

PRESS RELEASE

DAMANSARA REALTY GETS APPROVAL FOR 53-ACRES LAND IN JOHOR, ON TRACK TO STRENGTHEN BALANCE SHEET

KUALA LUMPUR, 24 NOVEMBER 2017 - Damansara Realty Bhd (“DBhd” or the “Group”) has received the Economic Planning Unit’s (EPU) approval for a land acquisition which is part of its proposed RM141.5 million settlement agreement with Johor Corporation (JCorp), allowing it to reduce its net current liabilities and return its balance sheet to health.

The integrated facilities management (IFM), project management consultancy (PMC) and property group today announced that its associate company DAC Properties received the EPU’s approval on 22 November 2017, and has completed the acquisition, of 53.14 acres of land for RM130.3 million from JCorp, the Johor state investment arm.

“With the completion of the acquisition, DBhd has met almost all its obligations under the settlement agreement with JCorp, and will reduce the group’s net current liabilities by RM132 million,” said Group Chief Executive Officer Brian Iskandar Zulkarim.

“The completion will mean a stronger balance sheet for DBhd, slashing our net current liability to RM23 million from RM155 million before,” he added.

Located in Tebrau, Johor Bahru, the land is part of DBhd’s 63-acre Central Park being developed in partnership with the Hong Kong-listed Country Garden, within the strategically located Taman Damansara Aliff along the Pasir Gudang Highway.

“DBhd will still own about 10 acres within Taman Damasara Aliff after Central Park is completed. With this landbank acquisition and the good progress on Central Park, DBhd is on track to strengthen its property development arm”, said Brian Iskandar.

Central Park is an integrated township comprising, amongst others, residential homes, commercial shop lots, and amenities, to be completely developed over the next six to eight years, with an estimated gross development value (GDV) of about RM3.5 billion.

The settlement comprises two acquisitions of land by DBhd from JCorp for RM141.5 million cash, and a land swap. As part of its joint venture with Country Garden Malaysia, DBhd has already completed the payment of RM130.3 million of the total RM141.5 million settlement sum, leaving a balance of RM11.2 million to be paid.

“Aside from reducing our current liabilities, we are confident we are on track for a full year of profit,” said Brian Iskandar.

The move is a key milestone in its transformation programme which has steered DBhd's corporate recovery in 2017, and broken its two-year streak of losses with its first quarterly net profit earlier this year.

Meanwhile, DBhd has secured additional fund-raising capacity via a redeemable convertible notes (RCN) programme, together with a bonus issue of warrants. The RCN issue, which was approved earlier this month, will give DBhd the ability to raise up to RM150 million, to fund the settlement and boost the group's cash flow.

The RCN will also enable DBhd to raise working capital to strengthen its integrated facilities management and project management and consultancy segments, which are currently the main drivers of revenue growth.

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About Damansara Realty Berhad

Damansara Realty Berhad ("DBhd") or the Group is an investment holding company that was established in 1960 and was listed in Main Board of Bursa Malaysia in 1973. DBhd involved in three major business segments; property and land development, integrated facilities management ("IFM"), project management and consultancy services. The Group has its international presence spread across countries includes Singapore, Philippines and Papua New Guinea. For more information, please visit www.dbhd.com.my or email corporateinfo@dbhd.com.my

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