

## **MRCB gains RM240 mil on Platinum Sentral divestment**

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**By G.Sharmila**

Construction and property player Malaysian Resources Corporation Berhad (MRCB) has gained RM240 million from its divestment of RM750 million to Quill Capita Trust (QCT), the company said in a statement today.

MRCB announced that its wholly-owned subsidiary MRCB Sentral Properties Sdn Bhd (MSP) had signed a sale and purchase agreement with QCT, a real estate investment trust (REIT) for the disposal of Platinum Sentral, its office-campus style Green building located in KL Sentral CBD for a total purchase consideration of RM750 million.

According to MRCG, the purchase price will be partly satisfied via cash totaling RM486 million while the balance will be satisfied via the issuance of 206.25 million new QCT units at an issue price of RM1.28 per unit. This will result in a divestment gain of approximately RM240 million, MRCB said.

“Consequently, MRCB (via MSP) is expected to secure up to 31% equity interest in the enlarged QCT upon completion of the exercise and would be able to enjoy potential future dividend distributions from QCT, which will contribute positively to the future earnings of MRCB Group over the longer term”, it said.

Simultaneous with the execution of the Platinum Sentral sale and purchase agreement, MRCB had also secured definitive share sale agreements with CapitaLand RECM Pte Ltd (CRPL) and Coast Capital Sdn Bhd (CCSB) to acquire 40% and 1% of their respective equity interest in Quill Capita Management (QCM), the management company of QCT for a total cash consideration of approximately RM6 million.

This would result in MRCB holding 41% equity interest in QCM, resulting in MRCB becoming one of the largest shareholders in and with representation on the board of directors of QCM. “This will allow MRCB to have a sustained influence in the operations of Platinum Sentral as well as the other property assets under the enlarged QCT worth approximately RM1.6 billion in asset value, post Platinum Sentral injection.

The sale and injection of Platinum Sentral into QCT is consistent with the Group's broad strategy of increasing focus in one of its core business segment of property development, while at the same time unlocking value and realising its investment in Platinum Sentral", MRCB said.

MRCB's group managing director, Datuk Mohamad Salim Fateh Din said: "Monetizing asset value and reinvestment into listed QCT will enable MRCB to pare down its borrowing by approximately RM380 million and the company is focusing on property development while retaining control of its investment properties via a REIT. We will use QCT as the platform for further injection of other prime assets in the pipeline".

"In addition, immediately upon the transaction, MRCB will be able to record approximately RM240 million in profit, which represents 15 sen earning per share for MRCB for this financial year," he added.

MRCB closed at RM1.64 today, up 2 sen from the day before.

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