

MEDIA RELEASE**Q1 2019 RESULTS IMPACTED BY DELAYS IN REVENUE RECOGNITION;
PACE OF RECOGNITION TO INCREASE IN Q2 ONWARDS**

KUALA LUMPUR, 30 May 2019 - Malaysian Resources Corporation Berhad (MRCB) recorded a Revenue of RM234.1 million and Profit Before Tax of RM8.4 million in Q1 2019. The lower revenue was due to newer property development projects still being at the early stage of construction, when revenue and profit recognition is minimal, as well as the completion of several large property projects in 2018. Profit Before Tax was further impacted by income from the LRT3 Project being deferred as a result of it being remodelled from a PDP to a fixed price turnkey project.

The Property Development & Investment Division recorded a Revenue of RM85.1 million and Operating Profit of RM3.0 million in Q1 2019. The lower revenue and operating profits were due to the construction completion of two significant property projects, namely VIVO in 9 Seputeh and Kalista Park Homes in Bukit Rahman Putra, which resulted in revenue from sales in these two key projects no longer being progressively recognised. Remaining development profits from these projects will be recognised in subsequent quarters upon completion of the sales and purchase agreement process. The Division sold RM75.0 million worth of properties in Q1 2019 and had total unbilled property sales of RM1.6 billion as at 31 March 2019. The Group's investment holding in MQ REIT also continued to contribute a recurring income of RM5.7 million for the current quarter ended 31 March 2019 versus RM4.3 million in the corresponding period last year.

The Engineering, Construction & Environment Division recorded a Revenue of RM132.7 million and Operating Profit of RM16.7 million in Q1 2019. This was mainly contributed by its ongoing construction projects, namely the MRT Line 2 Package V210, Damansara-Shah Alam Elevated Highway Package CB2, TNB HQ Campus and Larkin Indoor Stadium. The Group's 50%-owned LRT3 project joint venture company contributed profit after tax of only RM0.5 million, compared with RM9.0 million in the corresponding period in 2018. As work on this project has now recommenced, moving forward the pace of profit recognition from the project will increase. As at 31 March 2019, the Division's external client order book stood at RM22.6 billion.

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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 three areas: Property Development & Investment; Engineering, Construction & Environment and Facilities Management & Parking.

As the developer of the iconic RM18 billion KL Sentral CBD, MRCB pioneered Transit Oriented Development (TOD) in Malaysia and is setting the standard for 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. Its property investment activity is conducted through its 27.94% 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 RM22.6 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

Media Contact

Nik Surina Suria

Corporate Communications

Malaysian Resources Corporation Berhad

Direct Line: +603 2786 8034/Mobile: +6013 367 6488

Email: niksurina.suria@mrcb.com

Address: Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral,
50470 Kuala Lumpur