

MEDIA RELEASE

2018 RESULTS IMPACTED BY NO DISPOSAL GAINS AND RE-TIMING OF LRT3 PROJECT; NET GEARING DOWN TO 0.19 TIMES

KUALA LUMPUR, 26 February 2019 - Malaysian Resources Corporation Berhad (MRCB) wishes to announce that it achieved a Profit Before Tax of RM123.0 million in 2018. Profit Before Tax in 2018 was impacted by the absence of one-off disposal gains recognised in 2017, and construction work slowing down on the LRT3 Project being undertaken by 50%-owned MRCB George Kent Sdn Bhd, while negotiations were on-going with the Government during its change from a PDP to a fixed-price turnkey contract. This deferred income from the project will now resume in 2019, and continue until the project's completion in 2024, following the contract agreement executed on 25th January 2019.

Imran Salim, Group Managing Director of MRCB said, "A major challenge for us during 2018 was the re-modelling of the LRT3 Project, which impacted our performance considerably, resulting in profits being much lower than we budgeted. Now that the new contract has been signed, this deferred revenue will begin to flow again this year. The other key highlights were the signing of the concession termination agreement for the Eastern Dispersal Link Expressway and our disposal of an 80% stake in Bukit Jalil Property Sdn Bhd, both of which marked the culmination of our Corporate Transformation and allowed us to pare down net debt to just 0.19 times."

The Engineering, Construction & Environment Division recorded a Revenue of RM758.6 million in 2018. This was mainly contributed by several projects, which included the Mass Rapid Transit 2 V210 Package project, Johor Land Tower, the Old Klang Road - New Pantai Expressway Link Bridge and the Sungai Pahang Rehabilitation Phase 3 project. As at 31 December 2018, the Division's external client order book stood at RM22.6 billion, amongst the largest in the industry.

The Property Development & Investment Division recorded Revenue of RM1,042.7 million in 2018. Revenue contributors included the Group's on-going property development projects namely 9 Seputeh, PJ Sentral Garden City, Sentral Suites and Kalista Park Homes, and the sales of completed units from Sentral Residences and Q Sentral in KL Sentral, as well as Easton Burwood in Melbourne. Operating Profit fell to RM97.8 million from RM168.6 million in 2017, mainly due to the construction completion of the Easton Burwood development in Melbourne, when Revenue and profits from all the completed units handed over to purchasers were 100% recognised. The Division sold RM470 million worth of properties in 2018 and had unbilled property sales totaling RM1.6 billion as at 31st December 2018.

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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 and 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 RM23 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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