

Q3 PERFORMANCE IMPACTED BY COVID RESTRICTIONS

KUALA LUMPUR, 23 NOVEMBER 2020 - Malaysian Resources Corporation Berhad (MRCB) recorded Revenue and Profit Before Tax of RM297.6 million and RM7.6 million respectively in the 3rd Quarter ended 30 September 2020, a decrease of 20% and 47% respectively compared to the corresponding period in 2019. The decrease was due to slower construction progress arising from strict compliance to SOPs and movement restrictions during the CMCO and RMCO and the lockdown implemented in Victoria State in Australia, which impacted revenue recognition from its 1060 Carnegie in Melbourne.

For the nine months ended 30 September 2020, the Group recorded Revenue of RM890.6 million and a Loss Before Tax of RM187.5 million, which was largely due to impairment provisions resulting from the pandemic in the second quarter of 2020. Excluding these provisions, the Group would have recorded a profit of RM15.0 million in the first nine months of 2020, despite the total halt of construction and other disruptions to construction work during the MCO/CMCO in the period.

The Property Development & Investment Division recorded a 32% increase in Revenue to RM489.4 million and a 51% decrease in Operating Profit to RM34.3 million in the first nine months of 2020, compared to RM371.4 million and RM69.8 million respectively in the corresponding period in 2019. The increase in Revenue was mainly due to revenue recognition from its 1060 Carnegie project in Melbourne, upon the financial settlement and handover of purchased units, as well as construction progress at Sentral Suites in KL Sentral. The decline in Operating Profit was due to the slower pace of construction during the MCO, CMCO and RMCO periods, and a one-off disposal gain of RM58.8 million recorded in the corresponding period in 2019. The Division sold RM126.0 million worth of properties in the first nine months of 2020 and had unbilled property sales of RM1.2 billion.

The Engineering, Construction & Environment Division recorded Revenue of RM363.2 million, which was largely contributed by the EPF Headquarters at Kwasa Sentral, Damansara-Shah Alam Elevated Highway Package CB2, Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 and Mass Rapid Transit Line 2 Package projects. An Operating Loss of RM198.7 million was recorded in the first nine months of 2020, as a result of impairment provisions provided in the second quarter totalling RM197.4 million on the recoverability of contract assets, trade and other receivables the Division believes will be impacted as a result of the pandemic. The Group's 50%-owned LRT3 project joint venture company contributed Profit After Tax of RM1.6 million compared with RM1.24 million in the corresponding period in 2019.

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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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