

Q1 2021 PERFORMANCE IMPACTED BY SLOWER CONSTRUCTION PROGRESS DUE TO COVID IMPACTED LOWER PRODUCTIVITY

KUALA LUMPUR, 31 MAY 2021 - Malaysian Resources Corporation Berhad (MRCB) recorded a 47% decline in Revenue to RM226.7 million and a 79% decline in Profit Before Tax to RM5.7 million in the first three months of 2021, compared to the corresponding period in 2020, which was spared the full impact of the Covid-19 MCO, that only came into force in the last 2 weeks of the first quarter in 2020. The decline in Q1 2021 was further exacerbated by the residual impact of multiple construction site closures undertaken as a precautionary measure when Covid-19 cases were detected towards the end of 2020. This not only hampered construction progress in 2020, but also had a resultant impact to construction progress and billings in Q1 2021.

The Property Development & Investment Division recorded a 44% decline in Revenue to RM132.2 million and a 46% decline in Operating Profit to RM13.1 million in Q1 2021, compared to RM236.4 million and RM24.2 million respectively in the corresponding period in 2020. The stronger performance recorded in 2020 was mainly due to the commencement of revenue recognition from 1060 Carnegie. However, while sales rates for the 1060 Carnegie project remain high, the speed of reaching financial settlement for the units sold have only just started to pick up following the lifting of travel limit restrictions in late 2020, thus impacting recognition in Q1 2021. The Division saw higher contributions from Sentral Suites in KL Sentral and TRIA 9 Seputeh, which recorded a 12% and 169% increase in revenue respectively in Q1 2021 compared to the corresponding period in 2020, as construction progressed further. The Division sold RM51.6 million worth of properties in Q1 2021 and had unbilled property sales of RM1.0 billion.

The Engineering, Construction & Environment Division recorded Revenue of RM84.4 million and Operating Loss of RM1.6 million in Q1 2021. Revenue was mainly contributed by the EPF Headquarters at Kwasa Sentral, Damansara-Shah Alam Elevated Highway Package CB2, Mass Rapid Transit Line 2 Package, and Sungai Besi-Ulu Kelang Elevated Expressway Package CA2. The lower revenue and profit recorded in Q1 2021 was largely due to deferred revenue recognition resulting from multiple site closures at several project construction sites towards the end of 2020, as well as most of the Group's large infrastructure construction projects nearing completion, when recognition of revenue and profits are minimal. The Group's 50%-owned LRT3 project joint venture company contributed Profit After Tax of RM5.9 million compared with RM1.2 million in the corresponding period in 2020.

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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 RM21.7 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

Media Contact

Noreen Sabrina Mohd Noor
Corporate Communications
Malaysian Resources Corporation Berhad
Direct Line: +603 2786 8034
Email: noreensabrina@mrcb.com
Address: Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral,
50470 Kuala Lumpur