



PRESS RELEASE

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MARC AFFIRMS BDB'S SHORT-TERM RATING FOR 5TH CONSECUTIVE YEAR

- Rating has been maintained since June 2017
- Available landbank for development, adequate liquidity, increase in construction order book and stable revenue stream from road maintenance contracts key factors in review
- Execution and delivery of turnaround plan key to Group's sound footing in 2022

Malaysian Rating Corporation Berhad ("MARC") has affirmed its MARC-2IS rating on Bina Darulaman Berhad's ("BDB") RM100 million Islamic Commercial Papers (ICP) programme for the fifth consecutive year.

In its latest rating review issued in August 2022, the rating agency stated that the review incorporated BDB's available landbank for property development, adequate liquidity to meet short-term operational and financial commitments, stable revenue stream from road maintenance contracts and increases in its construction order book.

The agency also cited BDB's status as a Kedah state-owned entity, which placed it in a good position to be able to secure state construction contracts, as a key rating consideration. It added that long-term rating could be upgraded if there was a significant improvement in the scale of operations and profitability while maintaining a moderate leverage position.

Mohd Iskandar Dzulkarnain Ramli, BDB's Acting President & Group Chief Executive Officer, said: "MARC's review validates BDB's management strategy and execution in creating a sustainable business model for the company and generating long-term value to shareholders. BDB's execution and delivery of its turnaround plan – which was conceived to address an extremely harsh operating conditions as a result of the Covid-19 pandemic – is the primary reason why the Group has emerged on a sound financial and operational footing in 2022."

Iskandar stated that key to BDB's success was stabilising revenues, cost optimisation, maximising operational efficiencies, digitisation and human capital development across the Group have resulted in BDB's resurgent competitiveness and dynamism. He added that the Group was committed to continued re-balancing and optimisation of business operations in ensuring its continuity and resilience.

Iskandar stated: "Our resilience, focus and determination has demonstrated what the Group will be able to achieve as we emerge from the pandemic into more favourable business conditions. The normalisation of supply chains and the resumption of business as usual operating conditions will address the pent-up demand for goods and services. BDB's core businesses – Property Development and Engineering, Construction and Quarrying (ECQ) – are well-placed to maximise business opportunities in this improving business climate."

"BDB's property division will focus on unlocking the potential value of its landbank by developing existing townships and building new affordable housing townships together with its partners. At the same time, ECQ will continue to reinforce its stable revenue streams from ongoing state road maintenance projects and improving demand for its quarrying operations."

“Looking at 2023, BDB aims to secure contracts and new business opportunities outside Kedah in order to improve its risk profile. This will be achieved by the Group’s ongoing commitment to robust analysis and decision-making processes with regards to project investment and operational delivery.”

ABOUT BINA DARULAMAN BERHAD (BDB)

Bina Darulaman Berhad (BDB) was established on 7 February 1995 and is listed on the Main Board of Bursa Malaysia Securities Berhad. BDB is an investment holding company that is responsible for township development, construction, road building, quarrying and leisure via its subsidiaries in Kedah, namely, BDB Land Sdn Bhd, Kedah Holding Sdn Bhd, BDB Synergy Sdn Bhd, BDB Infra Sdn Bhd and BDB Leisure Sdn Bhd.

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