

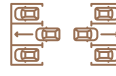



















































































OUR VALUE CREATING BUSINESS MODEL

As a pioneer of Transit Oriented Developments (TOD) and a leading infrastructure construction company, we are committed to understanding the continuously evolving stakeholder needs and expectations that will enable us to create value for all.

PURPOSE	VISION	MISSION	VALUES
 <b>To Build Meaningful Places for A Better Tomorrow</b>	 <b>Setting the Standard</b>	 <b>Leading the field sustainably through innovation in Property Development, Engineering and Construction</b>	 <b>Courageous</b> <b>Creative</b> <b>Driven</b> <b>Customer Centric</b> <b>Accountable</b>

OUR VALUE CREATION PROCESS IS GOVERNED BY MINDFUL GOVERNANCE

INPUTS		TO DRIVE OUR BUSINESS ACTIVITIES		OUTPUTS		OUTCOMES		STAKEHOLDERS IMPACTED		ALIGNMENT TO 14 UNSDGs	
<div><div>HC</div><div><b>HUMAN CAPITAL</b><ul style="list-style-type: none"><li>1,650 skilled professionals driving the company forward</li><li>36 health and safety programmes implemented to protect employees</li><li>RM905,651 invested in training and development</li></ul></div></div>		<div><div><div><b>Property Development &amp; Investment</b></div><div><b>Engineering, Construction &amp; Environment</b></div><div><b>Facilities Management &amp; Parking</b></div></div></div>		<div><div>Our Products</div><div><div><b>Transit Oriented Developments</b></div><div><b>World-Class Residential Properties</b></div><div><b>Bespoke Commercial Green Building Developments</b></div><div><b>Innovative Buildings and Complex Structures</b></div><div><b>Quality Rail &amp; Road Infrastructure</b></div><div><b>Power Projects and Rehabilitation of Rivers &amp; Coastal Areas</b></div><div><b>Facilities Management &amp; Carpark Ownership</b></div></div></div>		<div><div><b>HUMAN CAPITAL</b><ul style="list-style-type: none"><li>Women make up 39% of our workforce</li><li>Achieved &gt;1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh</li><li>Received GradMalaysia's Most Popular Graduate Employer 2022 Award in the Property Sector</li><li>(3.5)% mean employee gender pay gap</li></ul></div><div><b>INTELLECTUAL CAPITAL</b><ul style="list-style-type: none"><li>Patented the MBS technology in 11 countries</li><li>Received the Climate Action Fellow Award at the United Nations Global Compact Malaysia &amp; Brunei Sustainability Performance Awards 2022</li><li>Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development</li></ul></div><div><b>NATURAL CAPITAL</b><ul style="list-style-type: none"><li>65% reduction in Scope 1 and Scope 2 carbon emissions intensity</li><li>7.5% reduction in Scope 1 and Scope 2 absolute emissions</li></ul></div><div><b>SOCIAL &amp; RELATIONSHIP CAPITAL</b><ul style="list-style-type: none"><li>95% of procurement budget spent on local suppliers</li><li>RM714,356 contributed through CSR activities to organisations and communities</li><li>345 prisoners/offenders participated in the PEKA@MRCB programme</li></ul></div><div><b>FINANCIAL CAPITAL</b><ul style="list-style-type: none"><li>RM3.2 billion generated in revenue</li><li>RM154.3 million profit before tax</li><li>RM4.5 billion in shareholders' funds</li><li>Net gearing of 0.32 times</li></ul></div><div><b>MANUFACTURED CAPITAL</b><ul style="list-style-type: none"><li>Launched Lilium in Bandar Seri Iskandar with a GDV of RM32 million</li><li>RM1.0 billion worth of construction projects completed in 2022</li><li>RM478.1 million property sales in 2022</li><li>RM26.3 billion in external client construction order book</li><li>LRT3 achieved physical construction progress of 81% and financial progress of 75%</li></ul></div></div>		<div><div></div><div></div><div></div><div></div><div></div><div></div></div>		<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
<div><div>IC</div><div><b>INTELLECTUAL CAPITAL</b><ul style="list-style-type: none"><li>Over 50 years of industry experience, with a strong brand name as a pioneer in Transit Oriented Development and an enviable track record as a rail and road infrastructure developer</li><li>RM6.4 million invested to make MBS commercially viable</li></ul></div></div>		<div><div>STRATEGY</div><div>Underpinned by <b>MRCB's Sustainability Framework</b> to ensure meaningful outcomes to the environment and all stakeholders</div><div><div><div><b>Key Market Trends Shaping Our Business</b></div><div><div><div><div><div>Aging Population</div><div>Customised Solutions</div><div>Proximity to Public Transport</div><div>Digitalisation</div></div><div><div>Climate Change</div><div>Integrated Living</div><div>Multi-use Design</div><div>Urbanisation</div><div>Green Development</div></div></div></div><div><div><b>Key Enterprise Risks (KERs)</b></div><div><div><div><div>Project Delivery</div><div>Liquidity</div><div>Marketing</div><div>Business Continuity</div><div>Environmental, Social and Governance</div></div><div><div>Regulatory</div><div>Safety, Health &amp; Environment</div><div>Quality</div><div>Concentration</div></div></div></div><div><div><b>Material Matters</b></div><div><div><div><div><b>Economic</b></div><div><div><div>Product Quality &amp; Responsibility</div><div>Economic &amp; Business Performance</div><div>Indirect Economic Impacts</div><div>Responsible Procurement &amp; Supplier Assessment</div></div><div><div><b>Governance</b></div><div><div>Ethics &amp; Principles</div><div>Governance &amp; Compliance</div></div><div><div><b>Social</b></div><div><div>Health &amp; Safety</div><div>Employee Engagement &amp; Well-Being</div><div>Customer Engagement</div><div>Diversity &amp; Equal Opportunity</div><div>Labour Practice</div><div>Local Community Engagement</div><div>Human Rights</div></div><div><div><b>Environment</b></div><div><div>Materials Management</div><div>Sustainable Construction</div><div>Waste</div><div>Climate Transition Risk</div><div>Physical Climate Risk</div><div>Greenhouse Gas (GHG) Emissions</div><div>Biodiversity</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>		<div><div><div><div><b>QUALITY PRODUCTS &amp; PEOPLE</b></div><div><b>TECHNOLOGY ADOPTION &amp; INNOVATION</b></div><div><b>DIVERSIFICATION &amp; OPERATIONAL EXPANSION</b></div><div><b>STRENGTHEN CORE FOR SUSTAINABLE RETURNS</b></div></div><div><div>Talented Workforce</div><div>Automation Digitalisation</div><div>Core Values</div><div>Governance</div></div></div></div>		<div><div><div><b>HUMAN CAPITAL</b><ul style="list-style-type: none"><li>Women make up 39% of our workforce</li><li>Achieved &gt;1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh</li><li>Received GradMalaysia's Most Popular Graduate Employer 2022 Award in the Property Sector</li><li>(3.5)% mean employee gender pay gap</li></ul></div><div><b>INTELLECTUAL CAPITAL</b><ul style="list-style-type: none"><li>Patented the MBS technology in 11 countries</li><li>Received the Climate Action Fellow Award at the United Nations Global Compact Malaysia &amp; Brunei Sustainability Performance Awards 2022</li><li>Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development</li></ul></div><div><b>NATURAL CAPITAL</b><ul style="list-style-type: none"><li>65% reduction in Scope 1 and Scope 2 carbon emissions intensity</li><li>7.5% reduction in Scope 1 and Scope 2 absolute emissions</li></ul></div><div><b>SOCIAL &amp; RELATIONSHIP CAPITAL</b><ul style="list-style-type: none"><li>95% of procurement budget spent on local suppliers</li><li>RM714,356 contributed through CSR activities to organisations and communities</li><li>345 prisoners/offenders participated in the PEKA@MRCB programme</li></ul></div><div><b>FINANCIAL CAPITAL</b><ul style="list-style-type: none"><li>RM3.2 billion generated in revenue</li><li>RM154.3 million profit before tax</li><li>RM4.5 billion in shareholders' funds</li><li>Net gearing of 0.32 times</li></ul></div><div><b>MANUFACTURED CAPITAL</b><ul style="list-style-type: none"><li>Launched Lilium in Bandar Seri Iskandar with a GDV of RM32 million</li><li>RM1.0 billion worth of construction projects completed in 2022</li><li>RM478.1 million property sales in 2022</li><li>RM26.3 billion in external client construction order book</li><li>LRT3 achieved physical construction progress of 81% and financial progress of 75%</li></ul></div></div></div>		<div><div></div><div></div><div></div><div></div><div></div><div></div></div>		<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
<div><div>NC</div><div><b>NATURAL CAPITAL</b><ul style="list-style-type: none"><li>1,153 acres of land owned for strategic development projects</li><li>22 GWh of electricity consumed</li></ul></div></div>											
<div><div>SRC</div><div><b>SOCIAL &amp; RELATIONSHIP CAPITAL</b><ul style="list-style-type: none"><li>Strong network of 1,663 approved vendors supporting the business</li><li>Conducted 25 investor meetings including 5 ESG-specific engagement sessions</li><li>Over 100,000 stakeholders engaged</li><li>42 community programmes held</li></ul></div></div>											
<div><div>FC</div><div><b>FINANCIAL CAPITAL</b><ul style="list-style-type: none"><li>RM4.4 billion in share capital</li><li>RM5 billion Sukuk programme, RM200 million issued in 2022</li><li>RM2.1 billion in total borrowings</li></ul></div></div>											
<div><div>MC</div><div><b>MANUFACTURED CAPITAL</b><ul style="list-style-type: none"><li>RM33 billion GDV land bank</li><li>RM2.9 billion GDV of ongoing property development projects</li><li>RM11.7 billion worth of ongoing infrastructure projects</li></ul></div></div>											

OUR COMPETITIVE ADVANTAGES...

Pioneer of TODs and Green buildings in Malaysia, with five TODs in the pipeline, and a leading infrastructure construction company.	Largest listed Bumiputera construction company.	Strong corporate governance, a constituent of the F4GBM Index and a signatory of the Ten Principles of the United Nations Global Compact.	Innovated a proprietary modular construction technology, MRCB Building System (MBS).	Led by a Board and Management team that provides strong leadership, expertise and insights.	Long pipeline of projects through a land bank of 1,153 acres with a GDV of RM33 billion, an external client construction order book of over RM26.3 billion, and a strong balance sheet with net gearing of 0.32 times.
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OUR VALUE  
CREATING BUSINESS MODEL

TRADE-OFFS BY CAPITAL

The six Capitals are our means to achieve our strategic objectives and create value for our stakeholders. These are the resource and relationship inputs that enable value-creating activities and outcomes. While managing these Capitals, businesses frequently experience trade-offs between and within these Capitals. Our aim is to maximise the positive outcomes of our capital inputs and minimise any trade-offs. In doing so, we balance the short, medium and long-term outcomes of value creation. Below is a review of our Capitals and their trade-offs.

HC

HUMAN CAPITAL

Our Approach

Ensure optimal productivity and provide a conducive workplace that embraces diversity by creating a safe, secure and positive work environment.

To produce performance-driven employees aligned with the Group’s purpose and strategic objectives, and as such ensure their personal and professional needs are met.

Value Creation

Create diversified teams with innovative ideas and produce a pipeline of internal talents.

Trade-Off

High turnover as talented employees are headhunted by other companies in the same industry.

Our Focus in 2022

In a bid to nurture a healthy and performance-driven work culture, we continued to provide employees with benefits such as flexi-hours and mental health programmes. Additionally, in 2022 we reviewed employees’ existing salaries to ensure they remain competitive. We also set up an MRCB Flood Committee and conducted a “Flood Preparedness Survey” to gather information that could be used to help the Committee plan and mobilise a disaster recovery programme for affected employees. Efforts were also undertaken to equip employees with necessary leadership tools by conducting 28 People Transformation Accelerator Programme (PTAP) workshops attended by 653 employees, and 3 Light & Easy sessions between the Senior Management team and employees. MRCB also continued training on anti-bribery and corruption and held 23 ABMS trainings for 799 staff, 22 talks on Integrity Awareness for 442 staff, as well as 6 training sessions for 94 auxiliary police and security guards.

IC

INTELLECTUAL CAPITAL

Our Approach

Aggressively defend our market-leading position in the property and construction sectors by leveraging on our TOD expertise, ensuring compliance to globally recognised management systems, and investing in the innovation of a proprietary modular construction technology, MRCB Building System (MBS), that will add value to the production process and development of end products. Using our intellectual capital and expertise to innovate solutions in flood mitigation, sustainable stadiums, as well as waste-to-energy projects to provide a new source of long-term revenue.

Value Creation

Our strong track record strengthens our value proposition as a TOD developer and engineering company with innovative and forward-looking project delivery solutions for customers.

Trade-Off

Investments in new technologies are earmarked for delivering returns over the long-term, with no immediate financial rewards, also putting pressure on cashflow in the short-term.

Our Focus in 2022

Our proprietary MBS was actively brought to market in 2021, and in 2022 we began constructing our MBS show apartment and finalised plans to launch Residensi Tujuh at Kwasa Sentral, a residential development with a GDV of RM329 million, which will be developed using our MBS technology. To date we have successfully patented our technology in 11 countries, with patent pending in another 19 countries, and licensed the technology to companies undertaking projects in Singapore and Hong Kong.

OUR VALUE  
CREATING BUSINESS MODEL

NC

NATURAL CAPITAL

Our Approach

Manage our consumption of energy, water and materials through monitoring and efficiency measures. Develop sustainable construction methodologies like MBS, which is a faster and a more energy and waste efficient construction technology. Implement more rigorous sustainable procurement strategies, by implementing policies and processes that embed sustainability at the project design stage, to ensure only locally sourced materials are specified and materials that meet sustainability specifications are procured.

Value Creation

Progressively reduce our environmental footprint and deliver responsible products (value proposition) to our customers.

Trade-Off

Our consumption footprint and the associated costs increase as we grow our operational and geographical footprint.

Our Focus in 2022

Our MBS technology and modular construction were employed and licensed out, creating less waste and fewer emissions. We achieved a 65% reduction in Scope 1 and Scope 2 carbon emissions intensity in 2022 and expanded on our Scope 3 reporting by collecting carbon emissions data from our largest sub-contractors. Our commitment to reducing our carbon emissions is furthered with our recent purchase of Renewable Energy Certificates from Tenaga Nasional Berhad, as well as our involvement in various UN-level initiatives, the development of our Climate Strategy Framework, adopting science-based carbon emissions reduction targets, and reporting on climate risks and opportunities in relation to our assets in line with the Task Force on Climate-Related Financial Disclosures (TCFD) Framework.

SRC

SOCIAL & RELATIONSHIP CAPITAL

Our Approach

Engage and cooperate with various stakeholders, including customers, regulators, suppliers and sub-contractors, on their expectations and pain points. Also, support local communities through CSR programmes and community development initiatives.

Value Creation

Strengthen stakeholder relationships and reinforce their confidence in our resilient business and solutions.

Trade-Off

Due to continued challenges and impacts of the pandemic, resources (financial and non-financial) were allocated to address critical stakeholder expectations irrespective of their priority and returns to business.

Our Focus in 2022

Increased engagement with customers and clients via digital platforms and conducted ESG-specific sessions to address ESG-related concerns. Offered support by channelling donations in cash and in kind (food and medical supplies) to the most vulnerable in the community, including to the Orang Asli, through an Engagement Programme with the Orang Asli Community in Perak.

OUR VALUE  
CREATING BUSINESS MODEL

FC

FINANCIAL CAPITAL

Our Approach

Manage liquidity and maintain a sound financial structure and a healthy balance sheet while keeping the Group relatively asset and debt light. Ensure business operations are optimised to generate revenue, profits and cashflow.

Value Creation

Maintain and deliver attractive shareholder and investor returns by disposing non-core assets and monetising our inventory of completed unsold stock. Refinance high interest rate debt with lower interest rate debts.

Trade-Off

There is a trade-off between the interests of short-term investors that seek to maximise short-term gains, and our longer-term growth plans that require the investment of financial capital. Investors are also increasingly demanding more rigorous ESG and climate mitigation strategies which require capital investment and will impact financial performance and returns for investors in the short to medium term.

Our Focus in 2022

Raised funds through our RM5 billion Sukuk programme from which an additional RM200 million was issued at a rate of 3.75% for 1 year maturity in 2022, largely to refinance higher interest rate debt at lower interest rates. Focus was also given towards generating cashflow by monetising our inventory of completed unsold stock, of which RM251.9 million was sold in 2022. The Group also continued to diversify into new market segments in Malaysia and expand overseas, and mobilise MBS to accelerate returns and improve its sustainability.

OUR VALUE  
CREATING BUSINESS MODEL

MC

MANUFACTURED CAPITAL

Our Approach

The Group's land bank continues to be carefully and strategically developed to provide sustained revenue potential in the future.

TODs are aligned with national infrastructure plans and our focus on green buildings, and the Group actively tenders for complex construction projects with higher pre-qualification requirements and barriers to entry, like road and rail infrastructure development projects, and sustainable stadiums.

Efforts are undertaken to ensure materials are locally sourced and meet sustainability specifications.

Value Creation

Develop sustainable communities through our TODs that seamlessly integrate mass public transport with working and living areas to improve productivity and enhance economic activity and social development.

Protect the environment by constructing responsibly using sustainable materials and new technologies.

Trade-Off

Further development of our urban land bank could reduce green spaces within urban areas and create negative impacts on natural capital.

Our Focus in 2022

TOD projects continued to be pursued as a smarter solution for integrated and connected living that reduces urban sprawl and road congestion and reduces carbon emissions. MRCB will extend its expertise in Auckland, New Zealand to develop The Symphony Centre in the Central Business District with a GDV of NZD452 million.

In 2022, MRCB completed the construction of three infrastructure projects. The Mass Rapid Transit Line 2 Package V210, which was completed on 2 August 2022, will benefit 533,000 riders a day, while the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) project, which was completed on 15 September 2022, will contribute towards benefitting over 40 residential areas, allowing drivers to save more than half of their travel time. MRCB also completed the construction and commissioning of a double circuit 500kV overhead transmission line from Mukim Jabi, Segamat to Mukim Serting Hilir, Jempol. In 2022, our LRT3 project achieved its targeted 81% physical construction progress as at 31 December 2022.

Continued emphasis was given to ensure all commercial development projects qualified for the Green Building Index accreditation. The Group also achieved a 65% reduction in its Scope 1 and Scope 2 carbon emissions intensity in 2022 and a 7.5% reduction in Scope 1 and Scope 2 absolute emissions.