

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT



MRCB, through our flagship and award-winning Kuala Lumpur Sentral CBD project, pioneered Green buildings and Transit Oriented Development (TOD) in Malaysia. Our developments successfully integrate living and working spaces, comprising retail, office, hotel and residential components, and are designed to increase productivity and connectivity while ensuring they are sustainable. Our role as a TOD developer naturally incorporates sustainability, as these developments are designed to encourage people to use urban mass transport infrastructure for commuting, thus taking motor vehicles off the roads and reducing carbon emissions.

In enhancing the public's commuting experience, we also focus on connectivity and convenience, paying particular attention to integrating our developments with existing highways and public transportation. We have five TODs, namely KL Sentral, PJ Sentral Garden City, Penang Sentral, Kwasa Sentral and Cyberjaya City Centre, which account for 78% of the gross development value (GDV) of all our property developments.

In designing buildings, we also make conscious efforts to ensure we design green, environmentally friendly buildings that comply with the standards set by local and international green building certification bodies such as the ISO 14001 certification, Malaysia's Green Building Index (GBI), US-based Leadership in Energy and Environmental Design (LEED) and Singapore-based Building Construction Authority (BCA) Green Mark.

Our projects are developed with the aim of creating value for our stakeholders, and we ensure that we create solutions that help generate economic multipliers and social growth, primarily through the distribution of profits and job creation. To see how the Property Development & Investment Division creates value for our stakeholders, please refer to the Stakeholder Engagement & Value Creation section on pages 46 - 55 and the Strategic Roadmap on pages 82 - 89 of this Integrated Annual Report.



KEY HIGHLIGHTS IN 2022

REVENUE		UNBILLED PROPERTY SALES		PROPERTY SALES	SENTRAL REIT & SENTRAL REIT MANAGEMENT PROFIT CONTRIBUTION
RM914.6 Million		RM533.5 Million		RM478.1 Million	RM14.9 Million
LAND BANK	GDV OF LAND BANK	% GDV FROM TODs	DAILY AVERAGE PEDESTRIAN TRAFFIC (KL SENTRAL)		DAILY AVERAGE PEDESTRIAN TRAFFIC (PENANG SENTRAL)
1,153 Acres	RM33 Billion	78%	200,000		23,000



PJ Sentral
Garden City

2022 PERFORMANCE

The Property Development & Investment Division recorded an 84% increase in Revenue to RM914.6 million in 2022 largely due to more normalised operations after two years of COVID-19 related disruptions, which resulted in increased revenue recognition from construction progress and a recovery in property sales compared to 2021, which was severely impacted by construction site closures.

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There was also a strong recovery in sales of completed unsold inventory as well as units from ongoing property development projects still under construction as the economy re-opened and began to normalise. However this was limited to sales from the domestic market as sales to foreign purchasers remained almost non-existent.

While 1060 Carnegie, the Group's property development project in Melbourne, drove much of the revenue in 2020 and 2021, in 2022 there were only six remaining units left to be sold, of which five were sold. As such, revenue was mainly contributed by the Division's two largest property development projects, Sentral Suites in KL Sentral which has a GDV of RM1.6 billion and TRIA 9 Seputeh in Jalan Klang Lama with a GDV of RM0.9 billion. Other revenue contributions came from the sale of completed units at VIVO 9 Seputeh, as well as recurring rental income from the Group's investment properties, such as Celcom Tower in PJ Sentral Garden City.

As a whole, the Division contributed 29% towards the Group's revenue in 2022, compared to 34% in the previous year.

The Division recorded a profit of RM176.7 million in 2022, compared to RM153.4 million in 2021, contributed mainly by our Sentral Suites and TRIA 9 Seputeh developments, achieving higher construction progress of 89% and 88% respectively. An inherent characteristic of our business is that revenue and profit recognition are reliant not just on the percentage or number of units sold, but also on the progress of construction. Unlike township developers building low-rise residential properties, in our high-rise residential projects, the substructures, basement carpark and podium levels need to be built first, before the residential units can be constructed and meaningful revenues and profits can be recognised. Our two largest developments, Sentral Suites in KL Sentral and TRIA 9 Seputeh had reached sales rates of 85% and 54%, respectively as at 31 December 2022.

In addition, profit for the year was also bolstered by a RM18 million contribution from the value of the remaining balance of land in Simpang Pulai injected into Seri Iskandar Development Corporation (SIDEK) as part of the settlement signed with Perbadanan Kemajuan Negeri Perak (PKNP) in 2021. This brings the total land size we own in Simpang Pulai to 810.57 acres. This 810.57-acre land was launched in 2022 as Ipoh Raya Integrated Park, a bespoke and sustainable fully integrated logistics park to be developed over six phases. The Ipoh Raya Integrated Park marks MRCB's first major venture in the industrial and logistics market, diversifying our business away from our traditional focus on green high-rise commercial and residential Transit Oriented Developments within the Klang Valley. It is also envisioned to strengthen the industrial corridor within the region as it will feature an agro-based industrial hub, a logistics hub, three managed parks, as well as accommodation, commercial elements to serve the local community working there, and technical and vocational education and training facilities.

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In 2022, we successfully launched Lilium in Bandar Seri Iskandar, a 90-unit, double-storey development with a GDV of RM32 million. We also focused on marketing our existing inventory of completed unsold units of RM227.0 million and the unsold units from our developments still under construction, which totalled RM476.3 million as at 31 December 2022.

We continued to see strong demand for our products, which was a testament to our unique selling proposition that integrates sustainable living and working spaces around strategically located transportation hubs. While high sales cancellation rates continued to be observed as buyers faced affordability and other challenges in securing the margin of financing they required from banks, exacerbated further by rising interest rates during the course of 2022, the Division managed to record a 54% increase in its sales in 2022 as the economy opened up and improved, having benefitted from the pent-up demand built up during

the pandemic. As part of our efforts to replace sales of cancelled units, we developed effective marketing campaigns which included competitively pricing our properties and introducing new promotions. We also continued digital marketing efforts to expand our reach, driven by online and new media campaigns that leveraged on virtual and video technology to complement our physical sales galleries. As a result, RM478.1 million worth of property sales were achieved in the year.

A key strategy in 2022 was diversifying away from commercial and residential developments by entering new segments and continuing our expansion overseas. During the year, we successfully launched the 810.57-acre Ipoh Raya Integrated Park in Perak, which marks our entry into the industrial and logistics development segment. We also successfully completed the acquisitions of 0.766 acres of prime land in the Gold Coast, Australia, and Bledisloe House in Auckland, New Zealand.

SALES

Project	Total Project GDV (RM' Million)	% Sales Achieved* as at 31 Dec 2022	Sales** Breakdown in 2022 (RM' Million)
Completed Projects			
VIVO 9 Seputeh - Residential	982	<div><div></div></div> 84%	6.4
VIVO 9 Seputeh - Commercial (incl. retail car park)	266	<div><div></div></div> 87%	209.3
Kalista, Bukit Rahman Putra	102	<div><div></div></div> 91%	5.3
1060 Carnegie - Residential	296	<div><div></div></div> 100%	8.8
1060 Carnegie - Commercial	29	<div><div></div></div> 56%	0.0
St. Regis	164	<div><div></div></div> 32%	22.1
Ongoing Projects			
TRIA 9 Seputeh	939	<div><div></div></div> 54%	100.2
Sentral Suites - Residential	1,535	<div><div></div></div> 85%	53.4
Sentral Suites - Commercial	102	<div><div></div></div> 37%	18.0
Alstonia, Bukit Rahman Putra	248	<div><div></div></div> 52%	43.6
Amaryllis, SDEC	17	<div><div></div></div> 96%	0.0
Lilium, SDEC	32	<div><div></div></div> 34%	11.0
Total	4,712		478.1

Note:


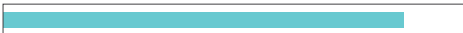
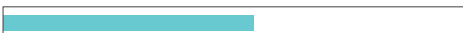



* % Sales Achieved are the total value of SPAs signed and stamped from the projects' launch up until the reporting period as a percentage of the project's total gross GDV and is adjusted for SPAs that have been terminated by purchasers.

** Sales are the total value of SPAs signed and stamped YTD.

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

UNBILLED SALES

As at 31 December 2022, MRCB had unrecognised future revenue or unbilled sales worth RM533.5 million from its Property Development & Investment Division, which will be recognised progressively as revenue in tandem with construction progress.

Project	Construction Progress (%)	Revenue Recognised* in 2022 (RM' Million)	Unbilled Sales** (RM' Million)
Residential			
Sentral Suites	 88.9%	316.0	290.8
TRIA 9 Seputeh	 88.4%	147.5	174.9
Alstonia, Bukit Rahman Putra	 55.0%	37.3	43.3
Amaryllis, SDEC	 87.2%	9.0	3.2
Lilium, SDEC	 5.1%	0.5	10.5
Commercial			
Sentral Suites	 87.7%	26.7	10.8
Total		537.0	533.5

Note:

* Revenue Recognised refers to the value of properties that have been sold to buyers, which has already been recognised as revenue as the properties have been constructed.

** Unbilled Sales refers to sales that are yet to be recognised progressively as revenue.

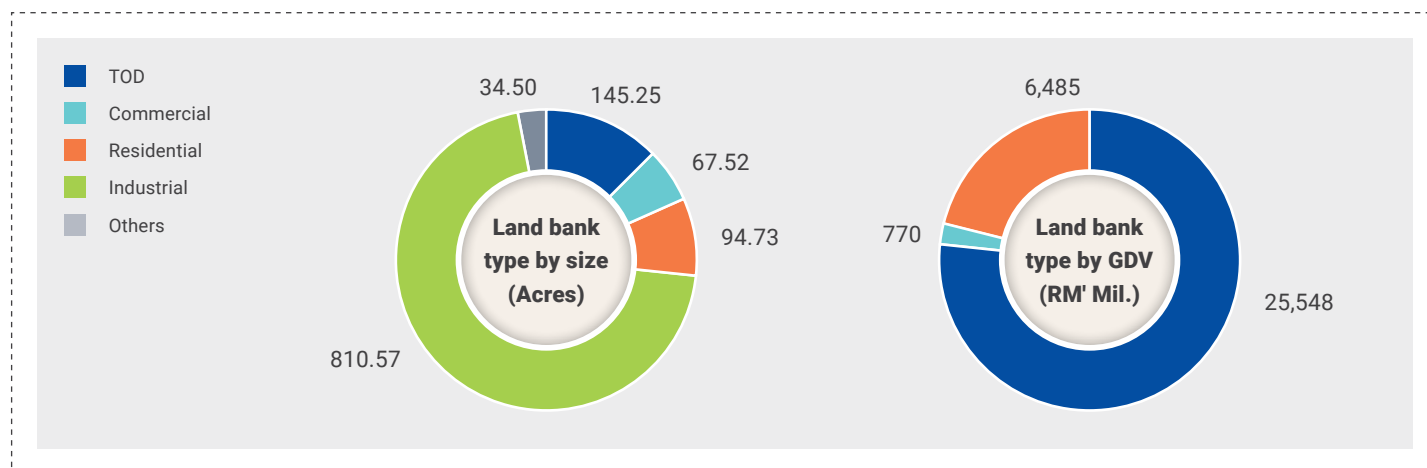
OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

OUR LAND BANK

As historically a predominantly urban property developer specialising in high-rise developments, the structure of MRCB's land bank has changed significantly over the past year, following the injection of 810.57 acres in Simpang Pulai, Perak. The land bank has a total gross development value (GDV) of RM33 billion, and excluding the land located in Perak, is mostly located in strategic urban areas mainly in the Klang Valley. This land bank will provide MRCB with at least a decade's worth of revenue from the Division.

	Land Size (Acres)	GDV (RM' Million)	% Stake	Start Date	Completion Date
Transit Oriented Developments					
KL Sentral	5.71	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.88	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	145.25	25,548			
Commercial Developments					
Pulai Land, Johor	67.52	770	100%	TBD	TBD
Total	67.52	770			
Residential Developments					
9 Seputeh	17.63	2,158	100%	2014	2026
Sentral Suites	4.75	1,636	100%	2016	2023
Bukit Rahman Putra	14.18	642	100%	2016	2024
Bandar Sri Iskandar (Phase 2C, 2D & 3)	57.40	849	100%	2020	2035
Vista Street Project, Gold Coast	0.77	1,200	100%	2023	2025
Total	94.73	6,485			
Industrial Developments					
SIDEC (Ipoh Raya Integrated Park)	810.57	TBD	100%	TBD	TBD
Total	810.57	TBD			
Others					
Selbourne 2, Shah Alam	2.37	TBD	100%	TBD	TBD
Metro Spectacular Land, Jalan Putra	10.06	TBD	100%	TBD	TBD
Muara Tuang Land, Samarahan	22.07	TBD	100%	TBD	TBD
Total	34.50	TBD			
Grand Total	1,152.57	32,803			

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT



KEY STRATEGIES AND INITIATIVES



STRENGTHEN CORE FOR SUSTAINABLE RETURNS

Key Action Plan



ENSURE STEADY
PIPELINE OF
PROJECTS

Key Initiatives

- Launched new developments
- Strategically expanded land bank

Outcomes

- Achieved total property sales of RM478.1 million in 2022
- Continued to monetise our completed unsold stock, of which RM251.9 million was sold in 2022
- Launched the first phase of our 810.57-acre Ipoh Raya Integrated Park
- Launched Lilium in Bandar Seri Iskandar, with a GDV of RM32 million
- Acquired 22.07 acres of land in Samarahan
- Purchased 0.766 acres of prime land on the Gold Coast, Australia, with a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct in New Zealand, to be refurbished with a GDV of NZD137 million



TECHNOLOGY ADOPTION & INNOVATION

Key Action Plan



ACHIEVE LEAN
& EFFICIENT
OPERATIONS



LEVERAGE MRCB
BUILDING SYSTEM
(MBS)

Key Initiatives

- Adopted digital marketing strategies

Outcomes

- Recorded over 5,600 virtual viewings of Sentral Suites in KL Sentral, the 9 Seputeh developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT



DIVERSIFICATION & OPERATIONAL EXPANSION

Key Action Plan



GEOGRAPHICAL
EXPANSION



ENTER INTO
NEW MARKETS

Key Initiatives

- Increased presence in Australia and New Zealand
- Continued to expand and diversify into new areas outside of MRCB's existing areas of focus

Outcomes

- Purchased 0.766 acres of prime land on the Gold Coast, Australia, with a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct in New Zealand, to be refurbished with a GDV of NZD137 million
- Launched the 810.57-acre Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak, and currently in discussions with multiple MNCs to provide industrial property/logistics and fulfillment solutions
- Signed an agreement with a Fortune 500 MNC to develop a production facility in Perlis



QUALITY PRODUCTS & PEOPLE

Key Action Plan



UPHOLD GOOD
CORPORATE
GOVERNANCE



DEVELOP
A SKILLED
WORKFORCE

Key Initiatives

- Ensured the completion of project milestones in a safe and timely manner
- Strengthened branding of MRCB Land through engagement activities such as engagement sessions with residents and purchasers of MRCB's properties

Outcomes

- Reached finishing works for Sentral Suites in KL Sentral and TRIA 9 Seputeh in Jalan Klang Lama
- Began foundation works for Lilium in Bandar Seri Iskandar
- Achieved an 85% Overall Purchaser Satisfaction Survey Score for 1060 Carnegie in Melbourne, Australia

CHALLENGES & RISKS

Risks	Mitigation Strategies	Results
Movement restrictions in the past led to delays in construction progress and a decline in physical property viewings	Defer planned launches and apply to the Ministry of Housing and Local Government for an extension of time to deliver vacant possession under the COVID-19 Bill	Obtained an extension of time to deliver vacant possession for Alstonia in Bukit Rahman Putra, Sentral Suites in KL Sentral and TRIA in 9 Seputeh
Affordability issues faced by potential property buyers led to lower sales	Competitively priced our properties and introduced new promotions, as well as continued digital marketing efforts to expand our reach	<ul style="list-style-type: none"> • 85% sales rate for residential units in Sentral Suites • 100% sales rate for residential units in 1060 Carnegie in Melbourne, Australia • 54% sales rate for TRIA in 9 Seputeh

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

OUTLOOK & PROSPECTS

1. PIPELINE OF PROJECTS & SUSTAINABLE RETURNS

Key Action Plans



UNSDGs



In 2023, revenue and profits will be progressively recognised from the Sentral Suites and TRIA 9 Seputeh property developments, which form the bulk of the RM533.5 million worth of unbilled and unrecognised sales revenue.

Revenue Recognition from Existing Projects

The focus in 2023 will continue to be on selling our inventory of unsold completed units, which stood at RM227.0 million at the end of 2022. However, sales of completed units is expected to remain slow as almost all the remaining completed unsold units are the Bumiputera-designated units at VIVO 9 Seputeh, although we have obtained the release for some units from their Bumiputera classification and continue to appeal for the release of remaining units to be sold into the broader market. Sales at Sentral Suites, which is 85% sold and 89% constructed, are also slowing for the same reason, as most of the units remaining are the Bumiputera units. While regulations dictate we can apply for a reclassification of these units after construction progress has hit 50%, only 30% of the Bumiputera units can be reclassified, and the process is lengthy.

TOTAL GDV OF
PROJECTS UNDER CONSTRUCTION

RM2.9
Billion

INVENTORY OF COMPLETED
UNSOLD UNITS

RM227.0
Million

New Development Projects in 2023

Additionally, we are earmarking the launch of several new development projects that should begin generating revenues in 2024 and beyond, subject to prevailing property market conditions. These also include our projects in Australia and New Zealand, which are slated to begin development between 2023 and 2024.

2023 Launches	GDV (RM' Million)	Units
VISTA, Surfer's Paradise, Gold Coast	~1,200 (AUD391 mil)	280
Kwasa Sentral Plot F (Residensi Tujuh)	329	573
Total 2023	1,529	853

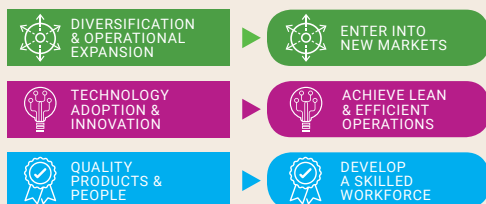
2024 Launches	GDV (RM' Million)	Units
Bukit Jalil Sentral, Phase 1A & 1B	808	1,200
The Symphony Centre, Auckland	~1,300 (NZD452 mil)	77
Lot J, KL Sentral	229	266
Tower 5, PJ Sentral	486	340
Total 2024	2,823	1,883

While we aim to sell RM500 million worth of properties in 2023, the Group remains cognisant of any external developments that could adversely affect sales. We will continue to closely monitor conditions in the broader economy and property market, revising our marketing strategies and sales targets accordingly, including reviewing future launches if conditions dictate.

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

2. COMPETITIVE ADVANTAGE & INNOVATIVE SOLUTIONS

Key Action Plans



UNSDGs



With TODs making up 78% of the GDV of our property development land bank and developments spanning into the next decade, we will continue to generate long-term revenue due to attractive demand for integrated residential and commercial developments anchored around transportation hubs. With increasingly discerning consumers, we also continue to take proactive measures to understand our customers' needs and desires through various stakeholder engagement activities and address these by developing products that meet consumer tastes and demands, including incorporating more sustainability and green elements.

The past decade has shown a change in Malaysia's age structure, and forecasts indicate that by 2030, over 15% of the population will be made up of those older than 65 years of age. Apart from the expected increase in the aged population, the aged are also living longer, as evidenced by increases in life expectancy. This phenomenon will escalate the need for aged-care solutions. MRCB continues to study building affordable high-rise units specially built to assist the elderly - from safety features to proximity to healthcare and other essential amenities. To date, we have identified sites to pursue this initiative and will continue to work towards developing partnerships to materialise this strategy. Similarly, we are aware that young professionals find it difficult to afford property. However, we also realise that for these young professionals, smaller unit sizes and accessibility to their workplace and public transportation are a priority, and MRCB is able to meet these demands through our TODs. To ensure affordability, we are designing units ranging from 170 sq. ft. to 500 sq. ft. with shared amenities and access to various attractive lifestyle components, with an emphasis on sustainability.

By understanding our consumers and changing market trends, we will continue to offer catalytic developments that help address our clients' needs and spur demand for our products.

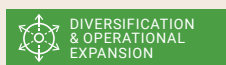
Breakdown of Our Land Bank

Developments	Land Size (Acres)	GDV (RM' Million)
Transit Oriented Developments	145.25	25,548
Commercial	67.52	770
Residential	93.96	5,285
International	0.77	1,200
Industrial	810.57	TBD
Others	34.50	TBD
Grand Total	1,152.57	32,803

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

3. DIVERSIFYING INTO NEW MARKETS & PRODUCTS

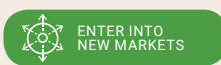
Key Action Plans



DIVERSIFICATION
& OPERATIONAL
EXPANSION



GEOGRAPHICAL
EXPANSION



ENTER INTO
NEW MARKETS



TECHNOLOGY
ADOPTION &
INNOVATION



LEVERAGE MRCB
BUILDING SYSTEM
(MBS)

UNSDGs



Moving forward, we will explore new strategic alliances with diverse partners that are knowledgeable in a wide range of fields. This includes collaborating with experts in retail, healthcare, hospitality, education, industrial/logistics development and more. We will form partnerships that will allow the Group to monetise its own land or establish joint ventures.

We will also seek joint ventures to diversify our land bank and strengthen our international presence. With our growing track record in Australia, we believe this market offers good growth prospects, given our understanding of it and our success operating in it over a number of years. Our subsidiary, MRCB Australia Holding Company Pty Ltd (MAH), which has successfully undertaken small to medium scale property projects, including the recently completed 1060 Carnegie development 10 km outside Melbourne CBD, will, over the next three to four years, expand its development activities with medium scale projects in other locations in Australia. An example is the acquisition of 0.766 acres of prime land in the Gold Coast, Australia in 2022, and the natural progression to expand into New Zealand through the successful tender award to develop The Symphony Centre in Auckland which will commence in 2024, as well as the acquisition of Bledisloe House where redevelopment / refurbishment will also begin in 2024. Profits generated by MAH will be reinvested to ensure a steady pipeline of developments, providing a more consistent flow of revenue for the Group, diversifying its present predominantly Malaysian revenue and profit focus.

We also plan to explore more niche markets to address an evolving and more sophisticated market. This includes new products like co-living, co-working and assisted living, as well as exploring modular applications using our MBS technology to develop low-cost and affordable housing, and possibly other products in the public sector, such as hospitals, police and army accommodation and prisons, where speed of construction is a client priority.

In diversifying away from commercial and residential developments, we have also launched the 810.57-acre Ipoh Raya Integrated Park in Perak, which is 14 km from the city of Ipoh and located next to the Simpang Pulai Rest & Recreation stop along the North-South Expressway. This land will lay the groundwork for our entry into the industrial and logistics development segment moving forward, a segment of the market which we believe will be in much demand over the next few years by multinational corporations looking for large, strategically located, bespoke developments meeting their sustainability requirements.

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT



MRCB, through its Engineering, Construction & Environment Division, is the largest Bumiputera construction company in Malaysia with an enviable track record for constructing rail and road transportation infrastructure; complex construction projects such as stadiums, arenas and hospitals; high voltage power transmission projects; and the rehabilitation of rivers and flood mitigation of coastal areas. We have played a huge role in Malaysia's nation building and are at the forefront of many national projects, be it in improving connectivity through the Light Rail Transit (LRT) and Mass Rapid Transit (MRT) rail lines, key highway projects, or placing Malaysia on the world stage through the award-winning refurbishment of the Kuala Lumpur Sports City in Bukit Jalil.

We work closely with our clients to ensure we create value and solutions that catalyse economic and social growth. To see how the Engineering, Construction & Environment Division creates value for its stakeholders, please refer to our Stakeholder Engagement & Value Creation on pages 46 - 55 and Strategic Roadmap on pages 82 - 89 of this Integrated Annual Report.

We are also committed to providing a safe work environment and are certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety ISO 45001:2018. Apart from developing infrastructure and complex structures for external clients, the Division also constructs innovative and sustainable world-class commercial and residential buildings for MRCB's Property Development & Investment Division.



An interior shot of MRCB's first green office project, Platinum Sentral in KL Sentral CBD

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

2022 PERFORMANCE

The Engineering, Construction & Environment Division recorded revenue of RM2.2 billion and operating profit of RM70.0 million in 2022, mainly due to significantly improved operating conditions compared to 2021, which was impacted by the different phases of Movement Control Orders and mandated lockdowns, shortages of foreign labour and construction site closures that affected construction progress, as well as a full year contribution from the 100% consolidation of the LRT3 project company Setia Utama LRT3 Sdn Bhd (SULSB).

The LRT3 project achieved its targeted physical construction progress of 81% and recorded financial progress of 75% despite labour and materials shortages that plagued the construction sector in 2022. Revenue was also contributed from the construction of the Mass Rapid Transit 2 Package V210 (MRT2) and Damansara-Shah Alam Elevated Expressway Package CB2 (DASH), Sungai Besi-Ulu Kelang Elevated Highway Package CA2 (SUKE) and the PR1MA Brickfields construction project. However, apart from LRT3, revenue recognition from these projects was lower as most of them were

large infrastructure construction projects entering their final phases of construction, a period when recognition of revenue and profits begins tapering off.

With construction progress being severely impacted by COVID-19 related construction site closures in 2020 and 2021, the completion of the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) was delayed to the first quarter of 2023. Meanwhile, construction of the 37 km LRT3 line remains on track to be completed in 2024.

KEY HIGHLIGHTS IN 2022

REVENUE	OPEN TENDERS	EXTERNAL CLIENT ORDER BOOK
RM2,233.6 Billion	RM30 Billion	RM26.3 Billion
UNBILLED ORDER BOOK	% INFRASTRUCTURE PROJECTS IN EXTERNAL CLIENT ORDER BOOK	VALUE OF COMPLETED PROJECTS IN 2022
RM17.4 Billion	44%	RM1,023.5 Billion

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

	Project	Original completion date	Revised completion date in 2021	Revised completion date in 2022
1	SUKE	2Q2020	2Q2022	1Q2023
2	LRT3	2024	2024	2024

During the year, the Division completed the construction and commissioning of a 500kV Transmission Line from Jabu in Segamat to Seriting in Jempol, the Mass Rapid Transit Line 2 Package V210 (MRT2) and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH). The completion of DASH benefits over 40 residential areas, providing better connectivity to key destinations and enabling commuters to shave more than half of their travel times.

Overall, the COVID-19 pandemic greatly impacted the roll-out of mega and catalytic infrastructure development projects, and there had been a dearth of new major projects put out to tender during that period. Nevertheless, in 2022 the Division was awarded the Muara Sg. Pahang Phase 3 coastal flood mitigation project worth RM380 million and by the end of year had tendered for projects valued at RM30 billion. However, this excluded project tenders already won but where the project's value has yet to be confirmed, such as the Shah Alam Stadium rebuilding project. By the end of 2022, The Division's long-term external client order book was RM26.3 billion with 44% of the order book consisting of infrastructure projects and 48% consisting of very long-term TOD projects, while the unbilled portion was RM17.4 billion.

EXTERNAL CLIENT CONSTRUCTION ORDER BOOK

MRCB has one of the largest external client construction order books in the industry, which will contribute a steady stream of revenue over the long-term.

External Contracts	Contract Value (RM' Million)	Financial Progress (%)
Buildings:		
PR1MA Brickfields	276	50%
FINAS	170	13%
Infrastructure:		
SUKE - CA2 Package	317	85%
LRT3	11,372	75%
Transit Oriented Development (TOD) projects:		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,478	0%*
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	26,330	

Note:

* Refers only to the remaining RM2.5 billion of the total contract value that has not yet been awarded.

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

COMPLETED PROJECTS IN 2022



Mass Rapid Transit Line 2

MRT2 Package V210

Client:

Mass Rapid Transit Corporation Sdn Bhd (MRT Corp.)

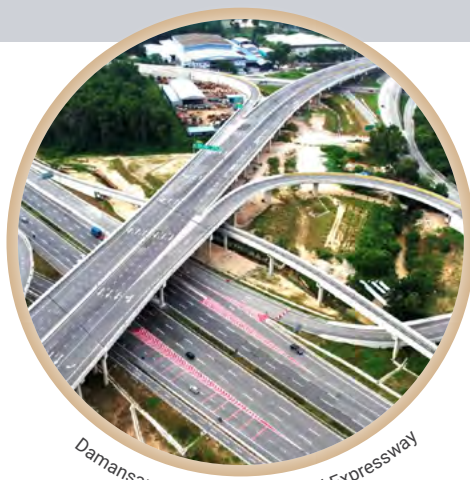
Description:

An infrastructure project for the construction of a viaduct for MRT Line 2 from Sungai Buloh to Serdang and Putrajaya.

Project Value

RM497
Million

UNSDGs



Damansara-Shah Alam Elevated Expressway

Damansara-Shah Alam Elevated Expressway Package CB2 (DASH)

Client:

Projek Lintasan Kota Holdings Sdn Bhd (Prolintas)

Description:

A 20.1 km, three-lane, dual carriageway expressway that begins at the Puncak Perdana, Shah Alam intersection that covers Shah Alam, Subang, Kota Damansara and Damansara areas.

Project Value

RM400
Million

UNSDGs



Transmission Line from Jabal to Serting

500kV Transmission Line from Jabal to Serting

Client:

Tenaga Nasional Berhad

Description:

The construction and commissioning of a double circuit 500kV overhead transmission line from Mukim Jabal, Segamat to Mukim Serting Hilir, Jempol.

Project Value

RM126.5
Million

UNSDGs



OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

PROJECTS AWARDED THE SAFETY HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION (SHASSIC) RATING

SHASSIC is an independent method undertaken by the Construction Industry Development Board (CIDB), regulator of the construction industry in Malaysia, to assess and evaluate safety and health practices and the performance of contractors at construction sites.

SENTRAL SUITES

3 Star SHASSIC Rating ★★ ★



Interior of Sentral Suites in KL Sentral CBD

Description:

Located in close proximity to KL Sentral CBD, Sentral Suites comprises 1,434 serviced apartments within three 43-storey high-rise residential towers.

Project Value

RM1,535
Million

UNSDGs



ALSTONIA

4 Star SHASSIC Rating ★★ ★★ ★



Poolside of the Alstonia Hilltop Homes, Bukit Rahman Putra

Description:

Alstonia Hilltop Homes is a low density development with an exclusive 31 Villa units and 214 condominium units. It is located at Bukit Rahman Putra, Sungai Buloh and is only 10 minutes away from PJ and Kepong.

Project Value

RM248
Million

UNSDGs



OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

KEY STRATEGIES AND INITIATIVES



STRENGTHEN CORE FOR SUSTAINABLE RETURNS

Key Action Plan



ENSURE STEADY
PIPELINE OF
PROJECTS

Key Initiatives

- Continued to tender for infrastructure projects
- Ensured the completion of project milestones

Outcomes

- Open tenders worth RM30 billion as at 31 December 2022
- Continued direct discussions with clients for projects such as the redevelopment of the Shah Alam Stadium project
- LRT3 project achieved physical project completion of 81% and financial project completion of 75%
- Completed the MRT2 Package V210 project valued at RM497 million
- Completed the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) project valued at RM400 million
- Completed the 500kV transmission line from Jabu to Seriting valued at RM126.5 million



DIVERSIFICATION & OPERATIONAL EXPANSION

Key Action Plan



GEOGRAPHICAL
EXPANSION



ENTER INTO
NEW MARKETS

Key Initiatives

- Brought MBS to market
- Explored partnerships to successfully penetrate new market segments in the long run

Outcomes

- Began development of MBS show apartment
- Successfully patented our MBS technology in 11 countries, with our patent pending in another 19 countries, which will allow us to license MBS to other construction companies and provide a new source of revenue streams
- Formalised a technology partnership and in advanced negotiations for a waste-to-energy (WTE) service agreement



TECHNOLOGY ADOPTION & INNOVATION

Key Action Plan



ACHIEVE LEAN
& EFFICIENT
OPERATIONS



LEVERAGE MRCB
BUILDING SYSTEM
(MBS)

Key Initiatives

- Developed strategies to reduce operational costs in the long run
- Showcased MBS to investors, fund managers, analysts and Government officials through two (2) MBS-specific engagement sessions

Outcomes

- Continued the full adoption of a digital construction project management platform to improve efficiencies
- Continued roll-out, data migration and User Acceptance Testing of new ERP platform to drive more efficiencies and cost savings
- Continued plans to develop Residensi Tujuh and the MBS show apartment at Kwasa Sentral using MBS technology

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT



QUALITY PRODUCTS & PEOPLE

Key Action Plan



UPHOLD GOOD
CORPORATE
GOVERNANCE



DEVELOP
A SKILLED
WORKFORCE

Key Initiatives

- Organised regular toolbox talks to educate site workers and employees on best practices of HSE
- Streamlined operations through the adoption of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007
- Safeguarded the well-being of labourers and employees at our construction sites
- Conducted safety and health trainings for 507 people consisting of employees, site workers and sub-contractors

Outcomes

- Achieved 72% SHASSIC Score (3-Star Rating) for our Sentral Suites development in KL Sentral and 87% (4-Star Rating) for our Alstonia development
- Received Certificate of Completion & Compliance (CCC) for our completed projects, which include the EPF Headquarters and the MBSB Bank office tower in PJ Garden Sentral City
- Achieved >1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh
- Arranged Centralised Labour Quarters (CLQ) to ensure adequate accommodation and healthy living conditions for labourers working at our sites
- Recorded an incident rate of 1.63, which is lower than Malaysia's Department of Occupational Safety and Health (DOSH)'s acceptable rate of 2.5

CHALLENGES & RISKS

Risks	Mitigation Strategies	Results
Impact from past COVID-19 movement restrictions and site closures led to delays in construction progress	Request Extension of Time (EOT) from clients to ensure no Liquidated Ascertained Damages (LAD) were incurred due to the delay in construction completion	Obtained extension for the construction completion date for SUKE to the first quarter of 2023 from the revised timeline in the second quarter of 2022
Labour and materials shortage led to delays in construction progress and price increases	<ul style="list-style-type: none"> • Ensured any risks related to labour and materials supplies and price increases were closely monitored and managed, and where required directly sourced supplies for sub-contractors • Continued to advocate the PEKA@MRCB program, which trains and hires selected prisoners 	<ul style="list-style-type: none"> • LRT3 achieved targeted physical construction progress of 81% • Achieved 89% construction progress for Sentral Suites and 88% for TRIA 9 Seputeh

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

OUTLOOK & PROSPECTS

1. PIPELINE OF PROJECTS & SUSTAINABLE RETURNS

Key Action Plans



UNSDGs



Looking ahead, the Division will continue to tender for projects with relatively higher technical and financial pre-qualification requirements and barriers to entry, such as complex structures (i.e. stadiums, convention centres, hospitals), transmission lines and large transportation infrastructure development, which earn relatively higher margins compared to the construction of conventional commercial/residential buildings, which have higher tender competition. Our large external client construction order book stretches out beyond 2030. As the booking of these revenues accelerate with the progress of construction, these key construction projects will become the backbone of the Division's revenue and operating profits over the medium to longer-term. We will continue to leverage on our track record and various ISO and Green certifications, and remain committed to ensuring our construction sites comply with all health and safety SOPs.

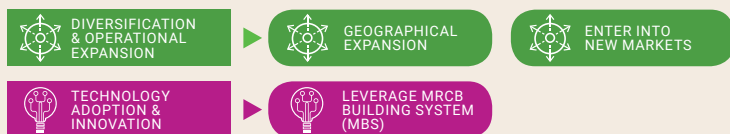
Key Construction Projects

Project	Description	Contract Value	Target Completion
Bukit Jalil Sentral	The residential and commercial development comprises three development plots, which consist of office towers, hotels, retail shops and a mall, small office/virtual office, small office/home office, service apartments and residential towers.	Provisional Contract Costs RM10,116 million Management Contract Fee RM841 million	2038
Kwasa Utama	The 29.82-acre Kwasa Corporate Park mixed-development project comprises the EPF Headquarters, financial institutions, office and commercial buildings, a retail mall and serviced apartments, a hotel, shared common infrastructure, amenities and parks. This is located in Kwasa Damansara, Sungai Buloh.	Provisional Contract Costs RM2,916 million Management Contract Fee RM177 million	2027
Muara Sungai Pahang Phase 3	A flood mitigation project, in which a 683.5 m and 68.4 m breakwater will be constructed with four dyke structures and two beacon lights. Work will also be done to deepen navigation channels.	RM380 million	2027
Light Rail Transit Line 3	The 37 km LRT line from Bandar Utama to Klang will feature 20 stations, five provisional stations, and two integrated stations. The project will serve two million users by 2024 and achieved 81% physical construction progress as at 31 December 2022.	Contract Fee RM11,372 million	2024
Sungai Besi-Ulu Kelang Expressway – CA2 Package	SUKE is a 24.4 km, three-lane, dual carriageway expressway that will commence at Sri Petaling and passes through Sungai Besi, Alam Damai, Cheras-Kajang, Taman Bukit Permai, Taman Putra, Taman Permai Jaya, Taman Dagang Permai, Taman Kosas, Ampang and Taman Hillview before exiting at Ulu Kelang. The proposed expressway will serve as a link between existing major highways and roads – MRR II, DUKE, AKLEH, KLORR, Sungai Besi extension, KL-Seremban, Cheras-Kajang, Besraya, KESAS and Jalan Ampang.	RM317 million	2023

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

2. COMPETITIVE ADVANTAGE & INNOVATIVE SOLUTIONS

Key Action Plans



UNSDGs

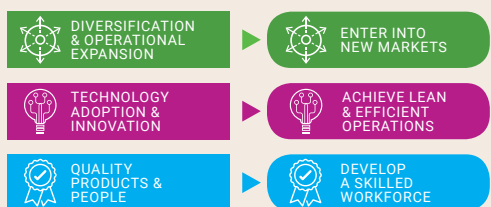


Looking ahead, the Division plans to improve its margins and remain competitive by automating its processes and leveraging on our MRCB Building System (MBS). This system has attracted the interests of other industry players due to its ability to address sustainability concerns arising from carbon intensive construction activities. To date, we have licensed our MBS technology to two companies overseas for the construction of a 19-storey student residential project and temporary quarantine facility in Hong Kong, as well as a 6-storey nursing home and senior care centre in Singapore. As at end 2022, the Polyclinic, Nursing Home and Senior Care Center at Senja Road, Singapore had been completed. We also continue to leverage on our engineering expertise to work towards providing solutions to other environmental issues. An example is our capabilities in river and coastal rehabilitation and flood mitigation, in which we have completed four phases of the ongoing Kuala Pahang Rivermouth Improvement Works since 2005, and we aim to tender for similar projects in the future.

Our past success in the redevelopment of the award-winning National Stadium at the KL Sports City in Bukit Jalil led us to become a strong contender for the redevelopment of the Shah Alam Stadium. When fully awarded, this project will become another iconic sustainable sporting infrastructure developed by MRCB.

3. DIVERSIFYING INTO NEW MARKETS AND PRODUCTS

Key Action Plans



UNSDGs



The Division will leverage on its core engineering skillsets and apply relevant knowledge in other related areas such as waste-to-energy. In 2020, Malaysia generated approximately 47,218 tonnes of household waste, which is forecasted to increase by 3.3% annually. Since the pandemic however, clinical waste generation has also increased. Nationwide, there are 141 landfills, with only 21 of them being sanitary landfills. These landfills, which have an average lifespan of 30 years and require large areas of land, contribute to environmental pollution and release methane gas, which traps 70 to 80 times more heat than CO₂. With the expected growth in household waste and a minimal number of sanitary landfills, there is an urgent need for alternative ways to treat waste, in an environmentally-friendly manner, and slowly eliminate landfills completely.

Waste-to-energy technology allows us to not only process waste in an efficient and sustainable manner, it also converts waste into a fuel source which is used to generate energy. With land becoming scarce and fossil fuels emitting more CO₂/MWh compared to waste-to-energy, MRCB has earmarked waste-to-energy as a priority area to venture into. This is in line with Malaysia's commitment at the 2015 United Nations Climate Change Conference in Paris, France to reduce the country's CO₂ emissions per unit of GDP by 45% by 2030. Apart from our ability to apply our expertise in an area that is currently in high demand, the renewable energy business will also provide recurring long-term revenues, which will help us diversify our current revenue stream and reduce earnings volatility that is inherent in our existing business model.

As part of our efforts to realise this strategy, we have already identified a suitable project. To date, the technology, which is sourced from Europe and adapted for the higher moisture content in Malaysia's household waste, has been approved by the Government, as well as all the key commercial terms, and we are awaiting for the service agreement to be finalised in 2023.