



MEDIA RELEASE

Revenue Grows 17.3% in 2017

Engineering & Construction Revenues up 107%

Kuala Lumpur Sentral, 28 February 2018 – Malaysian Resources Corporation Berhad (MRCB), Malaysia's largest transit oriented developer, is pleased to announce that in the financial year 2017 it recorded Revenue of RM2.8 billion and Profit Before Tax of RM247.3 million. The Revenue achieved in 2017 represents a 17.3% increase compared to 2016, while Profit Before Tax excluding disposal gains rose 22.9%.

The Engineering, Construction & Environment Division contributed strongly in 2017, increasing its Revenue by 106.8% to RM1.8 billion. Operating Profit from the Division rose eight-fold to RM92.7 million during the financial year, helped by an improvement in operating margins. Accompanying the Division's solid performance is the RM15.2 million Profit After Tax earned from 50%-owned MRCB George Kent Sdn Bhd, the Project Delivery Partner of LRT3. This, however, was not reflected in the Division's Operating Profits and was booked under Share of Results of Joint Ventures. After RM468 million worth of contract wins in 2017, MRCB's external client construction order book currently totals RM6.2 billion.

The Property Development & Investment Division recorded a 35.5% decrease in Revenue to RM858.7 million. This was due to the completion of Sentral Residences in KL Sentral and our Easton Burwood development in Melbourne very early in the financial year, and new replacement projects still being in the early phase of construction when sales recognition is still minimal. The decline in Revenue also resulted in a lower Operating Profit, which was made much greater due to the RM242.6 million gain recognised from the disposal of Menara Shell and other assets in 2016 compared to only RM60.8 million in gains recognised in 2017. Excluding these gains, the Division's Operating Profit fell 48.1%, commensurate to the lower revenue recorded for the year. Main contributors to the Division's Revenue and Operating Profit include the on-going 9 Seputeh mixed development in Jalan Klang Lama, the en-bloc office towers sold at PJ Sentral Garden City and Menara MRCB in Putrajaya. Recurring Income from investment properties contributed RM7.7 million, whilst MRCB-Quill REIT and MRCB Quill Management Sdn Bhd contributed RM18.7 million.

Despite a challenging property market in 2017, the Division exceeded its sales target of RM1.2 billion, and recorded sales of RM1.4 billion, largely contributed from its Sentral Suites development in KL Sentral and 1060 Carnegie development in Melbourne. Unbilled property sales at the end of 2017 totaled RM1.71 billion.

Commenting on the results, Tan Sri Mohamad Salim Fateh Din, Group Managing Director of MRCB said "2017 was a watershed year in MRCB's transformation journey. Despite a challenging timeline, we successfully refurbished KL Sports City in Bukit Jalil in time for the 2017 SEA Games, and we significantly strengthened our balance sheet. We have tendered for some very large infrastructure projects and we are eagerly awaiting the results".

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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 four areas: Property Development & Investment, Engineering, Construction & Environment, Facilities Management, and Infrastructure and Concession.

As the developer of the iconic RM18 billion KL Sentral CBD, MRCB pioneered Transit Oriented Development (TOD) in Malaysia and is setting the standard in future fully integrated TOD projects. MRCB's property development revenues are underpinned by its 393 acre urban land bank which has an estimated GDV of RM55 billion. Its property investment activity is conducted through its 27.9 % 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 RM6.2 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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