

FINANCIAL RESULTS

RHB BANK Q2 EARNINGS JUMP 43PC

Group nets RM500.96m, expects to deliver better performance this year

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RH Bank Bhd's second quarter profit ended June this year was 43.06 per cent higher at RM500.96 million from RM350.17 million posted a year ago, mainly due to lower impairment losses and higher funding income.

For the six months, the group's net profit grew 9.4 per cent to RM1 billion, while revenue eased to RM5.25 billion from RM5.36 billion previously.

Group managing director Datuk Khairussaleh Ramli said the bank expected to deliver a

better performance this year and was on track to achieve its long-term objectives.

"As we move into the second half, we see stronger pipeline in the investment banking front and our balance sheet remains strong," said Khairussaleh.

He said the banking sector was expected to see signs of modest growth, underpinned by moderate rise in lending to household sector and recovery in business loans.

"A rebound in the capital market activities and the return of investors' interest are expected to contribute to an improved outlook for non-funding income," its net fund-based income, partially offset by lower non-fund-

based income, increased 3.3 per cent to RM2.24 billion in the quarter from a year ago, due mainly to loan growth and lower interest expense. This has improved net interest margin, rising to 2.19 per cent from 2.17 per cent in the preceding quarter.

Its retail banking remained the biggest contributor to the group although it reported a pre-tax profit of RM545.5 million for the first six months ended June, 4.3 per cent lower from the previous year's corresponding quarter.

Group business banking recorded a 17.1 per cent drop in pre-tax profit to RM189.9 million in the first six months, mainly due to higher allowances for loans and financing and higher operating expenses.

Group wholesale banking recorded a pre-tax profit of RM874.7 million, an increase of 7.8 per cent, from the previous



RHB Bank Bhd group managing director Datuk Khairussaleh Ramli says banking sector is expected to see signs of modest growth

year's corresponding period.

Group total assets decreased 1.5 per cent to RM23 billion, as at June, mainly due to lower finan-

cial investments in the held-to-maturity portfolio and derivative assets, partially offset by growth in loans and financing.

STRONG GROWTH

MRCB posts 32pc H1 profit rise

KUALA LUMPUR: Malaysian Resources Corp Bhd (MRCB) saw its pre-tax profit rising 32 per cent to RM63.4 million in the first six months of the year, excluding gains of RM44.4 million arising from the disposal of non-core assets in the first half of last year. Group revenue in the first half ended June 30 grew 55 per cent to RM1.28 billion.

MRCB group managing director Tan Sri Mohamad Salim Fateh Din deemed the results as "very pleasing".

"The strong growth in revenue was driven by a 110 per cent rise in our engineering, construction and environment revenues," he said in a statement yesterday. "Our property development and investment division recorded a 29 per cent increase in revenue, contributed by the award-



Malaysian Resources Corp Bhd recorded revenue and profits from its ongoing property development projects, such as office towers at PJ Sentral Garden City.

winning Sentral Residences and our Eastern Burwood Development in Melbourne, Australia.

"With these two key property development projects completed now, and new projects still in the early phase of construction, revenues this year will continue to be dominated by our engineering, construction and environment division," Salim added.

The property development division also recorded revenue and profits from its ongoing property development projects, namely the 9 Seputeh mixed development in Jalan Klang Lama, the office towers at PJ Sentral Garden City and Menara MRCB in Putrajaya and recurring income from its remaining investment properties in KL Sentral CBD and Shah Alam of RM5.9 million during the period.

MRCB's property projects, which are predominantly transit-

oriented developments, have a gross development value of RM55 billion.

Its engineering, construction and environment division's revenue was also derived from the ongoing construction of MRCB Land's property development projects, and the construction of several mixed commercial buildings for clients in Johor, power transmission-related construction projects in Peninsular Malaysia and other civil engineering projects in the Klang Valley.

Contribution from 50 per cent owned MRCB-George Kent Sdn Bhd, the project delivery partner for the LRT 3 line, was still very low but will show much stronger growth in the second half of the year as the project progresses.

After RM409 million worth of recent contract wins, MRCB's external client construction order book stands at RM6.3 billion.

WEAKENING RINGGIT

MSM slips into red in Q2

KUALA LUMPUR: Refined sugar producer MSM Malaysia Holdings Bhd slipped into the red on higher raw material costs and weakening ringgit.

MSM recorded a second quarter net loss of RM21.45 million, from a net profit of RM23.68 million a year earlier.

At pre-tax level, the company posted a loss of RM28.59 million from a pre-tax profit of RM31.07 million recorded in the same quarter last year.

In a filing to Bursa Malaysia yesterday, MSM said revenue was up at RM692.45 million for the quarter ended June, compared with RM633.85 million in the same quarter last year.

"The average raw sugar cost for the group increased by 54 per cent (RM/tonne), compared with the same period last year due to the higher market price of raw sugar, peaking at 20.54 US cents (88 sen) per pound.

"The subsequent decline in the current market price of sugar of about 13.75 US cents per pound had adversely impacted the group," it said.

For the six months, pre-tax loss stood at RM68.15 million, compared with a pre-tax profit of

MSM Malaysia says the results are expected to improve in the near term with the replacement of stocks of raw sugar material at lower market prices.

RM91.63 million, while revenue was reduced to RM1.34 billion, compared with RM1.18 billion recorded previously.

MSM said notwithstanding the volatility in commodity prices, the group expected its performance to be in line with the rest of the industry.

"The results are expected to improve in the near term with the replacement of stocks of raw sugar material at lower market prices," it added. **Bernama**

