



## **MEDIA RELEASE**

### **MRCB Subsidiary 348 Sentral Sdn Bhd Signs SPA with MRCB-Quill REIT for the Sale of Menara Shell**

Expects a gain of RM139 million and net gearing to be reduced to 1.00 times.

**Kuala Lumpur Sentral CBD, 30 June 2016** - Malaysian Resources Corporation Berhad ("MRCB") is pleased to announce that its wholly-owned subsidiary, 348 Sentral Sdn Bhd ("348 Sentral") has today signed a conditional Sale and Purchase Agreement ("SPA") with MRCB-Quill REIT ("MQ REIT") for the disposal of Menara Shell for a cash consideration of RM640 million. The proposed disposal will result in a net gain of approximately RM139 million for MRCB and a further reduction in its net gearing to 1.00 times.

Menara Shell, which is located in KL Sentral CBD, comprises a 33-storey office tower, a 5-storey podium and a 4-storey basement car park with 915 parking bays and 110 motorcycle bays. The building has 557,053 square feet of net lettable area and a current occupancy of 99.9%.

The purchase by MQ REIT will be satisfied entirely in cash via a combination of bank borrowings and proceeds to be raised through a proposed private placement of up to 406.67 million new units. MRCB, being a major unitholder of MQ REIT, has given its conditional undertaking to subscribe for placement units in the placement exercise with an aggregate value of not less than RM110 million and not more than RM152 million.

The proposed sale of Menara Shell is conditional on, among others, approvals being obtained from the Shareholders of MRCB and the unitholders of MQ REIT.

The RM640 million consideration for the disposal is based on the valuation by an independent valuer appointed by MRCB, namely C H Williams Talhar & Wong Sdn Bhd. MQ REIT is 31.18% owned by MRCB and managed by MRCB Quill Management Sdn Bhd, in which MRCB has a 41% equity stake.

MRCB Group Managing Director, YBhg. Tan Sri Mohamad Salim Fateh Din said, "The sale of Menara Shell is in line with our strategy to monetise our development projects once they are completed and tenanted in order to reinvest the capital in our core businesses of property development and construction. This transaction enables MRCB to realign the asset to the more efficient structure of a REIT and allows it to unlock the tremendous value of its investment in Menara Shell".

Menara Shell was awarded with the Leadership in Energy and Environmental Design ("LEED") Platinum standard certification from the US Green Building Council, in recognition of the tower's expected 35% energy savings, up to 50% reduction in water consumption and 3,700 tonnes of carbon emission reduction.



Menara Shell won the FIABCI Malaysia Property Award 2015 on 6 November 2015 under the Office Development category, and also won the World Silver Winner title under Office Category at the FIABCI World Prix d'Excellence Awards 2016 in Panama City on 27 May 2016. This world class green office tower in the Kuala Lumpur Sentral CBD was built for long-term sustainability, with green technology that results in an energy-efficient, healthier and more productive work environment.

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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 & Concession.

As the developer of the iconic RM18.4 billion Kuala Lumpur Sentral CBD, MRCB pioneered Transport 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 410 acre urban land bank which has an estimated GDV of RM50.0 billion. Its property investment activity is conducted through its 31.18% 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 RM6.3 billion.

MRCB's largest shareholder is the Employees Provident Fund which has a 37.39% stake in the company.

Visit [www.mrcb.com](http://www.mrcb.com) for more information.

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