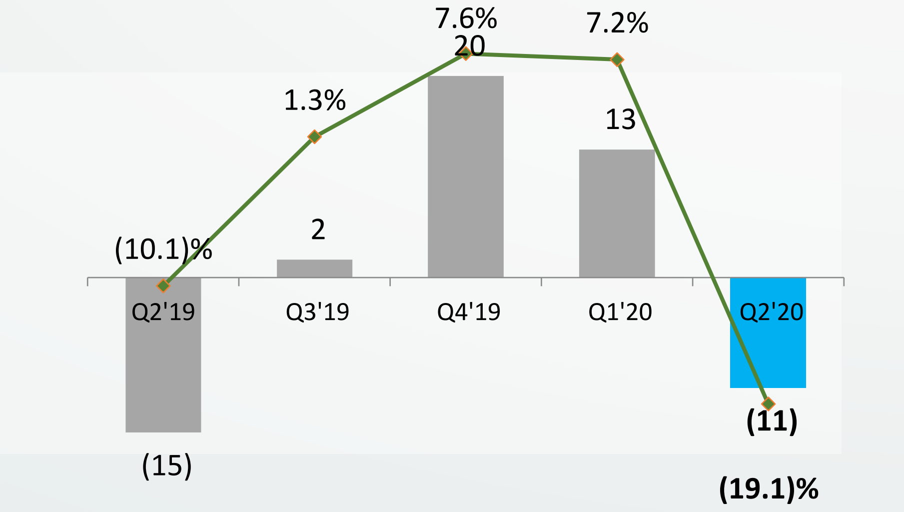
	Land Size (Acres)	GDV RM' mil.	% Stake	Start Date	Completion Date
Transport Oriented Developments					
KL Sentral: Lot F	5.70	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.97	2,698	100%	2015	2027
Cyberjaya City Centre	41.45	5,350	70%	2017	2024
Kwasa Sentral	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	Q2 (3M)			1H		
	FY2020	FY2019	Y-o-Y Growth %	FY2020	FY2019	Y-o-Y Growth %
Revenue	57	151	*(62)%*	231	284	*(18)%*
Profit	**(208)**	**(15)**	***>(100)%***	**(196)**	**2**	***>(100)%***
Profit/(Loss) exc. Impairment Provisions	**(11)**	**(15)**	***(29)%***	**2**	**2**	***15%***
Margin (%)*	*(19.1)%*	*(10.1)%*		*0.8%*	*0.5%*	

Profit* and Margin*



Performance Discussion

Contributed 39% of Group revenue; mostly contributed in Q1 pre-MCO: DASH, EPF Headquarters at Kwasa Sentral, SUKE, MRT2 projects.

Decrease in revenue due to the complete halt in construction works during the MCO/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 2020.

Excluding impairment provisions, operating profit 15% higher compared to 1H FY2019.

LRT3: RM1.4 mil. profit earned and booked under Share of Joint Ventures vs. RM1.0 mil. In 1H2019.

External construction order book : **RM21.9 bil.**
Unbilled construction order book : RM20.7 bil.

Note:
Figures are in RM'mil. and margins in %
* Excludes impairment provisions

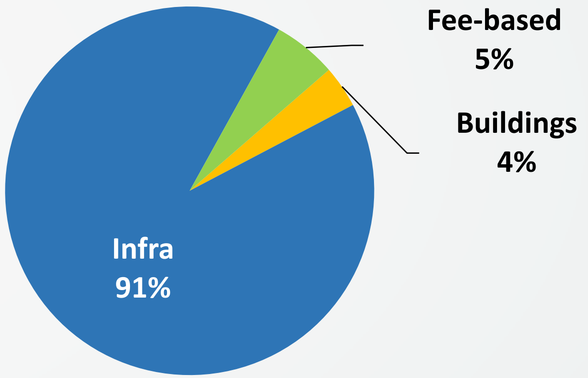
Segmental Reporting

Engineering, Construction & Environment

Unbilled External Order Book – RM20,694 mil.

External Contracts (RM Million)	Contract Value	Progress
Buildings:		
Desaru Convention Centre	62	99%
PR1MA Kajang	173	92%
PR1MA Brickfields	335	11%
Indoor Stadium - Larkin	68	85%
FINAS	170	6%
Infra:		
MRT2 V210 Package - 2.6km Guideway	483	77%
NPE Bridge Phase 3 & 4	16	48%
Kwasa Utama C8 (provisional TCC)	2,958	49%
DASH - Package CB2	341	67%
LRT3	5,686*	33%
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
SUKE - CA2 Package	317	31%
Fee-based orders:		
Kwasa Utama, C8 - management contract	177	
Kwasa Land - PDP Infra	176	13%
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
Total	**21,946**	

External Order Book Analysis



Top Projects

No	Project Name	Order Book Value	% of Total Order Book
1.	Bukit Jalil Sentral	10,957	49.9%
2.	LRT3	5,686	25.9%
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

MRCB

MALAYSIAN RESOURCES CORPORATION BERHAD (7994-D)
Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia

Tel: 603 2786 8080 / 603 2859 7070 Fax: 603 2780 7988

www.mrcb.com

MRCBGroup **mrcb.group** **MRCB**