

**H1 2019 RESULTS IMPACTED BY TIMING OF REVENUE RECOGNITION;
2019 LAYS GROUNDWORK FOR A STRONGER 2020**

KUALA LUMPUR, 26 August 2019 - Malaysian Resources Corporation Berhad (MRCB) recorded Revenue of RM475.0 million and Profit Before Tax of RM18.2 million in the first half of 2019. Revenue and profits were impacted by the Group's newer property development projects still being at the early stage of construction, when revenue and profit recognition is minimal, and income from the LRT3 Project being deferred as a result of it being remodelled from a PDP to a fixed price turnkey project.

Commenting on the results, Imran Salim, Group Managing Director of MRCB said, "Although we have unbilled property sales of RM 1.8 billion, as a high-rise developer our ability to book revenue and profits hinges on construction progress. Although construction is progressing well at our Sentral Suites and Carnegie Development in Melbourne, these key projects will not begin contributing significantly to profits until next year, when we also expect the pace of revenue and profit recognition from the LRT3 project to increase".

The Property Development & Investment Division recorded a Revenue of RM156.4 million and Operating Profit of RM47.0 million in the first half of 2019. The lower revenue and operating profits were due to no revenue being recognised from the sale of completed unsold units which had yet to reach Sales and Purchase completion, as well as the Group's key high-rise residential development projects currently being in the early phase of construction. The Division sold RM244.2 million worth of properties during the period, lifting its unbilled property sales to RM1.8 billion, from RM1.6 billion at the end of the first quarter 2019. These unbilled sales will be recognised as revenue progressively until the construction completion of the projects, and after the Sales and Purchase completion for all completed units sold. The Group's investment holding in MRCB-Quill REIT also contributed income of RM8.6 million during the period versus RM9.5 million in the corresponding period last year.

The Engineering, Construction & Environment Division recorded Revenue of RM283.5 million and Operating Profit of RM1.5 million in the first half of 2019. Revenue was mainly contributed by MRT Line 2 Package V210, Damansara-Shah Alam Elevated Highway Package CB2, TNB HQ Campus, Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 and Larkin Indoor Stadium. The lower operating profits were due to the lower revenue earned during the period, compounded by the prudent expensing of certain costs while waiting for the completion of the final accounts of completed projects and the results of legal proceedings relating to certain projects. The Group's 50%-owned LRT3 project joint venture company contributed profit after tax of only RM1.01 million, compared with RM15.0 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 30 June 2019, the Division's external client order book stood at RM22.6 billion.

-End-



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 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

**SETTING THE
STANDARD**