

## **DRB-HICOM SETS NEW DIRECTION FOR ITS PROPERTIES SECTOR**

- **Group disposes non-industrial land assets**
  - **Acquires sizeable industrial land in Johor Bharu**
  - **Also exits hospitality industry with sale of GGCC, HIGKL**
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**SHAH ALAM, Thursday, 8 March 2018** – DRB-HICOM Berhad (DRB-HICOM, the Group) has announced the disposal of a large portion of its non-industrial property assets and its entire hospitality portfolio as it moves to take advantage of its experience in the development industrial properties. In an announcement to Bursa Malaysia today, the Group says it will dispose several subsidiaries owning some 2,200 acres of land, as well as its entire equity in Horsedale Development Berhad and Rebak Island Marina Berhad to Prisma Dimensi Sdn Bhd (PDSB).

The deal is estimated to be worth RM1.9b, and will be satisfied via a cache of landbank in Johor totalling 1,243.45 acres belonging to PDSB and Kelana Ventures Sdn Bhd (KVSb), and the balance through a cash payment of RM289m.

Group Managing Director, Dato' Sri Syed Faisal Albar says the transaction will signify a shift in focus for its Properties Sector, aiming to leverage the Group's vast experience in industrial property development.

"There is a 30 year experience as an industrial property developer that DRB-HICOM has in its history, and this transaction affords us the opportunity to leverage on this capability. With the incoming land bank in Johor, the Group is in an advantageous position to tap into the high demand of industrial parks especially from Singapore, and DRB-HICOM intends to develop this into a high-tech and modern industrial park once the property market recovers from its current slumber", he explains.

Among the significant industrial areas developed by DRB-HICOM include HICOM Industrial Estate in Shah Alam, Glenmarie Industrial Park also in Shah Alam and HICOM Pegoh Industrial Park in Alor Gajah, Melaka.

The deal expands the Group's industrial landbank to some 1,800 acres. DRB-HICOM's existing industrial land bank is located in Kedah, Perak and Melaka, totalling approximately 600 acres. Part of its land bank in Perak and Melaka are currently being developed as industrial parks, including the recently launched National Automotive Cluster @ Proton City in Tanjung Malim, Perak.

Subject to regulatory and governmental approvals, the sale of the companies and the land assets will net DRB-HICOM a one-time gain estimated to be about RM849m.

Significantly, the exercise sees DRB-HICOM exiting the hospitality industry, with the sale of Rebak Island Marina Berhad, the owners of *Vivanta Rebak Island Resort by Taj* located on Rebak Island, Langkawi, and *Holiday Inn Glenmarie Kuala Lumpur* and *Glenmarie Golf & Country Club*, both situated next to each other in Glenmarie, Shah Alam. The *Lake Kenyir Resort Taman Negara* in Terengganu, closed in 2016 is also part of the asset disposal.

"Having a core focus for each of our main sectors is important. While there is potential of course in the hospitality industry, we feel that DRB-HICOM's strengths lie in different areas. This exit will allow us to have a leaner and more focused Properties portfolio, making it easier to harness these strengths and push towards excellence in industrial property development", Syed Faisal explained.

DRB-HICOM says it expects the transaction to be completed within the first quarter of 2019, subject to obtaining all regulatory approvals.

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## **FORWARD-LOOKING DISCLOSURES**

All statements herein, other than historical facts, contain forward-looking statements and are based on DRB-HICOM's current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. Forward-looking statements involve inherent risks and uncertainties.

A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement.

Significant risk factors include:

- Feasibility of each target and initiative as laid out in this news release;
- Fluctuations in interest rates, exchange rates and oil prices;
- Changes in laws, regulations and government policies; and
- Regional and / or global socio economic changes.

Potential risks and uncertainties are not limited to the above and DRB-HICOM is not under any obligation to update the information in this news release to reflect any developments or events in the future.

If you are interested in investing in DRB-HICOM, your investment decision is at your own risk, taking the foregoing into consideration. Please note that neither DRB-HICOM nor any third party providing information shall be responsible for any loss or damage that may result from your investment in DRB-HICOM based on the information presented in this news release.

## **ABOUT DRB-HICOM BERHAD**

**DRB-HICOM Berhad ("DRB-HICOM")** is one of Malaysia's leading conglomerates with core businesses in the Automotive, Services and Property sectors. With more than 90 active companies in its stable and over 59,000 employees group-wide, DRB-HICOM's aim is to continue adding value and propelling the nation's development. In the Automotive sector, DRB-HICOM is involved in the manufacturing, assembly and distribution of passenger and commercial vehicles, including the national motorcycle. In Services, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, DRB-HICOM is involved in the development of industrial properties.

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