



MEDIA RELEASE

MRCB Receives RM1.074 Billion Payment from EPF; Net Gearing Falls to 24% - Corporate Transformation Achieved. RM21 Billion Construction Orderbook Ranks as the Highest in the Industry.

Kuala Lumpur, 19 December 2018 – Malaysian Resources Corporation Berhad (MRCB or the Group) is pleased to announce that it has received RM1.074 billion from the Employees Provident Fund (EPF), for its 80% subscription in Bukit Jalil Sentral Property Sdn Bhd (BJSP), the special purpose joint venture company undertaking the development of Bukit Jalil Sentral. This transaction, coming very soon after the Group received RM1.325 billion in settlement for the Eastern Dispersal Link which marked the culmination of MRCB's 4-year Corporate Transformation, strengthens the Group's balance sheet considerably further, reducing net gearing to 24%.

Bukit Jalil Sentral, which measures 76.14 acres, is a mixed development project with a GDV of RM21 billion. The 80% equity interest in BJSP will reside with the EPF's unit Tanjung Wibawa Sdn Bhd, with MRCB's subsidiary Rukun Juang Sdn Bhd retaining a 20% equity interest. This land will be developed over the course of 20 years, ensuring a sustainable pipeline of construction contracts for the Group in the long term.

MRCB embarked on its "Transformation for Growth" Corporate Transformation strategy to slash its high net gearing and enhance its corporate sustainability. This was achieved through a comprehensive non-core asset disposal program to realign the business to leverage on the unique engineering skills and expertise MRCB is renowned for and creating a long-term pipeline of property development projects and construction orders.

During the 4-year transformation, MRCB has successfully reduced its net gearing from 172% to 24%, and it has increased its urban land bank 4-fold to 282 acres, with GDV increasing almost 3-fold to RM31 billion. MRCB's external construction order book has also grown exponentially during this time, from only RM2 billion to RM21 billion, ranking currently as the highest in the industry.

MRCB's Corporate Transformation journey has translated into improved operational efficiencies, disclosure and strengthened governance, which has been further validated by the many awards it has won for its performance. Most notable are the multiple international awards won for MRCB's role in rejuvenating KL Sports City, as well as the prestigious Gold Award won at the 2018 Australasian Reporting Awards in Sydney, which recognised MRCB's high standard of reporting.

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About MRCB

MRCB is a leading urban property and construction company, which has been listed on the Main Board of Bursa Malaysia since 1971.

The Group's activities span two core areas: Property Development & Investment and Engineering, Construction & Environment.

As the developer of the iconic RM18 billion KL Sentral CBD, MRCB pioneered Transit Oriented Development (TOD) in Malaysia and is setting the standard in future fully integrated TOD projects. MRCB's property development revenues are underpinned by its 282-acre urban land bank which has an estimated GDV of RM31 billion – 80% of which are TODs. Its property investment activity is conducted through its 27.80 % equity stake in MRCB-Quill REIT.

Apart from constructing world class commercial and residential developments, MRCB's Engineering, Construction & Environment division also has an enviable record of accomplishment in highways, rail infrastructure, high voltage power transmission projects and the rehabilitation of rivers and erosion mitigation in coastal areas. The division currently has an external order book of RM21 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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