

# Our Strategic Roadmap



*The Light Rail Transit 3 (LRT3) project, a significant infrastructure development project in our portfolio, achieved notable milestones in 2023. Almost all of the civil works were completed, achieving overall physical construction completion of 92% and financial progress of 88% at the end of 2023*

Our fervent commitment has consistently centred around ensuring the sustainability of our business and generating value for both our shareholders and stakeholders.

In alignment with this commitment, MRCB's crafted Growth Strategy positions us as a responsible leader within our industries. This Strategy is anchored on four Growth Principles, each driven by seven Key Action Plans.

The execution of these principles and action plans are entrusted to our talented workforce, who operate under the guidance of our strong core values and exemplary corporate governance, ensuring that our business activities are conducted with utmost ethics and professionalism. We firmly believe that the integration of technology is pivotal in steering MRCB towards a cost-efficient and resilient future. Our Digitalisation &

Automation Roadmap spearheads this initiative, complemented by strategic investments in innovative construction methodologies and technologies.

Sustainability is not just a facet but an integral part of our organisational culture, influencing every angle of our operations. It extends beyond ensuring sustainable returns to encompass the responsible use of natural resources.

We believe that our Strategy, underpinned by the comprehensive Sustainability Framework, will not only set MRCB apart from its competitors in realising sustainable returns, but will also position us as innovators, proactively addressing both current and future market needs. Our Strategy has four Growth Principles, driven by seven Key Action Plans:

## Strengthen Core For Sustainable Returns

	Key Action Plan	Key Indicators
<b>Ensure Steady Pipeline of Projects</b>	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.	<ul style="list-style-type: none"> <li>Revenue</li> <li>Profit Before Tax</li> <li>Finance Cost</li> <li>Order Book</li> <li>Land Bank</li> </ul>

### 2023 KEY INITIATIVES

- Continue to participate in tenders for new infrastructure construction projects
- Present innovative infrastructure development proposals and solutions to clients for direct negotiation
- Launch new property development projects to provide future revenue streams
- Pro-actively manage land bank and non-core assets, to optimise assets and create disposal opportunities to unlock value and recycle capital into new and potentially more profitable projects to grow the property development pipeline
- Continue to monetise GDV from existing property development projects and recognise revenue from construction progress from the RM11.7 billion of on-going infrastructure projects



### 2023 ACHIEVEMENTS

- Achieved Property Sales of RM831.3 million
  - Sustained a construction open tender book of RM30 billion, excluding the potential re-development projects of Stadium Shah Alam and KL Sentral Station, and various climate adaptation and other infrastructure development proposals submitted under direct negotiation
  - Launched RM1.9 billion worth of residential property projects, including Residensi Tujuh in Kwasa Damansara, a 573-unit development with a GDV of RM385 million and VISTA in Surfers Paradise, Gold Coast Australia with a GDV of AUD504 million (≈ RM1,511 million)
  - Planned RM3.6 billion worth of new property launches for 2024 in Malaysia and New Zealand
-  [More details on page 105](#)
- Acquired the mixed commercial property development Rights of Tower 2 in the PJ Sentral, Petaling Jaya from Perbadanan Kemajuan Negeri Selangor (PKNS) for a consideration of RM270 million. This was largely funded by the disposal of non-core asset Plaza Alam Sentral and its adjoining land in Shah Alam, to PKNS for a consideration of RM178 million and the disposal of the Group's completed residential units in Vivo, TRIA and St. Regis developments to PKNS for a consideration of RM80 million
  - Completed the disposal of Menara CelcomDigi for RM450 million
  - A land bank with a GDV of RM31 billion
  - An external client construction order book of RM26.1 billion

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to tender for projects with relatively high pre-qualification requirements and barriers to entry, infrastructure construction projects, particularly in the rail, energy transition, and climate adaptation infrastructure sectors, and any other new market opportunities where MRCB's technical expertise and skill sets will create value. We will also undertake RM3.6 billion of new property developments projects targeted in 2024 and continue to focus on completing our existing construction contracts and property development projects.

### LONG-TERM PRIORITIES

To continue to grow our construction order book and property development pipeline in Malaysia and overseas, and improve the consistency of our long-term revenue streams through a more diversified project and geographic base.

### Linked to

#### Capitals



#### Material Matters





## Diversification & Operational Expansion

	Key Action Plan	Key Indicators
<b>Geographical Expansion</b>	Expand in existing and new overseas markets, backed by sound strategy and robust implementation	<ul style="list-style-type: none"> <li>• International property sales</li> <li>• Revenue from international projects</li> <li>• International land bank/project GDV</li> <li>• New international launches</li> </ul>

### 2023 KEY INITIATIVES

- Expand into Australia and New Zealand by proactively identifying and pursuing development opportunities, and increasing international market awareness and presence
- Launch VISTA in Gold Coast, Australia
- Evaluate property development and other projects in Australia and New Zealand
- Source projects in Sabah, East Malaysia

### 2023 ACHIEVEMENTS

- Launched VISTA in Gold Coast, Australia, a 280-unit 51-storey high-rise residential development with a GDV of AUD504 million (≈ RM1,511 million) in April 2023
- 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 NZD 452 million while awaiting handover of the development site
- Continued plans for the refurbishment of Bledisloe House, a heritage building located adjacent to The Symphony Centre development in the Aotea precinct in Auckland, New Zealand, which has an expected GDV of NZD137 million (≈ RM398 million)
- Completion of a project in Hong Kong that licensed MRCB's MBS modular technology
- Successfully secured patents for the MBS technology in 20 countries (2022: 11 countries), with applications currently pending in another 11
- RM3.2 billion GDV of overseas projects pipeline

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to execute its plans to implement the pipeline of RM3.2 billion of projects in Australia and New Zealand. The plan includes marketing the newly launched VISTA in Gold Coast and kick-starting marketing for The Symphony Centre in Auckland, ahead of the project site handover and after completion of the rail station that the project will sit above and will be integrated with. MRCB will also continue to focus on exploring other opportunities for expansion in Australia and New Zealand, as well as looking for other overseas expansion opportunities. Continue to tender for infrastructure construction projects in East Malaysia.

### 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.

	Key Action Plan	Key Indicators
<b>Enter Into New Markets</b>	To expand our business in identified new key markets, such as the renewable energy, waste-to energy (WTE), other energy transition and climate change adaptation infrastructure sectors, and other markets; such as the industrial/logistics, co-living, co-working and assisted living property market segments, and target contracts to construct iconic infrastructure	<ul style="list-style-type: none"> <li>Contract awards</li> <li>Project launches in new property market segments</li> </ul>

2023 KEY INITIATIVES	2023 ACHIEVEMENTS
<ul style="list-style-type: none"> <li>Continue negotiations with key stakeholders and the Government to sign a concession agreement for a WTE project</li> <li>Market industrial and logistics segment offerings and solutions at the Ipoh Raya Integrated Park to foreign direct investors</li> <li>Market climate adaptation infrastructure solutions to Federal and State Governments</li> <li>Propose infrastructure development solutions to Federal and State Governments</li> </ul>	<ul style="list-style-type: none"> <li>Continued to advance negotiations for a WTE service agreement</li> <li>Achieved property sales of RM831.3 million</li> <li>Partnered with Tesla, Inc. to introduce Tesla Superchargers within MRCB's car parks</li> <li>Launched the development of an electronics production facility with a Fortune 500 company in the Chuping Valley Industrial Area in Perlis, valued at RM121.5 million</li> <li>Received approval in principle from the Government for a design concept submitted for the re-development of KL Sentral Station and entered into negotiations for the award of the project</li> <li>Submitted an iconic design proposal for the re-development of Stadium Shah Alam and entered into negotiations with the client and other stakeholders</li> <li>Submitted proposals and tenders for stormwater management and flood mitigation solutions to the Federal Government and various State Governments</li> <li>Developed proposals for renewable energy projects aligned to Malaysia's New Energy Transition Roadmap</li> </ul>

**SHORT-TO-MEDIUM-TERM PRIORITIES**

Expand the industrial and logistics segment by marketing and developing the Ipoh Raya Integrated Park to large foreign direct investors and multi-national corporations looking to diversify their international manufacturing bases and invest in large, integrated, strategically located, and bespoke developments meeting their sustainability requirements. MRCB will continue to negotiate with clients to finalise the awards contracts for the redevelopment of Stadium Shah Alam and KL Sentral Station. We will also continue to tender and submit proposals for energy transition and climate change adaption infrastructure projects, like WTE, renewable energy and flood mitigation infrastructure projects, and any other new market opportunities where MRCB's technical expertise and skill sets will create value.

**LONG-TERM PRIORITIES**

Continuing to expand into new markets and grow our construction order book and property development pipeline to improve the consistency of our long-term revenue streams through a more diversified project and market segment base.

**Linked to**

Capitals



Material Matters





## Technology Adoption & Innovation

	Key Action Plan	Key Indicators
<b>Achieve Lean and Efficient Operations</b>	To improve data security and operational efficiency through robust business processes and the adoption of new technologies, anchored on MRCB's Digitalisation & Automation Roadmap	<ul style="list-style-type: none"> <li>Productivity (Revenue/Employee)</li> <li>Cost savings</li> </ul>

### 2023 KEY INITIATIVES

- Optimise costs through the digitalisation and automation processes
- Conduct operational cost rationalisation and value engineering exercises
- Continue to roll-out the new ERP platform
- Rationalise office space

### 2023 ACHIEVEMENTS

- Achieved RM1.52 million in revenue per employee productivity ratio for 2023
- Achieved administrative cost savings due to efficiencies from digitalisation and automation of operations, which also resulted in office space rationalisation
- Completed User Acceptance Testing of the new ERP Platform, and completed data migration for the Engineering, Construction & Environment division and the Property Development & Investment division, resulting in both divisions going live on the platform in Q4 2023
- Reduced administration costs by successfully deploying a digital Defect Management System for property buyers

### SHORT-TO-MEDIUM-TERM PRIORITIES

Drive further productivity and cost efficiencies through digitalisation and automation to further reduce headcount through natural attrition and office space rationalisation.

### LONG-TERM PRIORITIES

To continue to adopt digitalisation and automation for leaner and more efficient operations, and to maintain cost competitiveness.

	Key Action Plan	Key Indicators
<b>Leverage on MRCB Building System (MBS)</b>	To construct projects using MBS and license out this modular construction technology to other construction companies	<ul style="list-style-type: none"> <li>Revenue from licensing MBS technology</li> <li>Number of MBS projects</li> </ul>

<p><b>2023 KEY INITIATIVES</b></p> <ul style="list-style-type: none"> <li>Conduct ESG sessions with analysts to include a brief on our MBS technology</li> <li>Plan the launch of Residensi Tujuh as the inaugural Malaysian residential development using MBS</li> <li>Partner with CIDB's Akademi Binaan Malaysia to improve TVET programmes aligned to MRCB's modular construction technology</li> </ul>	<p><b>2023 ACHIEVEMENTS</b></p> <ul style="list-style-type: none"> <li>Successfully secured patents for our MBS technology in 20 countries (2022: 11 countries), with applications currently pending in another 11</li> <li>Launched Residensi Tujuh at Plot F, Kwasa Sentral with a GDV of RM385 million, MRCB's first high-rise residential development that will be constructed using modular technology</li> </ul>
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**SHORT-TO-MEDIUM-TERM PRIORITIES**

To secure projects that can benefit from modular applications, including developing schools, as well as affordable housing.

We will also continue to explore the adoption of MBS for other potential products and applications in the public sector such as Centralised Labour Quarters (CLQ), External Labour Quarters (ELQ), police accommodation and prisons, where speed of construction is a client priority, and market these to relevant stakeholders.

**LONG-TERM PRIORITIES**

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

**Linked to**

**Capitals**



**Material Matters**





## Quality Products & People

	Key Action Plan	Key Indicators
<b>Uphold Good Governance</b>	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	<ul style="list-style-type: none"> <li>• SHASSIC Score</li> <li>• Customer Satisfaction Surveys</li> <li>• Anti-Bribery &amp; Anti-Corruption Training</li> <li>• MCCG 2021 Compliance</li> <li>• MSWG-ASEAN Corporate Governance Scorecard</li> <li>• FTSE4Good Bursa Malaysia Index Score</li> <li>• MSCI ESG Rating</li> </ul>

### 2023 KEY INITIATIVES

- Organise regular toolbox talks to educate site workers and employees on best HSE practices
- Comply with world-class Quality, Environmental, Safety and Health Systems through the adoption of ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2007
- Comply with international labour laws and assess our suppliers as well as contractors and sub-contractors
- Conduct anti-bribery and corruption training for staff



### 2023 ACHIEVEMENTS

- Achieved a 5-Star SHASSIC rating for our PRIMA development from the Construction Industry Development Board (CIDB), which is the regulator of the construction industry in Malaysia
- Achieved an 80% Overall Purchaser Survey Score for KL Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects
- Conducted 36 safety training sessions for a total of 588 people consisting of employees, site workers, and sub-contractors
- Increased our overall FTSE4Good Bursa Malaysia Index score to 3.6 (from 3.2 in 2022), and increased our score in the climate change segment of the assessment to 4.0
- Received Gold Award at the 2023 Australasian Reporting Awards
- Awarded Gold for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards
- Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices
- Conducted an assessment-based e-learning Anti-Bribery & Anti-Corruption Awareness Programme and Whistleblowing Policy, attended by 98.4% of employees, with the remaining employees being engaged in a physical briefing session on Anti-Bribery & Anti-Corruption awareness



*more details can be viewed on page 263 of this report*

- Re-launched the UNGC Academy learning portal for employees to access sustainability courses on topics like climate change, SDGs, gender equality, human rights, and decent work
- Achieved MSCI ESG Rating upgrade to “A” from “BBB”

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to proactively identify and address emerging challenges to our business, ensure all risks are well mitigated, continue our commitment towards upholding good corporate governance, comply with all best practices, and safeguard the interests of all employees and stakeholders.

### LONG-TERM PRIORITIES

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



	Key Action Plan	Key Indicators
<b>Develop A Skilled Workforce</b>	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 the external environment and customer demands.	<ul style="list-style-type: none"> <li>• Number of staff trained</li> <li>• Average training hours per employee</li> </ul>

- 2023 KEY INITIATIVES**
- Encourage knowledge sharing between Management, in-house specialists, and subject-matter experts
  - Conduct internal capacity building on sustainability, and anti-bribery and corruption awareness through training and communication programmes
  - Continue to improve training and talent development

- 2023 ACHIEVEMENTS**
- 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 and Development Plans for high-performing talents, aimed at narrowing skills gaps to equip future leaders as part of the Group’s Succession Planning
  - Conducted Skip-Level Employee Engagement sessions between the Senior Management team and employees to sustain organisational transformation
  - Achieved an average of 6.4 training hours per employee (2022: 4.6 training hours per employee) with impactful and diverse training and development programmes, driving all MRCB employees toward continuous learning and skill enhancement

**SHORT-TO-MEDIUM-TERM PRIORITIES**

We will continue to focus on our talent development and succession planning initiatives, including Individual Development Plans to build 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, engaged, and nimble workforce that can adapt to changing environments, ensuring smooth and sustainable business operations, aiming to be recognised as a trusted and preferred employer.

**Linked to**

**Capitals**



**Material Matters**

