

DAMANSARA REALTY BERHAD

4030-D

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

Consolidated Statement of Comprehensive Income

	Individual quarter-1		Cumulative quarter-1	
	Current year 31-Mar-2011 <i>RM'000</i>	Current year 31-Mar-2010 <i>RM'000</i>	Current year 31-Mar-2011 <i>RM'000</i>	Current year 31-Mar-2010 <i>RM'000</i>
Revenue	1,393	1,196	1,393	1,196
Cost of sales	(944)	(828)	(944)	(828)
Gross profit	449	368	449	368
Interest income	-	40	-	40
Other income	610	4,085	610	4,085
Depreciation	(43)	(26)	(43)	(26)
Employee benefits expense	(411)	(468)	(411)	(468)
Other operating expenses	(1,466)	(1,508)	(1,466)	(1,508)
Operating profit/(loss)	(861)	2,491	(861)	2,491
Finance cost	(506)	(521)	(506)	(521)
Profit/(Loss) before tax	(1,367)	1,970	(1,367)	1,970
Income tax expenses	(44)	(949)	(44)	(949)
Profit/(Loss) for the period from continuing operation	(1,411)	1,021	(1,411)	1,021
Discontinued operation				
Profit/(loss) for the period from discontinued operation	-	-	-	-
Profit/(Loss) for the period	(1,411)	1,021	(1,411)	1,021
Attributable to:				
Equity holders of the Company	(1,450)	1,281	(1,450)	1,281
Minority interest	39	(260)	39	(260)
	(1,411)	1,021	(1,411)	1,021
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (Sen)	(0.58)	0.51	(0.58)	0.51
Diluted earnings per share (Sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Balance Sheet

	As at 31-Mar-2011 RM'000	(Audited) As at 31-Dec-2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,791	2,825
Land held for property development	37,386	37,386
Investment properties	3,585	3,585
Associates*	-	-
Deferred tax assets	370	370
Other investments	148	148
Goodwill on consolidation	631	631
	44,911	44,945
Current assets		
Property development costs	173,689	171,340
Inventories	1,702	1,702
Trade receivables and other receivables	67,623	66,090
Other current assets	15,769	15,769
Other investments	2,700	2,700
Cash and bank balances	7,618	6,194
	269,101	263,795
TOTAL ASSETS	314,012	308,740
EQUITY AND LIABILITIES		
Current liabilities		
Provisions	31	31
Loans and borrowings	25,494	25,503
Trade and other payables	179,257	172,545
	204,782	198,079
Net current assets	64,319	65,716
Non-current liabilities		
Loans and borrowings	276	296
Trade and other payables	4,080	4,080
	4,356	4,376
Total Liabilities	209,138	202,455
Net assets	104,874	106,285
Equity attributable to owners of the parent		
Share capital	125,070	125,070
Share premium	156	156
Accumulated losses	(22,205)	(20,755)
Capital reserve	72	72
Shareholders' equity	103,093	104,543
Minority interests	1,781	1,742
Total equity	104,874	106,285
TOTAL EQUITY AND LIABILITIES	314,012	308,740
Net assets per share (RM)	0.412	0.418

* After taking into account of accumulated impairment losses, the Group's investments in several associated companies have nil book value.

The Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Statement of changes in equity

	← Attributable To owners of parent →						
	← Non-Distributable →						
	Equity Total	Equity attributable to owners of the parent Total	Share capital	Share premium	Capital reserve	Accumulated losses	Minority interests
	RM'000	RM'000	RM'000	RM'000	RM'000	0	RM'000
Opening balance at 1 January 2010	115,123	113,612	125,070	156	72	(11,686)	1,511
Total comprehensive income	1,021	1,281	-	-	-	1,281	(260)
Closing balance at 31 March 2010	116,144	114,893	125,070	156	72	(10,405)	1,251
Opening balance at 1 January 2011	106,285	104,543	125,070	156	72	(20,755)	1,742
Total comprehensive income	(1,411)	(1,450)	-	-	-	(1,450)	39
Closing balance At 31 March 2011	104,874	103,093	125,070	156	72	(22,205)	1,781

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Cash Flow Statement

	3-months ended 31-Mar-2011 RM'000	3-months ended 31-Mar-2010 RM'000
Cash flow from operating activities		
Receipt from customers	7,564	8,044
Payment to creditors and employees	(5,569)	(9,197)
Cash generated from operation	1,995	(1,153)
Tax (paid) / refunded	(27)	111
Interest paid	(506)	(521)
Net cash generated from operating activities	1,462	(1,563)
Cash flow from investing activity		
Purchase of property, plant and equipment	(8)	-
Proceed from disposal of investments	-	47
Interest received	-	40
Net cash used in investing activities	(8)	87
Cash flow from financing activities		
Repayment of hire purchase	(8)	(91)
Repayment of borrowings	(22)	(1,488)
Net cash used in financing activities	(30)	(1,579)
Increase/(decrease) in cash and cash equivalents	1,424	(3,055)
Cash and cash equivalents as at 1 January	6,194	7,704
Cash and cash equivalents as at 31 March	7,618	4,649

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Explanatory Notes To The Quarterly Reports Ended 31 March 2011.

1. Accounting Policies

The quarterly financial statements are unaudited and have been prepared in accordance with Financial Reporting Standards, the Companies Act, in Malaysia and Chapter 9 paragraph 9.22(2)(a) of the Bursa Malaysia Securities Berhad's Listing Requirements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2010.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

3. Seasonality or Cyclicity of Operations

The results of the Group for the current quarter under review were not affected by any cyclical or seasonal factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the quarterly financial statements for the current quarter under review.

5. Change in Accounting Estimates

There was no change in estimate of amount reported in prior interim period in the prior year that could have material effect on the results of the current quarter under review.

6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

7. Dividend Paid

There was no dividend paid by the Company for the current quarter under review.

8. Segmental Information

	Property Development		Construction Contracts		Healthcare services		Others		Adjustments and eliminations		Per Consolidated	
	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000
Revenue:												
- External sales	-	-	-	-	1,393	1,176	-	20	-	-	1,393	1,196
- Inter company sales	-	-	-	-	-	-	468	603	(468)	(603)	-	-
Total revenue	-	-	-	-	1,393	1,176	468	623	(468)	(603)	1,393	1,196
Results:												
Interest Income	-	-	-	40	-	-	-	-	-	-	-	40
Depreciation and amortisation	23	14	9	-	11	12	-	-	-	-	43	26
Other non cash expenses	-	439	-	-	-	-	-	-	-	-	-	439
Segment profit/(loss)	(1,335)	279	(283)	(281)	175	90	76	1,882	-	-	(1,367)	1,970
Segment assets	289,310	256,765	131,305	151,637	14,403	11,421	37,826	37,510	(158,832)	(138,132)	314,012	319,201
Segment liabilities	285,525	252,163	66,951	55,088	11,920	9,475	75,887	76,123	(231,145)	(189,792)	209,138	203,057

9. Valuations of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without amendments from the financial statement for the year ended 31 December 2010.

10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the current quarter under review.

11. Change in the Composition of the Group

There was no change in the composition of the Group during the current quarter under review.

12 Changes in Contingent Liabilities or Contingent Assets

There was no changes in Contingent Liabilities or Contingent Assets during the current quarter under review.

13. Review of the Performance of the Company and its Principal Subsidiaries

For the current cumulative quarter under review, the Group recorded a total revenue of RM1.39 million (2010: RM1.20 million) with a net loss of RM1.41 million (net profit of RM1.02 million in 2010).

The loss was attributable to the high operational & finance costs totaling around RM2.4 million whilst the operations generates a gross profit of only RM449,000.

14. Material Changes in the Quarterly Results Compared to the Immediate Preceding Quarter

For the current quarter under review, the Group recorded a lower loss before tax of RM1.37 million. In comparison to the immediate preceding quarter's loss before tax of RM9.37 million, the Group recorded a decrease in loss as the previous quarter included provisions and impairments.

15. Current Year's Prospects

The Group is expected to improve in the current financial year with higher contributions mainly from sales of land and project management for healthcare sectors.

16. Profit Forecast/Profit Guarantee

The Company is not subject to any profit forecast or profit guarantee requirement.

17. Income Tax Expense

	<u>Individual quarter-1</u>		<u>Cumulative quarter-1</u>	
	<u>Current</u> <u>Year</u> <u>31-Mar-11</u> <i>RM'000</i>	<u>Preceding</u> <u>Year</u> <u>31-Mar-10</u> <i>RM'000</i>	<u>Current</u> <u>Year</u> <u>31-Mar-11</u> <i>RM'000</i>	<u>Preceding</u> <u>Year</u> <u>31-Mar-10</u> <i>RM'000</i>
Current tax	44	949	44	949
	<u>44</u>	<u>949</u>	<u>44</u>	<u>949</u>

18. Sale of Unquoted Investments or Properties

There were no disposals of unquoted investments or properties in the current quarter under review.

19. Quoted Securities

There was no purchase or disposal of quoted securities in the current quarter under review.

The details of the investments in quoted shares as at 31 March 2011 are as follows:

	<i>RM'000</i>
Total investments at cost and book value	51
Total investments at market value	38

20. Status of Corporate Proposal

The Company and its Advisors are revising the Scheme due to issues pertaining to the announced proposed acquiree companies. An appropriate announcement will be made once the said scheme has been finalised.

21. Borrowings and Debt Securities

Group borrowings as at 31 March 2011 are as follows:

	RM'000
Short term	
Syndicated term loan (secured)	22,709
Revolving credit	696
Advanced from shareholders of a subsidiary	2,000
Hire purchase (secured)	89
	<u>25,494</u>
Long term	
Hire purchase (secured)	276
	<u>276</u>

There was no debt securities issued as at 31 March 2011.

22. Off Balance Sheet Financial Instruments

During the current quarter under review, the Group has not entered into any contract involving off balance sheet financial instruments.

23 Changes in Material Litigation

Since the last quarter report ended 31 December 2010, the followings are the changes:

a) Pembinaan Kota Laksamana (Melaka) Sdn Bhd & Anor. (v) DBhd & Anor.

The Company has on 18 September 2006 filed an application seeking damages for losses incurred due to the injunction taken out by PKL restraining the sale of the hotel to Puteri Hotels Sdn Bhd. The hearing of the application was completed on 7 September 2010. Both parties have been instructed to file supplemental written submissions on the method of calculation of damages. Decision has been fixed for 25 May 2011.

b) DBhd. (v) Lam Kong Yow & Anor. (Profit Warranty)

On 26 July 2002 the Company has filed a suit against the vendors of Golden Dragon Garden Sdn. Bhd. ("GDG"), Lam Kong Yow and Quah Soo Seong for the shortfall in the warranted profits of GDG for the financial years ended 1997 and 1998. On 11 January 2008, the High Court allowed the application of the Second Defendant to add a third party as a Co-Defendant. On 24 March 2011, the Court of Appeal allowed the application of the Second Defendant to consolidate this suit with the listed under 24(c) hereunder filed in the Ipoh High Court. The matter has been fixed for further mention on 23 June 2011.

c) DBhd. (v) Lam Kong Yow & Anor. (Breach of Covenants)

On 22 April 2003, the Company has filed a suit against the vendors of Golden Dragon Garden Sdn. Bhd., Lam Kong Yow and Quah Soo Seong, for breach of covenants, representations and warranties under the S & P Agreement of 21 April 1997 since the subject lands to be sold to the Company were still encumbered on the completion date. On 24 March 2011, the Court of Appeal allowed the application of the Second Defendant for consolidation of the instant suit together with the Shah Alam High Court suit listed as item 24(b) above. The matter has been fixed for further mention on 31 May 2011.

d) DBhd. (v) Bungsar Hill Holdings Sdn Bhd & Anor. Termination of Property Development Agreement ("PDA")

On 25 October 2007, BHH and Edityr Sdn Bhd, two subsidiaries of Selangor Properties Berhad issued a notice of termination to terminate the rights of DBhd pursuant to the PDA to develop the approximately 15 acres of land adjacent to the Damansara Town Centre ("DTC") Complex in Damansara Heights, Kuala Lumpur. The development rights were for a period of 15 years expiring in July 2009 and were given to DBhd by Selangor Properties Berhad when the sale and purchase of the DTC Complex was completed in 1994.

The trial was completed on 22 April 2009 and on 22 June 2009, the Court had dismissed DBhd's claim with costs. DBhd has filed an appeal against the Court's decision and on 29 October 2009, the Court of Appeal by majority delivered its decision whereby DBhd's appeal was dismissed with costs to be taxed. On 25 November 2009, DBhd filed a Notice of Motion seeking leave to appeal at the Federal Court. On 26 January 2011, the Federal Court granted a leave to appeal to DBhd. The appeal has been fixed for hearing on 14 June 2011.

e) DBhd. (v) Bungsar Hill Holdings Sdn Bhd & Anor.

The Company has on 14 December 2004 served a writ of summons against Bungsar Hill Holdings Sdn Bhd ("Bungsar Hill"), a subsidiary of Selangor Properties Berhad, for various breaches of a Property Development Agreement ("PDA") entered into on 7 January 1993. The Court has granted a Stay of Proceedings pending the disposal of the Company's appeal on the suit relating to the termination of the PDA listed under 24(d) hereabove. The matter has been fixed for mention on 15 June 2011. Bungsar Hill has also filed a suit against the Company claiming for unpaid Quit Rent and Assessment under the PDA. The trial of this case has been fixed for 14 & 15 September 2011.

23 Changes in Material Litigation (Cont'd)

f) Tebing Aur Sdn. Bhd. (v) WWE Holdings Berhad

A subsidiary of the Company, Tebing Aur Sdn Bhd ("TASB") has on 30 May 2008 filed a legal suit against WWE Holdings Berhad ("WWE") for non-payment of claims amounting to RM8.1 million for work done on the sewerage treatment plant project in Jelutong, Pulau Pinang. TASB has successfully obtained a Mareva Injunction to freeze the sum of RM10 million payable by the Malaysian Government to WWE to be deposited into an escrow account pending disposal of the suit. Since the monies were already paid to WWE, on 31 July 2009, WWE deposited the sum of RM10 million into the escrow account established at RHB Bank. The case has been fixed for case management on 24 June 2011.

Since the last quarter report ended 31 December 2010, there was no change on the following cases:

- a) Golden Dragon Garden Sdn. Bhd. (v) Shazuddin bin Shaari (MoU - Merit Aim Sdn Bhd)
- b) Golden Dragon Garden Sdn. Bhd. (v) Wijaya Astana Sdn Bhd & Anor.
- c) Golden Dragon Garden Sdn. Bhd. (v) Lam Kong Yow & Anor. (Deed of Book Debt Assignment)

Please also refer to Changes in Contingent Liabilities or Contingent Assets as set out in Note 12.

24. Dividend

The Directors did not recommend any dividend for the current quarter under review.

25. Earnings Per Share ("EPS")

	Cumulative 12 months	
	Current Quarter 31-Mar-11	Preceding Year Quarter 31-Mar-10
a) Basic EPS		
Net profit/(loss) attributable to ordinary shareholders ('000)	(1,450)	1,281
Weighted average number of ordinary shares in issue ('000)	250,140	250,140
Basic earnings per ordinary share (Sen)	(0.58)	0.51

Basic earnings per share is calculated by dividing the net profit/(loss) for the quarter by the weighted average number of ordinary shares in issue during the current quarter under review.

b) Diluted EPS

Diluted earnings per share is calculated by dividing the net profit/(loss) for the quarter by the weighted average number of ordinary shares in issue after taking into consideration all dilutive potential ordinary shares in issue. Diluted earnings per share is not applicable.

BY ORDER OF THE BOARD

JAMALLUDIN BIN KALAM [LS 0002710]
HASLINDA BINTI MD NOR @ MOHD NOAH [LS 0005697]
Secretary
Johor Bahru
23 May 2011