



MEDIA RELEASE

Revenue of RM825.2 million and PBT of RM92.4 million for First Half of 2016.

Second Quarter Profit up 295% Compared to First Quarter of 2016.

Net Gearing Falls to 0.92 times.

Kuala Lumpur Sentral CBD, 25 August 2016 – Malaysian Resources Corporation Berhad (MRCB) wishes to announce that in the first half of 2016, the Group recorded revenue of RM825.2 million compared to RM934.5 million earned in the first half of 2015. Profit before tax in the first half of 2016 was lower at RM92.4 million compared to RM344.4 million in the first half of 2015, due to the RM278.5 million gain from the disposal of Platinum Sentral and other assets recorded in the first half of 2015.

The main contributors to Group revenues and profits in the first half of 2016 were its two core operating activities, Property Development & Investment and Engineering, Construction & Environment.

Property Development & Investment recorded revenues and profits from its on-going property development projects, namely Sentral Residences in KL Sentral CBD, which contributed just over half of the division's revenue during the period, the Group's 9 Seputeh mixed residential development in Jalan Klang Lama, and its urban regeneration project PJ Sentral. The results included a gain of RM41.6 million from the disposal of its Sooka Sentral property project in KL Sentral CBD during the period, and income from its remaining investment properties in KL Sentral CBD and Shah Alam.

Engineering, Construction & Environment revenues and profits were mainly contributed by the LRT Ampang Line Extension and the LRT Stations 6 & 7 projects, the on-going construction of six different commercial buildings for clients in Johor, a number of power transmission related construction projects across the country, and other construction projects in the Klang Valley.

Comparing the second quarter ended 30 June 2016 with the immediate preceding quarter ended 31 March 2016, the Group recorded a 10.8% decline in revenue to RM389.1 million but a 294.7% increase in profit before tax to RM73.8 million, mainly due to the gain of RM41.6 million from the disposal of Sooka Sentral.

MRCB continues to make headway in reducing its net gearing, which fell from 1.27 times at the end of 2015 to 1.09 times on 30 June 2016. Following the completion of the second tranche of its private placement exercise, MRCB's net gearing has fallen further to 0.92 times. This represents a significant drop since its corporate transformation strategy was first unveiled at the end of 2013, when net gearing stood at 1.74 times. Net Gearing is expected to drop further on the completion of the RM640 million sale of Menara Shell to MRCB-Quill REIT.

The Group will continue to focus on reducing its net gearing and growing its core activities of Property Development & Investment, and Construction, Engineering & Environment. The Group's property development projects presently have a GDV of RM50.0 billion and its external construction order book is RM6.6 billion.

Ends



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 & Concession.

As the developer of the iconic RM14.0 billion KL Sentral CBD, MRCB pioneered Transport 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 410 acre urban land bank which has an estimated GDV of RM50.0 billion. Its property investment activity is conducted through its 31.2% 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 RM6.6 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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