

PRESS RELEASE

BURSA-LISTED DAMANSARA REALTY REVERSES LOSSES TO POST FIRST HALF 2017 (“1H17”) NET PROFIT OF RM2.5 MILLION, PROPELLED BY STRATEGIC RESTRUCTURING PLAN (“SRP”)

- **Gross profit increased 78% to RM27.6 million in 1H17, outpacing revenue growth of 34% over comparative period**
- **Net profit of RM2.5 million for 1H17 represents a positive swing of RM12.2 million from net loss in 1H16**
- **Strong financial performance in 1H17 reflects success of the first phase of a significant transformation driven by a SRP**

Kuala Lumpur, 28 August 2017 – Bursa Main Board-listed **Damansara Realty Berhad** (“DBhd” or the “Group”) said today that it recorded a net profit after tax (“PAT”) of RM2.5 million for the six months ended 30 June 2017 (“1H17”), sharply reversing a net loss of RM9.8 million a year ago (“1H16”). The result marks DBhd’s strongest half-year performance in four years and reflects the success of its recent restructuring efforts.

DBhd’s turnaround was achieved on the back of a 34% increase in 1H17 revenue, including higher contributions from the integrated facility management (“IFM”) and property developments segment. It follows the implementation of a SRP under the leadership of Mr. Brian Iskandar Zulkarim, who was appointed as DBhd’s Group CEO on 1 September 2016.

The three main strategies of the SRP are: (i) restructure and integrate non-property operations as the preferred IFM solutions provider; (ii) streamline and accelerate the Group’s property portfolio; and (iii) improve corporate governance and elevate corporate profile.

These initiatives, while still in its early stages, have begun to translate into margin enhancements and corporate recovery in 1H17.

Gross profit (“GP”) surged 78% to RM27.6 million in 1H17 from RM15.5 million a year ago, lifting GP margin to 23.5% from 17.6%, respectively. The higher GP and GP margins underscore the success of the Group’s efforts to improve operational efficiency and integrate administrative functions, while finance costs fell by 91.0% to RM442,000 in 1H17, reflecting improved capital management.

Earnings per share of 1.03 sen in 1H17 reversed from a loss of 3.19 sen in 1H16. Net assets per share attributable to owners of the Company increased to 29.5 sen in 1H17 from 28.4 sen in 1H16.

However, the Group’s cash and bank balances decreased to RM12.0 million as at 30 June 2017 from RM25.7 million at 30 June 2016. This is due to new projects which require initial cash outlay especially during the mobilization stage, such as the RAPID Temporary Executive Village and Management Office in Pengerang, Johor.



For the three months ended 30 June 2017 (“2Q17”), net profit surged to RM4.5 million from a net loss of RM5.7 million a year ago (“2Q16”). Gross profit increased 152% to RM18.8 million, outpacing revenue growth of 50% to RM66.7 million over the comparative periods. For 2Q16, the Group’s gross profit and revenue amounted to RM7.5 million and RM44.6 million, respectively. The Group’s gross profit margin increased to 28.2% in 2Q17 from 16.7% in 2Q16.

Group CEO Mr. Brian Iskandar Zulkarim said: “The turnaround in financial performance underscores the success of our restructuring initiatives undertaken over the past few months. We have built a new foundation and remain focused on honing our competitive advantages while keeping a close watch on operational efficiencies.”

“Since the start of 2H17 we have commenced the second stage of our Strategic Restructuring Plan which will continue through to the end of FY2018, as part of our strategy to enhance shareholder value,” he added.

DBhd has been rapidly expanding its IFM capabilities through an asset-light approach so as to position the Group better for project opportunities nationwide. As at 30 July 2017, the Group has secured an estimated of over RM285 million worth of contracts under its IFM segment.

In line with the strategy to scale up the size and scope of its property projects, DBhd entered into a 30:70 joint venture with Hong Kong-listed Country Garden Holdings Company Ltd to develop the 53-acre Central Park integrated township in Johor, which has an estimated gross development value of RM3.5 billion. The Group has three other property projects, Aliff Square in Johor, Damansara Hills 1 in Pahang, and Project Perumahan Awam 1Malaysia in Putrajaya.

Barring any unforeseen circumstances, the DBhd management expects the Group to record an operating profit for the whole FY2017.

End of Release

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About Damansara Realty Berhad

Damansara Realty Berhad (“DBhd”) is an investment holding company with three major business segments, namely property and land development, integrated facilities management (“IFM”) as well as project management and consultancy services. For more information, please visit www.dbhd.com.my or email corporateinfo@dbhd.com.my