



MEDIA RELEASE

MRCB Records 75% Growth in Revenue in the First 9 Months of 2017 Engineering & Construction Records Strong Growth

Kuala Lumpur Sentral, 21 November 2017 – Malaysian Resources Corporation Berhad (MRCB), Malaysia's largest transit oriented developer, is pleased to announce that in the first 9 months of 2017 it recorded encouraging growth in Revenue and Profit Before Tax excluding disposal gains. Revenue in the first 9 months of 2017 rose 75.5% to RM2.4 billion. Profit Before Tax, excluding gains of RM44.4 million arising from the disposal of non-core assets in the first 9 months of 2016, rose 5.6% to RM115.8 million.

The Engineering, Construction & Environment division contributed strongly during the first 9 months of 2017, increasing its Revenue by 236.7% to RM1.61 billion. Operating Profit from the division rose 365.7% to RM46.5 million during the financial period, helped by an improvement in operating margins, which increased year-on-year from 2.1% to 2.9%. Profit After Tax of RM7.2 million earned from 50% owned MRCB George Kent Sdn Bhd, the Project Delivery Partner of LRT3, is not reflected in the division's operating margin, as these profits were booked under share of results of joint ventures. After RM468 million worth of recent contract wins, MRCB's external client construction order book currently totals RM6.3 billion.

The Property Development & Investment division recorded a 9.6% decrease in Revenue to RM660.7 million. This was largely due to the completion of Sentral Residences in KL Sentral and our Easton Burwood development in Melbourne, as well as our new projects still being in the early phase of construction. Consequently, Operating Profit declined 38.8% to RM112.5 million, excluding gains of RM44.4 million arising from the disposal of non-core assets, in comparison to the corresponding financial period in 2016. The on-going 9 Seputeh mixed development in Jalan Klang Lama, the en-bloc office towers sold at PJ Sentral Garden City and Menara MRCB in Putrajaya were the main contributors to the division's Revenue and Operating Profit. Recurring income from investment properties contributed RM5.3 million, whilst MRCB-Quill REIT Bhd and MRCB Quill Management Sdn Bhd contributed RM14.3 million.

The Property Development division has achieved good sales this year and has already hit its 2017 sales target of RM1.2 billion, largely from its Sentral Suites and 1060 Carnegie developments.

Commenting on the results, Tan Sri Mohamad Salim Fateh Din, Group Managing Director of MRCB said "I am very encouraged by these results. We anticipate that the Engineering, Construction & Environment division will play a more dominant role in our future performance, so it is pleasing to see the improvement in the division's operating margins and its order book wins. The recent completion of our RM1.732 billion rights issue has significantly strengthened our balance sheet, and we are well positioned to fund future growth".

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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 four areas: Property Development & Investment, Engineering, Construction & Environment, Facilities Management, and Infrastructure and Concession.

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 393 acre urban land bank which has an estimated GDV of RM55 billion. Its property investment activity is conducted through its 27.9 % 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 track record in highways, rail infrastructure, high voltage power transmission projects and the rehabilitation of rivers and coastal areas. The division currently has an external order book of RM6.3 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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