

DAMANSARA**REALTY BERHAD**

4030-D

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2011**

Consolidated Statement of Comprehensive Income

	<u>Individual quarter-4</u>		<u>Cumulative quarter-4</u>	
	Current year 31-Dec-2011 <i>RM'000</i>	Current year 31-Dec-2010 <i>RM'000</i>	Current year 31-Dec-2011 <i>RM'000</i>	Current year 31-Dec-2010 <i>RM'000</i>
Revenue	1,986	34,158	8,913	63,236
Cost of sales	(884)	(31,717)	(5,757)	(55,728)
Gross profit	1,102	2,441	3,156	7,508
Interest income	69	(40)	156	23
Other income	27,759	963	30,500	5,979
Depreciation	(119)	(130)	(488)	(386)
Employee benefits expense	(1,061)	(709)	(3,022)	(1,937)
Other operating expenses	(27,562)	(11,860)	(31,753)	(17,354)
Operating profit/(loss)	188	(9,335)	(1,451)	(6,167)
Finance cost	119	(40)	(815)	(1,879)
Profit/(Loss) before tax	307	(9,375)	(2,266)	(8,046)
Income tax expenses	(472)	(358)	(754)	(538)
Profit/(Loss) for the period	(165)	(9,733)	(3,020)	(8,584)
Attributable to:				
Equity holders of the Company	1,472	(10,937)	(1,659)	(8,847)
Minority interest	(1,637)	1,204	(1,361)	263
	(165)	(9,733)	(3,020)	(8,584)
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (Sen)	0.59	(4.37)	(0.66)	(3.54)
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

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED**31 DECEMBER 2011****Consolidated Statement of Comprehensive Income**

	Individual quarter-4		Cumulative quarter-4	
	Current year 31-Dec-11 RM'000	Current year 31-Dec-10 RM'000	Current year 31-Dec-11 RM'000	Current year 31-Dec-10 RM'000
Profit/(Loss) For The Period	(165)	(9,733)	(3,020)	(8,584)
Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	(165)	(9,733)	(3,020)	(8,584)
Total Comprehensive Income Attributable To:				
Owners of the Company	1,472	(10,937)	(1,659)	(8,847)
Minority interest	(1,637)	1,204	(1,361)	263
	(165)	(9,733)	(3,020)	(8,584)

Note: 1 - Included in the Total Comprehensive Income for the period are the followings:-

Interest Income	69	(40)	156	23
Other Income Including Investment Income	27,759	963	30,500	5,979
Interest Expenses	119	(40)	(815)	(1,879)
Depreciation and Amortization	(119)	(130)	(488)	(386)
Provision For/Write Off of Receivables	(19,976)	(8,222)	(19,976)	(8,222)
Provision For/Write Off of Inventories	N/A	N/A	N/A	N/A
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A	N/A	N/A
Impairment of Assets	(2,281)	N/A	(2,281)	N/A
Gain/Loss on Foreign Exchange	N/A	N/A	N/A	N/A
Gain/Loss on Derivatives	N/A	N/A	N/A	N/A

N/A: Not Applicable

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 of Financial Position

	As at 31-Dec-2011 RM'000	(Audited) As at 31-Dec-2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	646	2,825
Land held for property development	221,142	37,386
Investment properties	6,879	3,585
Associates*	-	-
Deferred tax assets	332	370
Other investments	101	148
Goodwill on consolidation	523	631
	229,623	44,945
Current assets		
Property development costs	-	171,340
Inventories	283	1,702
Trade receivables and other receivables	3,708	66,090
Other current assets	15,769	15,769
Other investments	-	2,700
Cash and bank balances	8,108	6,194
	27,868	263,795
TOTAL ASSETS	257,491	308,740
EQUITY AND LIABILITIES		
Current liabilities		
Provisions	31	31
Loans and borrowings	2,486	25,503
Trade and other payables	57,359	172,545
	59,876	198,079
Net current assets	(32,008)	65,716
Non-current liabilities		
Loans and borrowings	100	296
Trade and other payables	94,267	4,080
	94,367	4,376
Total Liabilities	154,243	202,455
Net assets	103,248	106,285
Equity attributable to owners of the parent		
Share capital	125,070	125,070
Share premium	156	156
Accumulated losses	(22,414)	(20,755)
Capital reserve	72	72
Shareholders' equity	102,884	104,543
Minority interests	364	1,742
Total equity	103,248	106,285
TOTAL EQUITY AND LIABILITIES	257,491	308,740
Net Assets Attributable to Owners of the Company	103,248	106,285
Net Assets Per Share Attributable to Owners of the Company (RM)	0.411	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)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<div style="display: flex; justify-content: space-between; align-items: center;"> ← Attributable To owners of parent → </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 5px;"> ← Non-Distributable → </div>						
	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	113,628	125,070	156	72	(11,670)	1,495
Total comprehensive income	(8,822)	(9,085)	-	-	-	(9,085)	263
Transactions with owners:							
Dividends on ordinary shares	(16)	-	-	-	-	-	(16)
Closing balance at 31 December 2010	106,285	104,543	125,070	156	72	(20,755)	1,742
Opening balance at 1 January 2011	106,285	104,543	125,070	156	72	(20,755)	1,742
Total comprehensive income	(3,020)	(1,659)	-	-	-	(1,659)	(1,361)
Transactions with owners:							
Dividends on ordinary shares	(17)	-	-	-	-	-	(17)
Closing balance at 31 December 2011	103,248	102,884	125,070	156	72	(22,414)	364

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

	12-months ended 31-Dec-2011 RM'000	Unaudited 12-months ended 31-Dec-2010 RM'000
Cash flow from operating activities		
Receipt from customers	61,613	37,772
Payment to creditors and employees	(35,596)	(34,710)
Cash generated from operation	26,017	3,062
Tax (paid) / refunded	(1,708)	(320)
Interest income received	156	23
Interest paid	(815)	(1,701)
Net cash generated from operating activities	23,650	1,064
Cash flow from investing activity		
Purchase of property, plant and equipment	1,337	-
Dividend paid to minority shareholders	(17)	(17)
Proceed from disposal of property, plant and equipment	157	998
Net cash used in investing activities	1,477	981
Cash flow from financing activities		
Repayment of hire purchase	(82)	(18)
Repayment of borrowings	(23,131)	(3,744)
Net cash used in financing activities	(23,213)	(3,762)
Increase/(decrease) in cash and cash equivalents	1,914	(1,717)
Cash and cash equivalents as at 1 January	6,194	7,704
Cash and cash equivalents as at 31 December	8,108	5,987

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 adoption of new and revised FRS which will be effective from 1 January 2011 as 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 adoption of new and revised FRS.

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 adoption of the new and revised FRS did not have any significant effect on the financial performance or position of the Company.

At the date of authorisation of this interim financial statement, new approved accounting standard, Malaysian Financial Reporting Standard (herein after known as MFRSs) and IC Interpretation are effective for annual periods beginning on or after 1 January 2012.

The Company will assess the differences between FRS and accounting standards under MFRS Framework and is in the process of assessing the financial effect of the differences. Accordingly, the financial position as disclose in the financial statement for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

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.

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011 (Cont'd)

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.

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

A8 SEGMENTAL INFORMATION

	PROPERTY DEVELOPMENT		CONSTRUCTION CONTRACTS		HEALTHCARE SERVICES		OTHERS		ADJUSTMENTS AND ELIMINATIONS		CONSOLIDATED	
	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000
Revenue:												
- External sales	1,836	54,998	-	2,113	7,074	5,998	3	127	-	-	8,913	63,236
- Inter company sales	-	-	-	1,539	-	-	2,296	1,820	(2,296)	(3,359)	-	-
Total revenue	1,836	54,998	-	3,652	7,074	5,998	2,299	1,947	(2,296)	(3,359)	8,913	63,236
Results:												
Interest Income	133	23	2	-	21	-	-	-	-	-	156	23
Dividend Income	-	-	39	40	-	-	-	-	(39)	(40)	-	-
Depreciation and amortisation	65	52	95	128	298	206	30	-	-	-	488	386
Segment profit/(loss)	24,466	537	(54,643)	(31,394)	(926)	591	(352)	1,856	29,189	20,364	(2,266)	(8,046)
Segment assets	240,008	286,405	87,284	154,488	10,546	12,097	38,530	37,243	(118,877)	(181,449)	257,491	308,784
Segment liabilities	210,710	281,285	77,291	66,365	9,641	9,722	77,599	75,268	(220,998)	(230,378)	154,243	202,262

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 RM8.91 million (2010: RM63.24 million) with a net loss of RM3.02 million (net loss of RM8.58 million in 2010).

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

- 1 A drop in revenue from RM63.24 million in 2010 to RM8.91 million in 2011. The drop in revenue in 2011 was due to the significant reduction in the property development activities contribution to the Group's revenue.
- 2 A higher other income in 2011 of RM30.50 million compared to RM5.98 million in 2010. The Group's higher other income in 2011 was mainly due to gain arising from modification of the term of payment of trade payable in compliance with FRS 139.
- 3 An increase in other operating expenses from RM17.35 Million in 2010 to RM31.75 million in 2011. The increase in other operating expenses mainly due to higher provisions of receivables and impairment of assets.
- 4 Finance cost has reduced from RM1.88 million in 2010 to RM0.82 million in 2011. The reduction was due to settlement of outstanding principal and interest amounting to RM22.3 million during the year .

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 RM0.31 million compared to the immediate preceding quarter's loss before tax of RM1.70 million. The change was mainly due to gain arising from modification of the term of payment of trade payable, provisions for receivables and impairments of assets in the current quarter under review.

B3 CURRENT YEAR'S PROSPECTS

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

- 1 Higher contribution from healthcare related activities.
- 2 Reduction in finance cost.
- 3 Reduction in other expenses.

The Group's performance in financial year 2012 may also be affected by the following which, at the date of this report, have yet to be crystallised/implemented.

- 1 The Group's restructuring scheme which will be announced in due course.
- 2 Write back of provision from investment property amounting to RM815,200 which may be recorded in either financial year 2011 or 2012 depending on the receipt of certain documents relating to transfer of title of properties.

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 FORTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)****B5 INCOME TAX EXPENSE**

	<u>Individual quarter-4</u>		<u>Cumulative quarter-4</u>	
	<u>Current</u> <u>Year</u> <u>31-Dec-11</u> <u>RM'000</u>	<u>Preceding</u> <u>Year</u> <u>31-Dec-10</u> <u>RM'000</u>	<u>Current</u> <u>Year</u> <u>31-Dec-11</u> <u>RM'000</u>	<u>Preceding</u> <u>Year</u> <u>31-Dec-10</u> <u>RM'000</u>
Current tax	(472)	(358)	(754)	(538)
	<u>(472)</u>	<u>(358)</u>	<u>(754)</u>	<u>(538)</u>

B6 STATUS OF CORPORATE PROPOSAL

The Company and its Advisors are revising the Scheme. An appropriate announcement will be made once the said scheme has been finalised.

B7 BORROWINGS AND DEBT SECURITIES

Group borrowings as at 31 December 2011 are as follows:-

	RM'000
Short term	
Syndicated term loan (secured)	-
Revolving credit	296
Advanced from shareholders of a subsidiary	2,000
Hire purchase (secured)	190
	<u>2,486</u>
Long term	
Hire purchase (secured)	100
	<u>100</u>

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

B8 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 30 September 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 Regency Hotel (now known as Selesa Beach Resort Port Dickson) to Puteri Hotels Sdn Bhd. On 29 June 2011, the Senior Assistant Registrar ("SAR") of the High 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 decision of the SAR and on 14 December 2011, the High Court allowed the appeal. The Company has on 22 December 2011 filed an appeal at the Court of Appeal and the hearing date yet to be fixed by the Court.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FORTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

B8 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 24(c) hereunder filed in the Ipoh High Court. On 14 December 2011, the suit was withdrawn with no order as to costs.

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 and on 14 December 2011, the suit was withdrawn with no order as to costs.

d) 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. The matter has been fixed for hearing on 9 May 2012.

e) 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 2 March 2012 and for continuation of trial from 11 to 13 April 2012.

B9 DIVIDEND

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

DAMANSARA REALTY BERHAD (4030-D)

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS
FOR THE FORTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)**

B10 EARNINGS PER SHARE ("EPS")

	Unaudited	
	Cumulative 12 months	
	Current Quarter 31-Dec-11	Preceding Year Quarter 31-Dec-10
a) Basic EPS		
Net profit/(loss) attributable to ordinary shareholders ('000)	(1,659)	(8,847)
Weighted average number of ordinary shares in issue ('000)	250,140	250,140
Basic earnings per ordinary share (Sen)	(0.66)	(3.54)

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
28 February 2012