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For Immediate Release

MRCB Inks Partnership with Gapurna

Kuala Lumpur Sentral, 8 February 2013: Malaysian Resources Corporation Berhad (“MRCB”) today announced that it has signed several agreements with companies related to Gapurna Sdn Bhd (“Gapurna”) for a total purchase consideration of RM729 million involving a RM111 million cash payment and issuance of 398.709 million MRCB ordinary shares with attached 113.971 million free warrants, on the basis of 2 new MRCB warrants for every 7 new MRCB shares held (“Proposed Acquisitions”).

Agreements executed are among others, a conditional Share Sale Agreements (“SSA”) with Nusa Gapurna Development Sdn Bhd (“NGD”) to acquire several of its subsidiaries, which owns approximately 33 acres of land in the Klang Valley for RM459 million, and Gapurna’s related companies Gelanggang Harapan Construction Sdn Bhd (“GHC”) for RM250 million and Gapurna Global Solution Sdn Bhd (“GGS”) for RM20 million. NGD is a company jointly owned by Gapurna Sdn Bhd and Employee Provident Fund (“EPF”) on shareholding of 60%:40% respectively. EPF also has a 42.2% stake in MRCB.

In addition, MRCB has also entered into a First Rights of Refusal cum Call Option Agreement with NGD to acquire all the remaining lands and any future development lands secured by NGD over a period of 3 years and a RM50 million profits guarantee agreement with Gapurna for GHC.

The new MRCB shares is priced at RM1.55 per share, which represents a premium of 25% above the last closing price of MRCB at RM1.24 as at 7 February 2013 and a premium of 9% to 21% above the 5 days and 1 month Weighted Average Price (“VWAP”) of RM1.28 and RM1.42 respectively up to 7 February 2013.

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The 33 acres of land are ready for development and has an open market value of RM497 million as appraised by independent valuer, CH Williams Talhar & Wong, while GHC, has an ascribed range of value of RM260 to RM310 million by the independent financial valuer, Ernst & Young.

“The acquisition will boost MRCB’s land banks by an additional 33 acres in strategic Klang Valley with key development being the “PJ Sentral Garden City Development” said Mr Chong Chin Ann, Chief Financial Officer, MRCB.

“With our know how and expertise, the partnership of MRCB and Gapurna will be able to replicate our successful Kuala Lumpur Sentral development model in these prime lands in the Klang Valley. We look forward to having Datuk Salim and Gapurna to bring in entrepreneur management skills and expertise to MRCB Group” he added.

“In addition, the proposed acquisition of GHC is also expected to increase the existing construction order book of MRCB significantly and continue to keep the construction arm busy for many years” he said.

Datuk Mohamad Salim Fateh Din, Managing Director, Gapurna Sdn Bhd added “I wanted to invest in MRCB because I believe in its brand value and together with EPF in MRCB, we will develop prime property and infrastructure projects in the future and increase shareholders value”.

Upon completion of the exercise, Datuk Mohamad Salim Fateh Din will be officially appointed as the Managing Director of MRCB.

“We trust this partnership with MRCB will enable us to impart our entrepreneur experience to further enhance MRCB’s value and capability in increasing business growth for MRCB Group”, he said.

Post Proposed Acquisitions, Gapurna will have direct and indirect interest of 16.8% of the enlarged MRCB, while EPF’s interest will be 38.40%. Gapurna and EPF and parties acting in concert to this Proposed Acquisition will seek a proposed exemption application to the Securities Commission to undertake a mandatory take-over offer for the remaining MRCB shares not owned by them upon completion of the Proposed Acquisitions.

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The Proposed Exemption is inter-conditional with the Proposed Acquisitions. The entire exercise is expected to complete in the 2nd Quarter of 2013, subject to approval from Bursa Malaysia, the Securities Commission, the shareholders of MRCB at an EGM, and other relevant authorities.

On the event date, MRCB has also proposed a free issuance of new warrants to its existing shareholders on the basis of 1 new warrant for every 3 existing shares held in MRCB, at the entitlement date to be determined ("Proposed Free Warrants"). The Proposed Free Warrants has an exercise price of RM2.30 and will provide the existing shareholders of MRCB an opportunity to increase their participation in MRCB. The Proposed Free Warrants is not conditional on the Proposed Acquisitions.

RHB Investment Bank Berhad is the Principal Advisor for the exercise whereas HwangDBS Investment Bank Berhad is the Independent Advisor for the Proposed Acquisitions.

"RHB is pleased to be a part of this important exercise. We are committed to be able to support MRCB towards its next stage of growth which will further establish MRCB as a leading property and infrastructure developer in Malaysia," said Mike Chan, Officer-in-Charge, RHB Investment Bank.

Astramina Advisory Sdn Bhd is the Transaction Advisor / Manager for this exercise and also the Financial Advisor for Gapurna. Hong Leong Investment Bank Berhad is the appointed advisor for EPF and Gapurna for the Proposed Exemption.

Present at the SSA signing ceremony were Board members of MRCB and Gapurna, EPF team and the various teams of advisors and business partners.

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About MRCB

Malaysian Resources Corporation Berhad is a leading urban property and infrastructure developer in the country. The Group specialises in civil, environmental and energy infrastructure development including beach rehabilitation projects, road works, road concessions, educational colleges, hospitals, power plants, and is the nation's biggest developer of high-voltage transmission networks.

The Group has undergone a rebranding of all its property developments under the flagship brand called MRCB Land – transforming communities.

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About Gapurna Group

Gapurna Group has emerged as one of nation's most successful privately owned construction and property development organizations. Gapurna diversified activities include property investment, commercial property development, construction and engineering, information technology, investment and services.

Over 20 years, Gapurna has earned strong reputation in the development and construction of environmental friendly buildings through the application of green technology. Gapurna is also active in the commercialization of land into complete residential or commercial townships. A majority of Gapurna's development activities are focused on new satellite cities in the Klang Valley.

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