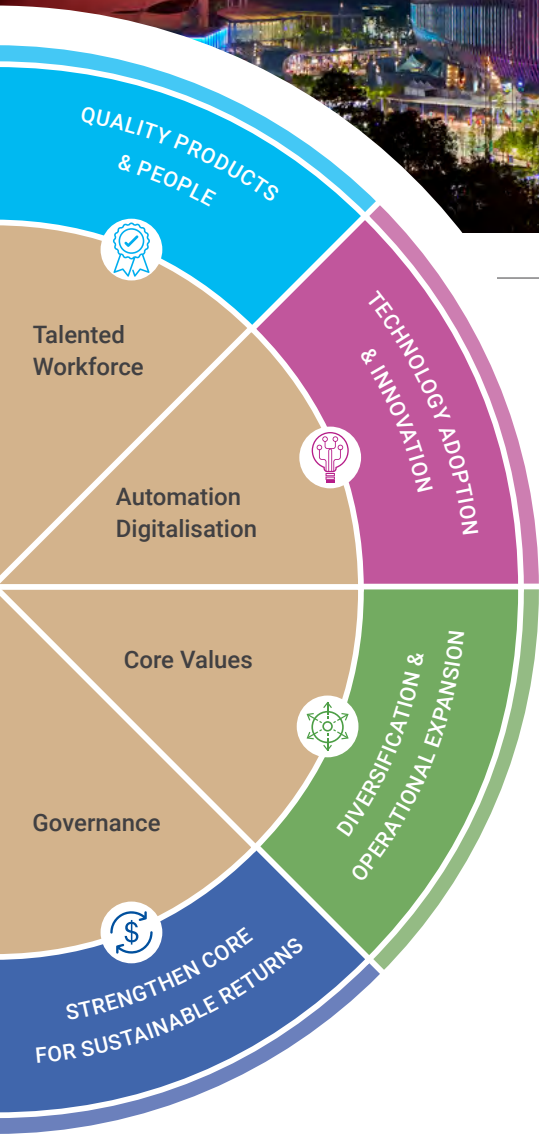


OUR STRATEGIC ROADMAP

OUR STRATEGIC ROADMAP



Our priority has always been business sustainability and creating meaningful value for our shareholders and stakeholders.

MRCB's Growth Strategy (our Strategy) was developed with this in mind, and guides us in becoming a responsible leader in the industries we operate in. Our Strategy outlines four Growth Principles, which are driven by seven Key Action Plans.

These principles and action plans will be carried out by our talented workforce, who are guided by strong core values and good corporate governance, to conduct our operations in an ethical and professional manner. We also believe that leveraging on technology will push MRCB to become a cost-efficient and future-proofed business. Our Digitalisation & Automation

Roadmap drives this initiative, as well as our investments in new construction methodologies and technologies.

Sustainability permeates through our entire organisation and underpins all our actions, going beyond ensuring sustained returns to capture the responsible use of natural resources.

We believe that our Strategy, underpinned by our Sustainability Framework, will not only widen the gap between MRCB and its competitors to gain sustainable returns, but also create solutions to meet the market's existing and future needs.

STRENGTHEN CORE FOR SUSTAINABLE RETURNS



ENSURE STEADY PIPELINE OF PROJECTS

Key Action Plan

To secure and develop land in strategic locations, and tender for large construction projects with relatively higher pre-qualification requirements and barriers to entry, with a focus on infrastructure

Key Indicators

- Revenue
- Profit Before Tax
- Finance Cost
- Order Books
- Land Bank

2022 Key Initiatives

- Continued to tender for projects
- Presented innovative proposals under direct negotiations
- Continued to monetise RM2.9 billion GDV of ongoing property development projects and RM11.7 billion worth of ongoing infrastructure projects
- Increased digital marketing of property development projects to widen reach

2022 Achievements

- Submitted tenders worth RM30.0 billion
- Continued direct discussions with clients for projects such as the redevelopment of the Shah Alam Stadium project
- Awarded the Muara Sg. Pahang Phase 3 coastal flood mitigation project worth RM380 million
- Launched Lilium in Bandar Seri Iskandar, with a GDV of RM32 million
- Achieved RM478.1 million property sales
- Recorded over 5,600 virtual viewings of Sentral Suites in KL Sentral, the 9 Seputeh developments in Jalan Klang Lama (VIVO and TRIA) and Alstonia in Bukit Rahman Putra
- Net gearing remained within healthy levels at 0.32 times
- Attracted funding through the issuance of a RM200 million perpetual Sukuk Murabahah

Short-To-Medium-Term Priorities

MRCB will continue to aggressively market its inventory of completed unsold property units, which was valued at RM227.0 million at the end of 2022, as well as continue to tender for construction projects with relatively higher pre-qualification requirements and barriers to entry, such as infrastructure projects and complex building structures. We will also continue to focus on completing our existing projects.

Long-Term Priorities

To continue to tender for large infrastructure projects such as the MRT3 rail infrastructure and work packages for the 706 km Sabah Pan Borneo Highway.

Linked to

Capitals:




Material Matters:



OUR
STRATEGIC ROADMAP

OUR
STRATEGIC ROADMAP

DIVERSIFICATION & OPERATIONAL EXPANSION



GEOGRAPHICAL EXPANSION

Key Action Plan

Expand in existing and into new overseas markets, backed by sound strategy and robust implementation

Key Indicators

- International property sales
- Revenue from international projects
- International land bank/GDV

2022 Key Initiatives

- Continued marketing remaining units at 1060 Carnegie in Melbourne, Australia
- Sourced appropriate property development projects in Australia and New Zealand

2022 Achievements

- Sold all except one (1) unit of the 176 units available for sale at 1060 Carnegie in Melbourne, Australia
- Continued planning of The Symphony Centre in Auckland City Centre, New Zealand, formerly known as the Aotea Central Over Station Development, which has a GDV of NZD452 million
- Continued planning of VISTA, a residential development at Surfer’s Paradise in Gold Coast, Australia, which has a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct, which will be refurbished and has an expected GDV of NZD137 million
- Project in Singapore using MRCB’s licensed MBS technology was completed
- Successfully patented MBS technology in 11 countries, with patent pending in another 19 countries


Short-To-Medium-Term Priorities

MRCB will focus on exploring other opportunities for expansion in Australia and New Zealand, as well as looking for more overseas licensing opportunities to build a track record in the adoption of its MBS technology.

Long-Term Priorities

To grow the Group’s Australia and New Zealand businesses with the aim of them becoming very significant and sustainable long-term contributors to the Group, by recycling capital and reinvesting the profits from existing projects in these territories into a greater number of new projects.

DIVERSIFICATION & OPERATIONAL EXPANSION



ENTER INTO NEW MARKETS

Key Action Plan

To expand our business in identified key new markets, such as the renewable energy and waste-to energy (WTE) sectors, and other markets such as the industrial/ logistics, co-living, co-working and assisted living property market segments

Key Indicators

- Contract awards for renewable energy and WTE
- Project launches in new property market segments

2022 Key Initiatives

- Continued negotiations with key stakeholders and the Government to sign a service agreement for a WTE project
- Entered into the industrial/ logistics segment

2022 Achievements

- Advanced negotiations for a WTE project service agreement
- Launched Ipoh Raya Integrated Park, an 810.57-acre first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak
- Signed an agreement with an international Fortune 500 company to develop a production facility in Perlis
- Developed plans for a new SOHO development with 266 units in Lot J, KL Sentral
- Entered into a share sale agreement to acquire 39% equity stake in Sentral REIT’s manager Sentral REIT Management Sdn Bhd, increasing MRCB’s stake to 80% upon completion in January 2023

Short-To-Medium-Term Priorities

MRCB aims to conclude a waste-to-energy project service agreement with the Government. MRCB will also plan the launch of the Lot J SOHO development project in KL Sentral in 2024, and through the newly launched Ipoh Raya Integrated Park will push its expansion into the industrial and logistics development segment, which is expected to be an attractive market segment over the next few years with many multinational corporations looking to diversify their international manufacturing bases and locate in large, strategically located, bespoke developments meeting their sustainability requirements.

Long-Term Priorities

To continue to advance renewable energy projects and stormwater management solutions, and pursue the healthcare or aged-care facilities market within new and existing sites in the Klang Valley and East Malaysia.

Linked to

Capitals:

MC

FC

NC

HC

Material Matters:

PRODUCT QUALITY & RESPONSIBILITY

CLIMATE TRANSITION RISK

ECONOMIC & BUSINESS PERFORMANCE

PHYSICAL CLIMATE RISK

INDIRECT ECONOMIC IMPACTS

GHG EMISSIONS

CUSTOMER ENGAGEMENT

BIODIVERSITY

WASTE

OUR
STRATEGIC ROADMAP

OUR
STRATEGIC ROADMAP

TECHNOLOGY ADOPTION & INNOVATION

ACHIEVE LEAN & EFFICIENT OPERATIONS

Key Action Plan

To improve data security and operational efficiency through robust business processes and the adoption of new technologies, anchored on MRCB's Digitalisation & Automation Roadmap

Key Indicators

• Productivity (Revenue/ Employee)

• Cost savings

2022 Key Initiatives

• Reduced costs through the digitalisation and automation of processes

• Continued roll-out of new ERP platform

2022 Achievements

• Improved revenue per employee productivity ratio by 113%

• Continued roll-out, data migration and User Acceptance Testing of new ERP platform

Short-To-Medium-Term Priorities

MRCB will continue its cost rationalisation exercise and complete its Data Governance Framework Programme aimed at managing and protecting all of the Group's data and better managing all local and international data protection and data privacy regulations. To complete User Acceptance Testing of the new ERP Platform and "go-live" in 2023 to drive more efficiencies and cost savings.

Long-Term Priorities

To continue to adopt digitalisation and automation to attain lean and efficient operations, to maintain cost competitiveness.

TECHNOLOGY ADOPTION & INNOVATION

LEVERAGE ON MRCB BUILDING SYSTEM (MBS)

Key Action Plan

To construct projects using MBS and license out this modular construction technology to other construction companies

Key Indicators

• Revenue from licensing MBS technology

• Number of MBS projects

2022 Key Initiatives

• Conducted five (5) ESG-specific engagement sessions and one (1) site visit to Kwasa Sentral to market and showcase MBS

2022 Achievements

• Successfully patented MBS technology in 11 countries, with patent pending in another 19 countries

• Began development of the MBS show apartment in Kwasa Sentral

• Finalised plans to launch Residensi Tujuh, a 573-unit residential development with a GDV of RM329 million that will be developed using our MBS technology

Short-To-Medium-Term Priorities

We will launch and market our first property development project in Malaysia to be constructed using MBS technology, a 573 unit, 25-storey residential project in Kwasa Sentral, developed using our MBS technology, and secure projects that can benefit from modular applications, including developing schools, as well as affordable housing.

Long-Term Priorities

To increase the percentage of developments constructed using MBS technology in Malaysia.

Linked to

Capitals:

HC

IC

NC

SRC

FC

MC

Material Matters:

PRODUCT QUALITY & RESPONSIBILITY

INDIRECT ECONOMIC IMPACTS

RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT

HEALTH & SAFETY

LOCAL COMMUNITY ENGAGEMENT

CUSTOMER ENGAGEMENT

LABOUR PRACTICE

MATERIALS MANAGEMENT

SUSTAINABLE CONSTRUCTION

WASTE

CLIMATE TRANSITION RISK

PHYSICAL CLIMATE RISK

GHG EMISSIONS

BIODIVERSITY

OUR
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QUALITY PRODUCTS & PEOPLE



UPHOLD GOOD CORPORATE GOVERNANCE

Key Action Plan

To create a culture that is committed to making ethical decisions based on the set policies and procedures, which result in high-quality products and good HSE practices

Key Indicators

- SHASSIC Score
- Customer Satisfaction Survey
- MCCG 2021 Compliance
- MSWG-ASEAN Corporate Governance Scorecard
- FTSE4Good Bursa Malaysia Index Score

2022 Key Initiatives

- Organised regular toolbox talks to educate site workers and employees on best practices of HSE
- Complied with world-class Quality, Environmental, Safety and Health systems through the adoption of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007
- Conducted communication and capacity building exercises with staff on anti-bribery and corruption, sustainability, and other governance-related matters
- Comply with international labour laws

2022 Achievements

- Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development from CIDB, which is the regulator of the construction industry in Malaysia
- Achieved 85% Overall Purchaser Survey Score for 1060 Carnegie in Melbourne, Australia
- Held 23 ABMS trainings for 799 staff and conducted 22 talks on Integrity Awareness for 442 staff, and 6 training sessions for 94 auxiliary police and security guards
- Conducted 36 safety training sessions to a total of 507 people consisting of employees, site workers and sub-contractors
- Collected carbon emissions data from largest sub-contractors in an effort to expand on our Scope 3 emissions reporting
- Achieved a score of 3.2 for the FTSE4Good Bursa Malaysia Index, and a score of 3.0 for the climate change segment of the assessment
- Received Gold from the 2022 Australasian Reporting Awards
- Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 3 out of the 5 optional Step-Up Practices
- Ranked 2nd out of 864 companies assessed in the Excellence Award for Corporate Governance Disclosure and ranked 1st in the Industry Excellence Award for the Property Sector at the MSWG-ASEAN Corporate Governance Awards 2021 (awarded in 2022)
- Ranked 1st for Transparency at The Star/FIABCI Malaysia Developer Awards 2022
- Received the Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022
- Published a new Human Rights Policy in 2022, which is aligned with the International Labour Organisation Core Conventions and Labour Standards


Short-To-Medium-Term Priorities

MRCB will continue to monitor future disruptions to our business and ensure all risks are well mitigated, as well as continue our commitment towards upholding good corporate governance and complying with all best practices, as well as safeguarding the interests of all employees and stakeholders.

Long-Term Priorities

To further improve operational and sustainability standards by developing strategies and adopting best practices and meeting global standards that will allow MRCB to compete with the very best internationally.

QUALITY PRODUCTS & PEOPLE



DEVELOP A SKILLED WORKFORCE

Key Action Plan

To produce performance-driven employees aligned with the Group's purpose and strategic objectives that continuously strive to exceed our financial and non-financial targets, while being responsive to external environment and customer demands

Key Indicators

- Number of staff trained
- Average training hours/employee

2022 Key Initiatives

- Encouraged knowledge sharing between Management, in-house specialists and subject-matter experts
- Continued to roll-out the People Transformation Accelerator Programme

2022 Achievements

- Conducted an average of 4.6 training hours per employee
- Collaborated with HRD Corp to provide free access to 300 courses via the e-Latih digital learning platform for self-paced and flexible learning
- Collaborated with the UNGC to allow employees free access to UNGC Academy, a digital learning platform with courses and resources from the world's leading experts on sustainable development
- Employees participated in the CEO Action Network (CAN) peer-to-peer learning workshops and sharing with other like-minded organisations
- Continued Individual Learning & Development Plans for high performing talents, aimed at narrowing skills gaps to equip future leaders as part of the Group's Succession Planning
- Conducted 28 People Transformation Accelerator Programme (PTAP) workshops attended by 653 employees and three (3) Light & Easy sessions between the Senior Management team and employees to sustain organisational transformation

Short-To-Medium-Term Priorities

We will continue to focus on our talent development and succession planning initiatives, including Individual Development Plans, with the aim of building a competent, driven workforce with clearly defined career paths so that our people can grow with the organisation. We will continue to upskill our people by utilising programmes developed by leading training companies and institutions.

Long-Term Priorities

To have a sustainable, dynamic and engaged workforce, that is nimble and can adapt to changing environments to ensure smooth and sustainable business operations. To become a trusted employer and an employer of choice.

Linked to

Capitals:

FC

HC

IC

SRC

Material Matters:

ETHICS & PRINCIPLES	PRODUCT QUALITY & RESPONSIBILITY	ECONOMIC & BUSINESS PERFORMANCE	INDIRECT ECONOMIC IMPACTS	RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT	HEALTH & SAFETY	EMPLOYEE ENGAGEMENT & WELL-BEING	CUSTOMER ENGAGEMENT	DIVERSITY & EQUAL OPPORTUNITY
LABOUR PRACTICE	HUMAN RIGHTS	MATERIALS MANAGEMENT	SUSTAINABLE CONSTRUCTION	WASTE	CLIMATE TRANSITION RISK	PHYSICAL CLIMATE RISK	GHG EMISSIONS	BIODIVERSITY