

**DAMANSARA  
REALTY BERHAD**

4030-D

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2011**

**Consolidated Statement of Comprehensive Income**

	Individual quarter-2		Cumulative quarter-2	
	30-Jun-2011	30-Jun-2010	30-Jun-2011	30-Jun-2010
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	1,853	2,702	3,246	3,898
Cost of sales	(1,106)	(1,872)	(2,050)	(2,700)
Gross profit	747	830	1,196	1,198
Interest income	27	17	27	57
Other income	1,947	690	2,557	4,775
Depreciation	(78)	(256)	(121)	(282)
Employee benefits expense	(702)	(374)	(1,113)	(842)
Other operating expenses	(1,109)	(2,294)	(2,575)	(3,802)
<b>Operating profit/(loss)</b>	<b>832</b>	<b>(1,387)</b>	<b>(29)</b>	<b>1,104</b>
Finance cost	(335)	(376)	(841)	(897)
<b>Profit/(Loss) before tax</b>	<b>497</b>	<b>(1,763)</b>	<b>(870)</b>	<b>207</b>
Income tax expenses	(107)	850	(151)	(99)
<b>Profit/(Loss) for the period</b>	<b>390</b>	<b>(913)</b>	<b>(1,021)</b>	<b>108</b>
<b>Attributable to:</b>				
Equity holders of the Company	300	(1,820)	(1,150)	(539)
Minority interest	90	907	129	647
	<b>390</b>	<b>(913)</b>	<b>(1,021)</b>	<b>108</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (Sen)	0.12	(0.73)	(0.46)	(0.22)
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**

	<b>As at</b> <b>30-Jun-2011</b> <i>RM'000</i>	<b>(Audited)</b> <b>As at</b> <b>31-Dec-2010</b> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,014	2,825
Land held for property development	37,386	37,386
Investment properties	7,750	3,585
Associates*	-	-
Deferred tax assets	370	370
Other investments	148	148
Goodwill on consolidation	631	631
	<b>49,299</b>	<b>44,945</b>
<b>Current assets</b>		
Property development costs	172,952	171,340
Inventories	1,702	1,702
Trade receivables and other receivables	37,759	66,090
Other current assets	15,768	15,769
Other investments	-	2,700
Cash and bank balances	7,089	6,194
	<b>235,270</b>	<b>263,795</b>
<b>TOTAL ASSETS</b>	<b>284,569</b>	<b>308,740</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Provisions	31	31
Loans and borrowings	2,770	25,503
Trade and other payables	172,148	172,545
	<b>174,949</b>	<b>198,079</b>
<b>Net current assets</b>	<b>60,321</b>	<b>65,716</b>
<b>Non-current liabilities</b>		
Loans and borrowings	276	296
Trade and other payables	4,080	4,080
	<b>4,356</b>	<b>4,376</b>
<b>Total Liabilities</b>	<b>179,305</b>	<b>202,455</b>
<b>Net assets</b>	<b>105,264</b>	<b>106,285</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	125,070	125,070
Share premium	156	156
Accumulated losses	(21,905)	(20,755)
Capital reserve	72	72
Shareholders' equity	103,393	104,543
Minority interests	1,871	1,742
<b>Total equity</b>	<b>105,264</b>	<b>106,285</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>284,569</b>	<b>308,740</b>
<b>Net assets per share (RM)</b>	<b>0.413</b>	<b>0.418</b>

\* 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 ----->						
	Equity Total RM'000	Equity attributable to owners of the parent Total RM'000	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Accumulated losses RM'000	Minority interests RM'000
Opening balance at 1 January 2010	115,123	113,612	125,070	156	72	(11,686)	1,511
Total comprehensive income	108	(539)	-	-	-	(539)	647
Closing balance at 30 June 2010	<b>115,231</b>	<b>113,073</b>	<b>125,070</b>	<b>156</b>	<b>72</b>	<b>(12,225)</b>	<b>2,158</b>
Opening balance at 1 January 2011	106,285	104,543	125,070	156	72	(20,755)	1,742
Total comprehensive income	(1,021)	(1,150)	-	-	-	(1,150)	129
Closing balance At 30 June 2011	<b>105,264</b>	<b>103,393</b>	<b>125,070</b>	<b>156</b>	<b>72</b>	<b>(21,905)</b>	<b>1,871</b>

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**

	<b>ended</b> <b>30-Jun-2011</b> <i>RM'000</i>	<b>ended</b> <b>30-Jun-2010</b> <i>RM'000</i>
<b>Cash flow from operating activities</b>		
Receipt from customers	35,328	13,575
Payment to creditors and employees	(8,711)	(11,494)
Cash generated from operation	26,617	2,081
Tax (paid) / refunded	(381)	85
Interest income received	27	57
Interest paid	(841)	(897)
Net cash generated from operating activities	25,422	1,326
<b>Cash flow from investing activity</b>		
Purchase of property, plant and equipment	(1,774)	(3,694)
Proceed from disposal of property, plant and equipment	-	9
Net cash used in investing activities	(1,774)	(3,685)
<b>Cash flow from financing activities</b>		
Repayment of hire purchase	78	(63)
Repayment of borrowings	(22,831)	(3,598)
Net cash used in financing activities	(22,753)	(3,661)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>895</b>	<b>(6,020)</b>
Cash and cash equivalents as at 1 January	6,194	7,704
<b>Cash and cash equivalents as at 30 June</b>	<b>7,089</b>	<b>1,684</b>

**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.**

**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011**

**A1 BASIS OF PREPARATION**

The interim report is prepared in accordance with FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia's Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2010.

The interim report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected with effect from the 2011 annual financial statement. Details of these changes in accounting policies are set out in Note A2.

The preparation of an interim financial report in conformity with FRS 134, "Interim Financial Reporting" requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The note include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements other than those that have been restated as a result of the change in accounting policies.

**A2 CHANGES IN ACCOUNTING POLICIES**

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's interpretations) that are effective for accounting periods beginning on or after 1 January 2011.

The FRSs that was effective in the annual financial statement for the year ended 31 December 2010 may be affected by the issue of additional interpretation(s) or other changes announced by MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for said period cannot be determined with certainty at the date of the issuance of this financial report.

**A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the preceding annual financial statements was not qualified.

**A4 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations have not been significantly affected by any seasonal cyclical trend.

**A5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year-to-date.

**A6 SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There was no changes in estimates that have had any material effect on the financial year-to-date results.

**A7 DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date.

**A8 DIVIDEND PAID**

No dividend was paid during the financial year-to-date.

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011 (CONT'D)

A8 SEGMENTAL INFORMATION

	PROPERTY DEVELOPMENT		CONSTRUCTION CONTRACTS		HEALTHCARE SERVICES		OTHERS		ADJUSTMENTS AND ELIMINATIONS		PER CONSOLIDATED	
	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000
<b>Revenue:</b>												
- External sales	-	1,191	-	-	3,246	2,589	-	118	-	-	3,246	3,898
- Inter company sales	-	-	-	-	-	-	910	3,376	(910)	(3,376)	-	-
Total revenue	-	1,191	-	-	3,246	2,589	910	3,494	(910)	(3,376)	3,246	3,898
<b>Results:</b>												
Interest Income	25	17	1	40	1	-	-	-	-	-	27	57
Segment profit/(loss)	(1,883)	(764)	791	2,793	580	(203)	(358)	1,792	-	(3,411)	(870)	207
<b>Segment assets</b>	245,521	250,701	139,935	155,206	13,874	12,475	36,787	35,649	(151,548)	(137,321)	284,569	316,710
<b>Segment liabilities</b>	242,283	253,567	74,508	55,525	11,093	10,028	75,282	75,512	(223,861)	(193,153)	179,305	201,479

**DAMANSARA REALTY BERHAD (4030-D)**

**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011 (CONT'D)**

**A9 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.

**A10 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.

**A11 CHANGE IN THE COMPOSITION OF THE GROUP**

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

**A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

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

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## DAMANSARA REALTY BERHAD (4030-D)

### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011

#### B1 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 RM3.25 million (2010: RM3.90 million) with a net loss of RM1.02 million (net profit of RM0.11 million in 2010).

The major factors affecting the financial performance of the Group during the period are as follows:-

- 1 The Group recorded a decrease in revenue from RM3.90 million in 2010 to RM3.25 million in 2011. The Group's revenue in 2010 was contributed by the property development and healthcare related activities whilst the 2011 revenue was entirely from the healthcare related activities.
- 2 The Group recorded a reduction in other income from RM4.78 million in 2010 to RM2.56 million in 2011. The Group's higher other income in 2010 was higher primarily due to recovery of assets, namely legal judgement in the Group's favour with respect to the ownership of 2 floors at Menara Safuan.
- 3 A reduction in other operating expenses from RM3.80 Million in 2010 to RM2.57 Million in 2011.

#### B2 MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE IMMEDIATE PRECEDING QUARTER

For the current quarter under review, the Group recorded a profit before tax of RM0.50 million. In comparison to the immediate preceding quarter's loss before tax of RM1.41 million, the Group recorded a slight profit compared to the immediate preceding quarter mainly from write back of provision for doubtful debt.

#### B3 CURRENT YEAR'S PROSPECTS

Profitability of the Group is expected to improve in the current financial year due to following factors:-

- 1 Additional revenue from property development activities (comprising sales of houses as well as land) is expected to be realised by 3rd Quarter.
- 2 Higher contribution from healthcare related activities.
- 3 Reduction in other operating expenses.
- 4 Reduction in finance cost.

#### B4 PROFIT FORECAST/PROFIT GUARANTEE

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

#### B5 INCOME TAX EXPENSE

	<b>Individual quarter-2</b>		<b>Cumulative quarter-2</b>	
	<b>Current Year 30-Jun-11 RM'000</b>	<b>Preceding Year 30-Jun-10 RM'000</b>	<b>Current Year 30-Jun-11 RM'000</b>	<b>Preceding Year 30-Jun-10 RM'000</b>
Current tax	(107)	850	(151)	(99)
	<u>(107)</u>	<u>850</u>	<u>(151)</u>	<u>(99)</u>



**DAMANSARA REALTY BERHAD (4030-D)**

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011 (CONT'D)**

**B6 SALE OF UNQUOTED INVESTMENTS OR PROPERTIES**

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

**B7 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 30 June 2011 are as follows:

	<i>RM'000</i>
Total investments at cost and book value	51
Total investments at market value	52

**B8 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.

**B9 BORROWINGS AND DEBT SECURITIES**

Group borrowings as at 30 June 2011 are as follows:

	<i>RM'000</i>
<b>Short term</b>	
Syndicated term loan (secured)	-
Revolving credit	596
Advanced from shareholders of a subsidiary	2,000
Hire purchase (secured)	174
	<u>2,770</u>
<b>Long term</b>	
Hire purchase (secured)	276
	<u>276</u>

There was no debt securities issued as at 30 June 2011.

**B10 CHANGES IN MATERIAL LITIGATION**

Since the last quarter report ended 31 March 2011, 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. On 29 June 2011, the Court awarded a sum of RM13 million to be paid to the Company with interest of 8% per annum from 30.9.2004 until date of full realization. On 5 July 2011, PKL filed an appeal against the said decision.

## DAMANSARA REALTY BERHAD (4030-D)

### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011 (CONT'D)

#### B10 CHANGES IN MATERIAL LITIGATION (CONT'D)

**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 case listed under 23(c) hereunder filed in the Ipoh High Court. The matter has been fixed for case management on 17 October 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. The case has been consolidated with the Shah Alam High Court suit listed as item 23(b) above which has been fixed for case management on 17 October 2011.

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

On 25 October 2007, BHH and Editry 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 and the hearing of the said appeal was completed on 14 June 2011. Decision has been reserved and the Court shall inform both parties once the decision is ready.

**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 23(d) hereabove. The matter has been fixed for case management on 15 September 2011. Bungsar Hill has also filed a suit against the Company claiming for unpaid Quit Rent and Assessment under the PDA. This case has been fixed for trial on 14 & 15 September 2011.

**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 final case management on 6 January 2012 and for full trial on 19<sup>th</sup>, 20<sup>th</sup> and 23<sup>rd</sup> February 2012.

**DAMANSARA REALTY BERHAD (4030-D)**

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2011 (CONT'D)**

**B10 CHANGES IN MATERIAL LITIGATION (CONT'D)**

Since the last quarter report ended 31 March 2011, 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.

**B12 DIVIDEND**

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

**B13 EARNINGS PER SHARE ("EPS")**

	Cumulative 6 months	
	Current Quarter 30-Jun-11	Preceding Year Quarter 30-Jun-10
<b>a) Basic EPS</b>		
Net profit/(loss) attributable to ordinary shareholders ('000)	(1,150)	(539)
Weighted average number of ordinary shares in issue ('000)	250,140	250,140
Basic earnings per ordinary share (Sen)	(0.46)	(0.22)

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  
25 August 2011**