

MEDIA RELEASE**MRCB RECORDS POSITIVE PERFORMANCE IN Q1 2020;
COVID-19 MCO WILL IMPACT Q2**

KUALA LUMPUR, 26 JUNE 2020 - Malaysian Resources Corporation Berhad (MRCB) recorded an 82% increase in Revenue to RM425.8 million and a 219% increase in Profit Before Tax to RM26.9 million in the first three months of 2020, compared to the corresponding period in 2019. The higher Revenue and Profit was mainly due to the commencement of revenue recognition from the Group's 1060 Carnegie development in Melbourne upon the handover of units to purchasers, and further construction progress and revenue recognition from the Sentral Suites development in KL Sentral.

Commenting on the results, Imran Salim, Group Managing Director said, "These stronger results are in line with our earlier announced expectations of stronger revenue recognition as construction progresses at our key property projects. However, as these results cover only the initial part of the MCO, we anticipate a significantly weaker performance in the second quarter. Although work has now slowly resumed at all our construction sites, we believe the outlook for the economy and the property market will remain challenging for the foreseeable future and we have embarked on austerity and cost cutting measures to mitigate the impact."

The Property Development & Investment Division recorded a 178% increase in Revenue to RM236.4 million and a 6-fold increase in Operating Profit to RM20.6 million in the Q1 2020, compared to RM85.1 million and RM3.0 million respectively in the corresponding period in 2019. The increase was mainly due to the commencement of revenue recognition from 1060 Carnegie, upon the settlement and handover of purchased units following its construction completion in December 2019, as well construction progress at Sentral Suites in KL Sentral, which saw a 3-fold increase in revenue recognition to RM56.4 million compared to RM17.3 million in the corresponding period in 2019. The Division sold RM36.3 million worth of properties in Q1 2020 and recorded unbilled property sales of RM1.3 billion.

The Engineering, Construction & Environment Division recorded Revenue of RM174.8 million and Operating Profit of RM12.6 million in Q1 2020. Revenue was mainly contributed by Damansara-Shah Alam Elevated Highway Package CB2, EPF Headquarters at Kwasa Sentral, Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 and Mass Rapid Transit Line 2 Package. The Group's 50%-owned LRT3 project joint venture company contributed Profit After Tax of RM1.2 million compared with RM0.5 million in the corresponding period in 2019. As at 31 March 2020, the Division's total external client order book stood at RM21.9 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 323-acre urban land bank which has an estimated GDV of RM32 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 RM21.9 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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