

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

Consolidated Statement of Comprehensive Income

	Individual quarter-3		Cumulative quarter-3	
	30-Sep-2011 RM'000	30-Sep-2010 RM'000	30-Sep-2011 RM'000	30-Sep-2010 RM'000
Revenue	3,681	25,180	6,927	29,078
Cost of sales	(2,823)	(21,311)	(4,873)	(24,011)
Gross profit	858	3,869	2,054	5,067
Interest income	60	6	87	63
Other income	184	241	2,741	5,016
Depreciation	(248)	26	(369)	(256)
Employee benefits expense	(848)	(386)	(1,961)	(1,228)
Other operating expenses	(1,616)	(1,692)	(4,191)	(5,494)
Operating profit/(loss)	(1,610)	2,064	(1,639)	3,168
Finance cost	(93)	(942)	(934)	(1,839)
Profit/(Loss) before tax	(1,703)	1,122	(2,573)	1,329
Income tax expenses	(131)	(81)	(282)	(180)
Profit/(Loss) for the period	(1,834)	1,041	(2,855)	1,149
Attributable to:				
Equity holders of the Company	(1,981)	2,629	(3,131)	2,090
Minority interest	147	(1,588)	276	(941)
	(1,834)	1,041	(2,855)	1,149
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (Sen)	(0.79)	1.05	(1.25)	0.84
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)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Sep-2011 RM'000	(Audited) As at 31-Dec-2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,756	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
	49,041	44,945
Current assets		
Property development costs	173,597	171,340
Inventories	283	1,702
Trade receivables and other receivables	29,838	66,090
Other current assets	15,769	15,769
Other investments	-	2,700
Cash and bank balances	14,561	6,194
	234,048	263,795
TOTAL ASSETS	283,089	308,740
EQUITY AND LIABILITIES		
Current liabilities		
Provisions	31	31
Loans and borrowings	2,573	25,503
Trade and other payables	172,699	172,545
	175,303	198,079
Net current assets	58,745	65,716
Non-current liabilities		
Loans and borrowings	276	296
Trade and other payables	4,080	4,080
	4,356	4,376
Total Liabilities	179,659	202,455
Net assets	103,430	106,285
Equity attributable to owners of the parent		
Share capital	125,070	125,070
Share premium	156	156
Accumulated losses	(23,886)	(20,755)
Capital reserve	72	72
Shareholders' equity	101,412	104,543
Minority interests	2,018	1,742
Total equity	103,430	106,285
TOTAL EQUITY AND LIABILITIES	283,089	308,740
Net assets per share (RM)	0.405	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 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	1,149	2,090	-	-	-	2,090	(941)
Closing balance at 30 September 2010	116,272	115,702	125,070	156	72	(9,596)	570
Opening balance at 1 January 2011	106,285	104,543	125,070	156	72	(20,755)	1,742
Total comprehensive income	(2,855)	(3,131)	-	-	-	(3,131)	276
Closing balance at 30 September 2011	103,430	101,412	125,070	156	72	(23,886)	2,018

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

	9-months ended 30-Sep-2011 RM'000	9-months ended 30-Sep-2010 RM'000
Cash flow from operating activities		
Receipt from customers	47,510	31,541
Payment to creditors and employees	(13,157)	(26,141)
Cash generated from operation	34,353	5,400
Tax (paid) / refunded	(424)	(52)
Interest income received	87	63
Interest paid	(934)	(1,839)
Net cash generated from operating activities	33,082	3,572
Cash flow from investing activity		
Purchase of property, plant and equipment	(1,764)	(4,616)
Proceed from disposal of property, plant and equipment	-	853
Net cash used in investing activities	(1,764)	(3,763)
Cash flow from financing activities		
Repayment of hire purchase	(40)	(86)
Repayment of borrowings	(22,911)	(3,673)
Net cash used in financing activities	(22,951)	(3,759)
Increase/(decrease) in cash and cash equivalents	8,367	(3,950)
Cash and cash equivalents as at 1 January	6,194	7,704
Cash and cash equivalents as at 30 September	14,561	3,754

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)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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.

DAMANSARA REALTY BERHAD (4030-D)

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

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.

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DAMANSARA REALTY BERHAD (4030-D)

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

A8 SEGMENTAL INFORMATION

	PROPERTY DEVELOPMENT		CONSTRUCTION CONTRACTS		HEALTHCARE SERVICES		OTHERS		ADJUSTMENTS AND ELIMINATIONS		PER CONSOLIDATED	
	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000
Revenue:												
- External sales	1,859	24,841	-	-	5,065	4,206	3	31	-	-	6,927	29,078
- Inter company sales	-	-	-	-	-	-	1,368	1,808	(1,368)	(1,808)	-	-
Total revenue	1,859	24,841	-	-	5,065	4,206	1,371	1,839	(1,368)	(1,808)	6,927	29,078
Results:												
Interest Income	78	23	-	40	9	-	-	-	-	-	87	63
Segment profit/(loss)	(2,270)	727	89	2,538	955	120	(1,347)	1,782	-	(3,838)	(2,573)	1,329
Segment assets	243,353	287,726	138,764	163,462	14,970	13,101	38,839	36,577	(152,837)	(177,568)	283,089	323,298
Segment liabilities	240,503	282,220	74,040	64,036	11,946	10,410	77,952	74,148	(224,782)	(223,788)	179,659	207,026

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 RM6.93 million (2010: RM29.08 million) with a net loss of RM2.86 million (net profit of RM1.15 million in 2010).

The major factors affecting the financial performance of the Group in the current cumulative quarter are as follows:-

- 1 The Group recorded a drop in revenue from RM29.08 Million in 2010 to RM6.93 Million in 2011. In 2010, there was a significant land sale of RM18.82 Million whilst the Group only recorded RM0.43 Million of land sale in 2011.
- 2 The Group recorded a reduction in other income from RM5.02 Million in 2010 to RM2.74 Million in 2011. The Group's higher other income in 2010 was 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 RM5.49 Million in 2010 to RM4.19 Million in 2011 was mainly due to the Liquidated Ascertained Damages arising from development of Aliff Puteri of Taman Damansara Aliff incurred in 2010.

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

For the current quarter under review, the Group recorded a loss before tax of RM1.70 million. In comparison to the immediate preceding quarter's profit before tax of RM0.50 million, the Group recorded a loss compared to the immediate preceding quarter mainly from write back of provision for doubtful debt in the preceding quarter.

B3 CURRENT YEAR'S PROSPECTS

The Group is expected to improve its profitability in the current financial year compared to 2010 due to following factors:-

- 1 The performance of 2010 were effected by a substantial provision for doubtful debts of RM8.1 Million.
- 2 Additional revenue from property development activities (comprising sales of land) is expected to be realised by 4th Quarter of 2011.
- 3 Higher contribution from healthcare related activities.
- 4 Reduction in other operating expenses as the group does not expect any liquidated ascertained damages for property development activities to be incurred in 2011.
- 5 Term Loan of RM22.7 Million was fully repaid in end of May 2011 and the impact of the reduced interest expenses will be realised from thereon. As an indication, the Group incurred RM2.39 Million on interest expenses in respect of the said loan in 2010.

B4 PROFIT FORECAST/PROFIT GUARANTEE

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

DAMANSARA REALTY BERHAD (4030-D)**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONT'D)****B5 INCOME TAX EXPENSE**

	<u>Individual quarter-3</u>		<u>Cumulative quarter-3</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current tax	(131)	(81)	(282)	(180)
	<u>(131)</u>	<u>(81)</u>	<u>(282)</u>	<u>(180)</u>

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 September 2011 are as follows:

	<i>RM'000</i>
Total investments at cost and book value	51
Total investments at market value	42

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 September 2011 are as follows:

	<i>RM'000</i>
Short term	
Syndicated term loan (secured)	-
Revolving credit	516
Advanced from shareholders of a subsidiary	2,000
Hire purchase (secured)	57
	<u>2,573</u>
Long term	
Hire purchase (secured)	276
	<u>276</u>

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

DAMANSARA REALTY BERHAD (4030-D)

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

B10 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 30 June 2011, the followings are the changes:

a) Pembinaan Kota Laksamana (Melaka) Sdn Bhd ("PKL") & 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 Regency Hotel (now known as Selesa Beach Resort Port Dickson) to Puteri Hotels Sdn Bhd. 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. PKL has filed an appeal against the said award which is fixed for decision on 25 November 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 case listed under 24(c) hereunder filed in the Ipoh High Court. The matter has been fixed for case management on 14 December 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 24(b) above which has been fixed for case management on 14 December 2011.

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

On 25 October 2007, BHH and Edity 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.

On 22 June 2009, the High 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. On 11 October 2011, the Federal Court dismissed DBhd's appeal with costs.

DAMANSARA REALTY BERHAD (4030-D)

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

B10 CHANGES IN MATERIAL LITIGATION (CONT'D)

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. As a result from the decision of the Federal Court on the suit relating to the termination of the PDA listed under 24(d) hereabove, on 19 October 2011, the suit has been struck out with costs. Bungsar Hill has also filed a suit against the Company claiming for unpaid Quit Rent and Assessment under the PDA. On 14 September 2011, the Court recorded judgement whereby the Company is obligated to pay the quit rent and assessment, the amount of which is to be assessed by the Court Registrar. The matter has been fixed for case management on 30 January 2012.

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 19th, 20th and 23rd February 2012.

Since the last quarter report ended 30 June 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 13.

B11 DIVIDEND

The Directors did not recommend any dividend for 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONT'D)

B12 EARNINGS PER SHARE ("EPS")

	Cumulative 9 months	
	Current Quarter 30-Sep-11	Preceding Year Quarter 30-Sep-10
a) Basic EPS		
Net profit/(loss) attributable to ordinary shareholders ('000)	(3,131)	2,090
Weighted average number of ordinary shares in issue ('000)	250,140	250,140
Basic earnings per ordinary share (Sen)	(1.25)	0.84

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 November 2011