

# REFLECTIONS FROM THE CHAIRMAN

## DEAR STAKEHOLDERS,

Since the unprecedented challenges of 2020 and 2021, the property industry has faced headwinds, both here in Malaysia and globally.



DATO' MOHAMAD  
NASIR AB LATIF  
*Chairman*

# DELIVERING PROGRESS AND BUILDING FOR THE FUTURE

As high-rise urban developers, where projects require significant time and investment to realise returns, navigating this dynamic market demands astute timing of new launches, now more than ever. Our strategy has been to diligently complete existing projects and optimise sales of our stock of completed properties, capitalising on more favourable market conditions to strategically time our new ventures. This measured approach, supported by our ongoing construction activities, positions us to move forward with steady progress and assurance.

Our commitment to diversification has strengthened our resilience, paving the way for more consistent and sustainable returns. While regional economies have presented a mixed picture, Malaysia's steadfast performance has provided us with valuable opportunities for expansion and innovation. This report reviews a year of strategic progress, highlighting our achievements and outlining our efforts to build on this momentum.

## OPERATING RESILIENTLY

Global economic growth in 2024 remained subdued. Challenges such as tight monetary policies, geopolitical tensions, and inflationary pressures continued to weigh on growth prospects. However, emerging Asia's strong demand for semiconductors and electronics, bolstered by investments in artificial intelligence, continues to drive regional growth.

Domestically, Malaysia's economy remained robust in 2024, with Gross Domestic Product (GDP) growth underpinned by steady private sector spending and ongoing infrastructure development. The construction sector, in particular, performed well, fuelled by large-scale infrastructure projects and sustained investment in public infrastructure. These factors drove demand for industrial park upgrades, urban transit systems, and mixed-use developments, areas where MRCB holds considerable expertise.

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Additionally, Malaysia's push towards green infrastructure and innovation in construction provided avenues for MRCB to align its business strategy with national priorities, reinforcing our role as a key player in the country's economic progress. The government's commitment to infrastructure development further supported the construction industry's growth.

This alignment has allowed MRCB to play a significant role in projects such as major highway and rail developments, and critical flood mitigation initiatives, which aim to enhance both connectivity and resilience across the nation.

## ADVANCING MRCB'S PURPOSE

Our purpose at MRCB has always been clear to us. We are here to build meaningful places for a better tomorrow. As high-rise urban developers,

we recognise that our projects not only shape skylines, but also the fabric of our communities. This commitment drives our nation-building role, where we develop innovative and sustainable urban spaces that connect communities and support their growth. And while recent times have demanded careful navigation, we remained focused on our strategy of prioritising the completion of existing projects and optimising sales of completed inventory.

On the property development front, property sales in Malaysia remained steady, supported by the sale of completed units from several projects, including TRIA 9 Seputeh and Sentral Suites. We also strengthened our international presence in 2024, particularly in Australia.



TRIA 9 Seputeh



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In Australia, our VISTA project on the Gold Coast has seen notable success, validating our deliberate and measured approach to international expansion. The project’s positive reception and sales provide a solid foundation for future projects, which will further our reach in this key market. Building on the momentum of VISTA’s sales success, we acquired the Sundale Motel at 20 Queen Street, Southport, Gold Coast. This site is earmarked to be transformed into a high-quality apartment project.

In New Zealand, we spearheaded the soft launch of The Symphony Centre, a NZD452 million (~RM1,130 million) urban regeneration transit-oriented development project in Auckland’s central business district and arts precinct. This 21-storey mixed-use development, situated above the Te Waihorotiu Station, is set to become a cultural, economic, and social catalyst for the city.

The completion of the construction of the RM11.4 billion Light Rail Transit 3 (LRT3) project in 2024 highlights our expertise in delivering large-scale, impactful urban infrastructure while integrating sustainability principles. From soundproofing solutions to innovative tunnelling techniques, we prioritised minimising community disruption while enhancing urban connectivity.

Our Engineering, Construction & Environment (ECE) Division has advanced climate change adaptation projects, such as the Muara Sungai Pahang and Sungai Langat flood mitigation projects. These efforts align with our goal of protecting urban communities from the increasing challenges posed by climate change.

This strategic expansion and diversification leverages our expertise, and support our goal of building resilient, diversified revenue streams while staying responsive to changing market dynamics.

PROGRESSING OUR SUSTAINABILITY JOURNEY

We consider sustainability an essential part of our business and operations, fully incorporating it into our processes rather than treating it as standalone projects or initiatives. We integrate sustainability into all aspects of our operations, aligning with the increasing demand for innovative, climate-resilient solutions, sustainable products, and green buildings. By adopting advanced technologies and sustainable practices, we are refining our approach to development and infrastructure.



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We aim to ensure that our projects make a meaningful contribution to a low-carbon future while addressing critical environmental challenges.

Residensi Tujuh in Kwasa Sentral exemplifies our sustainable modular construction technology, the MRCB Building System (MBS). By conducting the majority of the construction off-site in a controlled environment, MBS significantly reduces waste and GHG emissions, offering a more environmentally friendly alternative to traditional construction methods. As pioneers of modular high-rise construction in Malaysia, we are proud to embark on setting a new benchmark for quality and operational efficiency through Residensi Tujuh. We are also encouraged by the international recognition and adoption of the MBS, which has already been licensed to companies in Hong Kong and Singapore, and has been successfully patented in 49 countries.

We are committed to advancing our climate risk management reporting. In 2024, we took proactive steps to align our disclosures with the International Financial Reporting Standard (IFRS) on General Requirements for Disclosure of Sustainability-related Financial Information, S1 and IFRS S2 on Climate-related Disclosures, developed by the International Sustainability Standards Board. This initiative, along with a gap analysis conducted in preparation for adopting the full suite of IFRS sustainability reporting standards, highlights our commitment to transparent disclosures and accountable reporting of climate-related risks and opportunities.



A visual representation of The Symphony Centre in Auckland, New Zealand

We also expanded our GHG emissions inventory to include emissions from our Australian office and began broadening our Scope 3 reporting to capture a wider range of indirect emissions across our value chain. These efforts, alongside detailed quantification of transition risks, ensure our sustainability practices remain vigorous, transparent, and resilient as we prepare for a low-carbon future.

MRCB’s commitment to sustainability is reflected in our improved ESG ratings. Our FTSE4Good Bursa Malaysia Index score increased from 3.6 to 3.9 in the end-2024 assessment. With the new score, MRCB is ranked in the 86<sup>th</sup> percentile, placing us among the top 14% of all listed companies assessed by FTSE Russell, and among the highest-ranking construction companies within the index. MSCI also upgraded our ESG rating from “A” to “AA” in 2024.



FTSE4Good

FTSE4Good Index Score

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from 3.6 in 2023

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MSCI



ESG Ratings

Upgraded to

AA

from A in 2023



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### ENHANCING GOVERNANCE

MRCB is committed to upholding the highest standards of corporate governance. In 2024, we made further progress in aligning with the Malaysian Code of Corporate Governance (MCCG) 2021 and now comply with 42 out of the 43 Practices, and 4 out of the 5 Step-Up Practices stipulated. This builds on our progress from the previous year and reinforces our commitment to transparency, accountability, and ethical conduct across all our operations.

To further strengthen our governance framework, particularly in driving sustainability across our business, we increased the frequency of our Sustainability Management Committee meetings. These meetings allow for more focused engagement with each business unit for more effective oversight and collaboration on sustainability initiatives.

We also prioritised enhancing our human rights policies. This included aligning our English-language policy with UNICEF's Children's Rights and Business Principles and developing a Bahasa Malaysia version to ensure understanding across all our workforce. Throughout 2024, we maintained active participation in the CEO Action Network (CAN), where we hold a co-leadership role in the Diversity, Equity, and Inclusion

(DEI) workstream. A key highlight of this involvement was our contribution to developing and launching the DEI Implementation Guide for Malaysia in May 2024. This guide serves as a valuable resource for businesses across Malaysia, and one that I hope will empower all corporates to advance DEI initiatives further in their workplaces.

Our dedication to diversity remains steadfast, as evidenced by the 38% representation of women on our Board and a balanced composition of independent and non-independent directors. This diverse and inclusive perspective is essential for effective decision-making in today's dynamic business environment.

### ACHIEVING INDUSTRY RECOGNITIONS

As we continue to strive for excellence, we are truly humbled and honoured to have been recognised by renowned bodies for our efforts in 2024. Our commitment to transparent reporting was acknowledged with the Gold Excellence Awards at the National Annual Corporate Report Awards (NACRA) and the Australasian Reporting Awards (ARA). We were also honoured to be ranked 44<sup>th</sup> out of 854 listed companies assessed and receive the Top 50 Excellence Award at the National Corporate Governance & Sustainability Awards (NACGSA).

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Beyond financial reporting, our dedication to sustainability continues to be a source of pride. The Edge Malaysia ESG Awards recognised MRCB with a Gold award for the most consistent performance over five years in this area. The Malaysia Developer Awards also acknowledged our achievements, both domestically and internationally, with special recognition for our 1060 Carnegie project in Melbourne. At the PropertyGuru Asia Property Awards, our residential development in Gold Coast, Australia, VISTA earned the Best Apartment Architectural Design and Sustainable Design Award. These accolades reinforce our belief that sustainable practices are not just good for the environment and our communities, but also essential for long-term business success.

### LOOKING FORWARD

Looking ahead, we are keenly aware of the cyclical nature of the property market and the importance of astute timing, a lesson reinforced by the events of recent years. Building on our measured approach and strategic achievements in 2024, we remain focused on sustaining momentum and capitalising on emerging opportunities. MRCB's strategic construction project pipeline, upcoming property launches, international expansion, and solid financial standing place us well to deliver long-term value to stakeholders. Our portfolio of property and infrastructure projects, combined with RM3.0 billion construction contracts under negotiation, ensures that we are well-equipped to capture opportunities in both domestic and international markets.

Domestically, we are leveraging our expertise in large-scale infrastructure developments, including climate change adaptation projects, such as flood mitigation initiatives and renewable energy solutions. Ongoing negotiations for significant initiatives and participation in upcoming infrastructure tenders position us to contribute meaningfully to Malaysia's development. We anticipate commencing new property launches in early 2025, pending local authority approvals. Internationally, our continued expansion in Australia and New Zealand underscores our focus on diversifying revenue streams and aligning with evolving global market demands.

These initiatives mark the start of a new phase of growth for MRCB, one driven by innovation and sustainability. From integrating renewable energy solutions into our projects to prioritising environmental and social governance, we are ensuring that our operations align with global best practices. By maintaining a disciplined approach to managing risks and building on the foundations we have established, we are confident in our ability to create lasting value for all stakeholders and sustain our forward momentum.

### IN APPRECIATION

In closing, I would like to express my sincere gratitude to all those who have contributed to MRCB's success in 2024.

I extend my appreciation to my fellow Board members for their constructive insights and sound deliberations, which have been instrumental in shaping our strategic direction and decision-making. To the Management team and all our employees, thank you for your tireless efforts and dedication throughout the year. Your hard work and commitment are the driving force behind our achievements.

On behalf of the Board of Directors, I would also like to thank the authorities, relevant Ministries, and regulators for their continued support of MRCB. To our shareholders, clients, and business partners, your loyalty and trust in our vision encourage us to aim higher and achieve more. We are truly grateful for your ongoing support.

### DATO' MOHAMAD NASIR AB LATIF

Non-Independent Non-Executive Chairman