

**2019 IMPACTED BY TIMING OF REVENUE RECOGNITION;
STRONGER 2020 EXPECTED AS PROPERTY PROJECTS ADVANCE**

KUALA LUMPUR, 26 February 2020 - Malaysian Resources Corporation Berhad (MRCB) recorded Revenue of RM1.3 billion and Profit Before Tax of RM53.0 million in the financial year ended 31 December 2019, compared to Revenue and Profit Before Tax of RM1.9 billion and RM123.0 million in 2018. The higher Revenue and Profit Before Tax recorded in 2018 was mainly due to one-off land sales totalling RM387 million, which contributed one-off pre-tax profit gains of RM66.8 million in that year. The lower revenue and profit recorded in 2019 was also due to the Group's significant high-rise residential property projects being in their early phase of construction, when revenue recognition is very minimal. Income recognition from the LRT3 Project was also considerably lower as a result of its re-timing and remodelling from a PDP to a fixed price turnkey project.

The Property Development & Investment Division recorded a lower Revenue of RM566.7 million and Operating Profit of RM76.8 million in 2019, compared to RM1.0 billion and RM97.8 million respectively in 2018, due to the one-off land sales recorded in the previous year. The main Revenue contributors were the Sentral Suites, 9 Seputeh and MyIPO office tower developments, as well as the completed MBSB office tower, Sentral Residences and Kalista Park Homes projects. Revenue and Operating Profit will continue to be progressively recognised in line with construction progress, with Sentral Suites and TRIA at 9 Seputeh, targeted to reach 50% and 40% construction completion respectively by the end of 2020. The Division sold RM536.7 million worth of properties in 2019 and recorded unbilled property sales of RM1.6 billion.

The Engineering, Construction & Environment Division recorded Revenue of RM679.5 million and Operating Profit of RM23.1 million in 2019. Revenue was mainly contributed by MRT Line 2 Package V210, DASH Package CB2, EPF Headquarters at Kwasa Sentral and SUKE Expressway Package CA2. The Division completed construction of the TNB HQ Campus, Desa Desaru, Westin Desaru and the Jabi Serting Transmission line in 2019. The lower Operating Profit was due to the lower revenue recognised during the financial year and the prudent expensing of certain costs while waiting for the completion of the final accounts of completed projects and the results of legal proceedings relating to certain projects. The Group's 50%-owned LRT3 project joint venture company contributed Profit After Tax of only RM0.6 million compared with RM14.6 million in 2018. The Division's total external client order book stands at RM21.8 billion.

Commenting on the results, Imran Salim, Group Managing Director said, "With RM1.6 billion of unbilled property sales yet to be recognised, we expect stronger revenue recognition in 2020 as construction progresses at our key property projects and we handover completed units to the purchasers of our 1060 Carnegie development in Melbourne. Moving forward we will leverage on our new MRCB Building System, a proprietary modular technology which will enhance our product delivery, lower our dependence on labour and significantly reduce construction time, resulting in improved margins in the long run."

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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 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 RM21.8 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit for more information.

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