
PRESS RELEASE

Date: 31 March 2005

DANAHARTA FULLY REDEEMS ALL BONDS

Pengurusan Danaharta Nasional Berhad ("Danaharta") today redeemed the last three tranches of the bonds which it had issued to finance its acquisition of non-performing loans ("NPLs") from financial institutions during the Asian financial crisis. With this redemption totaling RM0.795 billion, Danaharta has successfully redeemed all the zero-coupon Government guaranteed bonds issued. In total, the national asset management company had issued RM11.14 billion bonds.

Danaharta's Managing Director, Dato' Zukri Samat said, "We are very happy to have successfully redeemed all the bonds. Most importantly, the bonds were redeemed, primarily, with cash generated from our operations. This essentially means that Danaharta had generated enough recovery to pay for the NPLs it had acquired and hence, lessen the cost to the Government. It is indeed an achievement for Danaharta."

Approximately 30% or RM0.240 billion of the RM0.795 billion bonds that matured in end March, was redeemed using funds from an existing revolving credit facility. The total amount drawn down to-date on the revolving credit facility (including the amount drew down earlier for the redemption in December 2004) is RM0.640 billion.

The revolving credit facility is essentially an overdraft facility, arranged to cater for the possibility of a temporary timing mismatch between Danaharta's recovery collection and the bond redemption. Danaharta has always been aware of this possible mismatch, hence the credit facility has been made available since August 2000. Nevertheless, the mismatch is expected to be temporary and any amount drawn down on the facility will be fully repaid before Danaharta ends its operations on 31 December 2005.

All published information on Danaharta can be found at www.danaharta.com.my.

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Note to Editor:

Kindly note that Danaharta will not be issuing the Quarterly Update for 31 March 2005 and the half yearly Operations Report for 30 June 2005 this year. As this is the final year of our operations, these reports will be replaced by a Final Report Card (similar to an expanded Operations Report), that will be issued in the fourth quarter of 2005. The Final Report Card will sum up Danaharta's performance from its establishment to the ending of its operations and include its detailed key statistics. It will also provide details on Danaharta's closure plans.

THE APPENDIX

Summary of Danaharta bond issues for Acquired Non Performing Loans

Date of issue	Face value RM billion	Price for every RM100.00 in face value	Yield	Present value at issue date RM billion	Date of Maturity	Status
20 November 1998	1.022	69.832	7.150%	0.713	31 December 2003	<i>Redeemed</i>
30 December 1998	1.580	72.012	6.672%	1.138	31 December 2003	<i>Redeemed</i>
29 January 1999	1.105	71.301	6.654%	0.788	31 March 2004	<i>Redeemed</i>
26 February 1999	1.242	72.296	6.475%	0.898	31 March 2004	<i>Redeemed</i>
26 March 1999	1.393	72.758	6.445%	1.014	31 March 2004	<i>Redeemed</i>
29 April 1999	1.050	75.584	5.487%	0.793	30 June 2004	<i>Redeemed</i>
27 May 1999	0.511	76.229	5.400%	0.390	30 June 2004	<i>Redeemed</i>
29 June 1999	0.744	76.862	5.330%	0.572	30 June 2004	<i>Redeemed</i>
29 July 1999	0.527	76.223	5.319%	0.402	30 September 2004	<i>Redeemed</i>
26 August 1999	0.204	73.585	6.111%	0.150	30 September 2004	<i>Redeemed</i>
29 October 1999	0.575	76.365	5.283%	0.439	31 December 2004	<i>Redeemed</i>
29 December 1999	0.392	77.363	5.194%	0.303	31 December 2004	<i>Redeemed</i>
31 January 2000	0.162	77.244	5.063%	0.125	31 March 2005	<i>Redeemed</i>
29 February 2000	0.305	77.697	5.025%	0.237	31 March 2005	<i>Redeemed</i>
31 March 2000	0.328	77.494	5.165%	0.255	31 March 2005	<i>Redeemed</i>
Total bonds issued	11.140			8.217		

NOTE:

No bonds were issued in September and November 1999 and after 31 March 2000.