

H1 2021 PERFORMANCE IMPACTED BY LOCKDOWNS

KUALA LUMPUR, 30 AUGUST 2021 - Malaysian Resources Corporation Berhad (MRCB) recorded a 24% decline in Revenue to RM452.5 million and a Loss Before Tax of RM32.5 million in the first half of 2021, compared to a Loss Before Tax of RM196.0 million in the corresponding period in 2020. The 83% narrowing of losses in the first half of 2021 was due to a RM197.4 million provision made for the impairment of contract assets, trade and other receivables as a result of the pandemic in H1 2020.

The lower Revenue in the first half of 2021 was largely due to the MCO 3.0 and FMCO lockdowns and other restrictions, resulting in construction site closures in May and June 2021. This impacted construction progress that was already limited by on-going Covid-19 restrictions, effectively making April 2021 the only productive month for all the Group's project sites in Q2 2021. Productivity overall was also impacted by disruptions in the building materials supply chain due to lockdowns, as well as an on-going shortage of workers.

The Property Development & Investment Division recorded a 18% decline in Revenue to RM274.9 million and a 42% decline in Profit to RM16.5 million in the first half of 2021, compared to RM336.4 million and RM28.6 million respectively in the corresponding period in 2020. The lower Revenue and Profit was largely due to only 42 units of the 1060 Carnegie development in Melbourne achieving financial settlement in the period under review compared to 79 units in the corresponding period in 2020. While sales rates for 1060 Carnegie remain high, with 158 units sold out of the 176 units available for sale, financial settlements were impeded by new lockdowns in Victoria State. In Malaysia, revenue recognition was further hampered by the slow progress at construction sites due to the lockdowns and restrictions, affecting contributions from on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra. The Division sold RM107.4 million worth of properties in the first half of 2021 and had unbilled property sales of RM979 million.

The Engineering, Construction & Environment Division recorded Revenue of RM156.4 million and a Loss of RM33.0 million in the first half of 2021. Revenue was mainly contributed by the construction of EPF Headquarters at Kwasa Sentral, Damansara-Shah Alam Elevated Highway Package CB2, Mass Rapid Transit Line 2 Package V210, and Sungai Besi-Ulu Kelang Elevated Expressway Package CA2. The Loss, while a marked improvement compared to the corresponding period in 2020, was largely due to site closures and supply chain disruptions and generally low productivity as a result of site restrictions. The Group's 50%-owned LRT3 project joint venture company contributed Profit After Tax of RM13.2 million compared with RM1.4 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 RM21.3 billion.

MRCB's largest shareholder is the Employees Provident Fund.

Visit www.mrcb.com for more information.

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