

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2016**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 30-Jun-2016 RM'000	Preceding year 30-Jun-2015 RM'000	Current year 30-Jun-2016 RM'000	Preceding year 30-Jun-2015 RM'000
Revenue	44,604	44,919	87,927	103,579
Cost of sales	(37,141)	(35,517)	(72,425)	(78,260)
Gross profit	7,463	9,402	15,502	25,319
Interest income	45	117	118	237
Other income	501	1,376	608	4,005
Depreciation	(620)	(478)	(1,256)	(1,091)
Employee benefits expense	(4,519)	(5,007)	(10,352)	(11,542)
Other operating expenses	(5,331)	(5,803)	(7,989)	(8,264)
Operating profit/(loss)	(2,461)	(393)	(3,369)	8,664
Finance cost	(2,563)	(2,364)	(5,145)	(4,739)
Profit/(Loss) before tax	(5,024)	(2,757)	(8,514)	3,925
Income tax expenses	(698)	(953)	(1,246)	(2,340)
Profit/(Loss) for the period	(5,722)	(3,710)	(9,760)	1,585
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	419	127	(43)	127
Total comprehensive income for the year	(5,303)	(3,583)	(9,803)	1,712
Profit/(Loss) Attributable to:				
Owners of the parent	(6,016)	(4,390)	(9,874)	180
Non-controlling interests	294	680	114	1,405
	(5,722)	(3,710)	(9,760)	1,585
Comprehensive income Attributable to:				
Equity holders of the Company	(5,597)	(4,263)	(9,917)	307
Non-controlling interests	294	680	114	1,405
	(5,303)	(3,583)	(9,803)	1,712
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	(1.94)	(1.42)	(3.19)	0.06
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 2015 and the accompanying explanatory notes attached to this report.

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2016**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 30-Jun-2016 RM'000	Preceding year 30-Jun-2015 RM'000	Current year 30-Jun-2016 RM'000	Preceding year 30-Jun-2015 RM'000
(Loss)/Profit For The Period	(5,722)	(3,710)	(9,760)	1,585
Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax	419	127	(43)	127
Total Comprehensive (Loss)/Income For The Period, Net Of Income Tax	<u>(5,303)</u>	<u>(3,583)</u>	<u>(9,803)</u>	<u>1,712</u>
Total Comprehensive Income Attributable To:				
Owners of the Company	(6,016)	(4,390)	(9,874)	180
Non-controlling interests	294	680	114	1,405
	<u>(5,722)</u>	<u>(3,710)</u>	<u>(9,760)</u>	<u>1,585</u>

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

Interest Income	45	117	118	237
Other Income Including Investment Income	501	1,376	608	4,005
Interest Expenses	(2,563)	(2,364)	(5,145)	(4,739)
Depreciation and Amortization	(620)	(478)	(1,256)	(1,091)
Provision For/Write Off of Receivables	-	-	-	-
Provision For/Write Off of Inventories	-	-	-	-
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	-	-	-	-
Impairment of Assets	-	-	-	-
Gain/Loss on Foreign Exchange	-	-	-	-
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 2015 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Statement of Financial Position
As at 30 June 2016

	Unaudited 30-Jun-2016 <i>RM'000</i>	Audited 31-Dec-2015 <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	25,102	26,369
Land held for property development	218,636	216,164
Investment properties	3,479	3,512
Deferred tax assets	561	502
Other investments	101	101
Goodwill on consolidation	1,409	1,409
	249,288	248,057
Current assets		
Property development costs	7,120	4,604
Inventories	1,758	1,655
Trade receivables and other receivables	50,143	47,356
Other current assets	7,603	3,638
Cash and bank balances	25,760	41,003
	92,384	98,256
TOTAL ASSETS	341,672	346,313
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	13,070	15,302
Trade and other payables	209,954	202,955
	223,024	218,257
Net current assets / (liabilities)	(130,640)	(120,001)
Non-current liabilities		
Loans and borrowings	4,501	4,113
Deferred tax liabilities	423	459
	4,924	4,572
Total Liabilities	227,948	222,829
Net assets	113,724	123,484
Equity attributable to owners of the parent		
Share capital	154,685	154,685
Share premium	156	156
Accumulated losses	(30,448)	(20,531)
Merger Reserve	(18,568)	(18,568)
Capital reserve	85	85
Exchange reserve	(988)	(1,031)
Shareholders' equity	104,922	114,796
Non-controlling interests	8,802	8,688
Total equity	113,724	123,484
TOTAL EQUITY AND LIABILITIES	341,672	346,313
Net Assets Per Share Attributable to Owners of the Company (RM)	0.339	0.371

The Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed consolidated statement of changes in equity
For the financial period ended 30 June 2016



	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	Merger Reserve RM'000	Exchange Reserve RM'000	Accumulated losses RM'000	Non- controlling interest RM'000
2016									
Opening balance at 1 January 2016	123,484	114,796	154,685	156	85	(18,568)	(1,031)	(20,531)	8,688
Total comprehensive income	(9,760)	(9,874)	-	-	-	-	43	(9,917)	114
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-
Closing balance at 30 June 2016	113,724	104,922	154,685	156	85	(18,568)	(988)	(30,448)	8,802
2015									
Opening balance at 1 January 2015	126,594	119,112	154,685	156	85	(18,568)	(459)	(16,787)	7,482
Total comprehensive income	1,585	180	-	-	-	-	(127)	307	1,405
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-
Closing balance at 30 June 2015	128,179	119,292	154,685	156	85	(18,568)	(586)	(16,480)	8,887

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 2015 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Statement of cash flows
For the financial period ended 30 June 2016

	6 months ended 30-Jun-2016 <i>RM'000</i>	6 months ended 30-Jun-2015 <i>RM'000</i>
Receipt from customers	85,154	85,002
Payment to suppliers, creditors and employees	(90,736)	(83,022)
Payment of income taxes paid	(5,818)	(4,375)
Interest paid	(254)	(431)
Total Cash flow used in operating activities	(11,654)	(2,826)
Purchase of property, plant and equipment	(902)	(388)
Interest received	173	255
Total Cash flow used in investing activities	(729)	(133)
Cash flow from financing activities		
Net repayment of obligations under finance leases	(1,170)	(1,727)
Net of repayment of loan & borrowings	(1,690)	(2,740)
Total Cash flow used in financing activities	(2,860)	(4,467)
Decrease in cash and cash equivalents	(15,243)	(7,426)
Cash and cash equivalents as at 1 January	41,003	49,214
Cash and cash equivalents as at 30 June	25,760	41,788

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report.

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016

A1 BASIS OF PREPARATION

On 1 January 2014, the Group and the Company had opted to change its financial reporting framework in the preparation of their financial statements from MFRS to FRS and defer the adoption of the MFRS Framework as the Company falls within the scope definition of Transitioning Entities during the year.

This interim financial report have been reviewed by the Company's external auditors as directed by Bursa Malaysia vide its letter 29 July 2015.

This interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statement should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

FRS 15: Revenue from Contracts with Customers

FRS 9: Financial Instruments

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities within the scope of MFRS 141, and those within the scope of IC 15 will be mandatorily required to adopt the MFRS Framework for annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively.

A2 AUDITORS' REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group were not significantly affected by any seasonal cyclical factors.

A4 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current quarter and/or financial year-to-date.

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016 (CONT'D)

A5 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.

A6 DEBT AND EQUITY SECURITIES

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

A7 DIVIDEND PAID

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

A8 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- I. Property development - the development of residential and commercial properties.
- II. Construction contracts - construction of sewage treatment plant, residential and commercial properties.
- III. Property services - provision of property services comprising of general services, facility management, project management and consultant, construction management, energy management services, hospital planning, maintenance services and manpower services.
- IV. Parking services - parking operation, trading of parking equipments and the provision of related consultancy services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016 (CONT'D)

A8 SEGMENTAL INFORMATION

	PROPERTY DEVELOPMENT		CONSTRUCTION CONTRACTS		PROPERTY SERVICES		PARKING		OTHERS		ADJUSTMENTS AND ELIMINATIONS		PER CONSOLIDATED	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:														
- External sales	-	11,898	-	-	31,777	35,636	56,150	56,045	-	-	-	-	87,927	103,579
- Inter company sales	-	-	-	-	-	-	-	-	-	368	-	(368)	-	-
Total revenue	-	11,898	-	-	31,777	35,636	56,150	56,045	-	368	-	(368)	87,927	103,579
Results:														
Interest Income	56	64	46	107	0	46	12	20	4	-	-	-	118	237
Depreciation and amortisation	17	14	282	274	246	277	695	509	16	17	-	-	1,256	1,091
Segment profit/(loss)	(5,990)	5,748	(5,622)	(5,961)	1,204	2,590	1,941	1,624	(47)	(65)	-	(11)	(8,514)	3,925
Assets :														
Segment assets	235,391	240,822	106,249	103,678	54,385	54,502	48,154	49,574	31,245	30,867	(133,752)	(123,947)	341,672	355,496
Segment liabilities	230,493	227,843	83,697	71,763	28,729	29,154	35,288	39,546	85,913	85,330	(236,172)	(226,320)	227,948	227,316

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016 (CONT'D)

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2015.

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 were no changes in the Composition of the Group during the current quarter under review.

A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016.

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

Group revenue for the quarter ended 30 June 2016 stood at RM87.93 million. Revenues were contributed by our principal subsidiaries, Metro Parking (M) Sdn Bhd RM56.12m, TMR Urusharta (M) Sdn Bhd RM11.20m, Healthcare Technical Services Sdn Bhd RM5.81m and HC Duraclean Sdn Bhd RM14.77m.

The Group net earnings for the period ended 30 June 2016 presented a loss of RM9.76 million, as compared to net earnings for the period ended 30 June 2015 a profit of RM1.58 million. This was mainly due to deferred and delayed sales of properties due to current property market climate and rigid financing support by financial institution in general.

DBhd will maintained its focus on its sales to institutional buyers and strategic partners. Our persistent promotions and targeted buyers are progressing positively with genuine potential buyers showing interest and significant numbers of bookings were received in Q3. We strongly believed that institutional investors(property) will respond positively in the second half of 2016 in a "buyers market". We anticipate that sales of completed properties will be realised in Q3 and Q4 especially for our properties in Aliff Square, Johor Bahru and Damansara Hills 1 in Kuantan, Pahang.

This new focus coupled with focused strategic planning which will set out significant number of new projects with greater scale and value in our current land banks in Johor Baharu and Kuantan. This will definitely set the pace for the group and ensuring its future growth and sustainability.

Our property services segment had completed almost 50% of its turnaround exercise to weed out loss making and unacceptable low margin contracts that pulls down profits and earnings. We are zooming into a few potentials especially in facilities management contracts in the near future.

An analysis of the results of each segment is as follows :

- a) **Property Development**
Property Development activities reported no contribution to Group revenue in Q2 2016 as compared to RM11.90 million for the same quarter in FY2015. As a result, the segment has contributed to loss of RM5.99 million in Q2 2016.
- b) **Construction Contracts**
No activities were recorded to date, due to no major construction contract that requires our involvement.
- c) **Property Services**
Property services activities consist of facility management, cleaning and project management consultancy. Revenue contribution in 2016 decreased to RM31.78 million from RM35.64 million in 2015. Lower revenue in 2016 were mainly due to contract expiry and reduction of contract terms. These result in the reduction of net earnings in 2016 to RM1.2 million as compared to RM2.59 million in 2015. One of the contributing factors affecting the lower results is the difficulties in hiring foreign workers for our existing services.
- d) **Parking**
Parking activities revenue in 2016 increase from RM56.05 million to RM56.15 million. Net earnings increase from RM1.62 million to RM2.57 million an increased of 58.6 % in net profit margin.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

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

The Group revenue for the current quarter stood at RM44.60 million, increase by 3% compared to the immediate preceding quarter at RM43.32 million. However, profit before tax decline by RM0.90 million due to increase in cost of sales and other operating expenses. This increase in cost were mainly contributed to mobilization expenses and initial set-up cost for new property services contracts in KLIA.

B3 CURRENT YEAR'S PROSPECTS

The Group is expected to achieve a revenue growth, thus improving liquidity and sustainability of the Group in the current financial year mainly from the following:

a) Property Development Activities

- i) Sales of property development in Johor Bahru, Johor and resurgent of property development in Kuantan, Pahang.
- ii) Damansara Realty (Johor) Sdn Bhd has been awarded a contract by Putrajaya Corporation as developer for the development of Perumahan Penjawat Awam 1Malaysia "PPA1M" and mixed development (commercial) at Putrajaya with a Gross Development Value of RM467.31 million. The project is expected to contribute positively to the earning of the Group for FY2016 and beyond.
- iii) Damansara Realty (Johor) Sdn Bhd had been invited to participate in the development of another Perumahan Penjawat Awam 1Malaysia "PPA1M" under Phase 3 with PJC. This is still in the early stage of negotiation and the anticipated GDV will be at RM1,119 million.
- iv) Expected positive revenue from mining activities upon if lifting of the moratorium by authorities in Q4 2016
- v) Estimated to disposed 2 units of office lots at Menara Safuan as a non-recurrent income at market price of RM5 million.

b) Property Services Activities

- i) TMR Urusharta (M) Sdn Bhd. has received a Letter of Award for a "Comprehensive Cleaning and Related Services (Category1) at KL International Airport by Malaysia Airports (Sepang) Sdn Bhd for a total contract sum of RM 35.0 million from 1 April 2016 until 31 March 2019. It is expected that this contract will start to contribute earnings in Q3.
- ii) HC Duraclean Sdn Bhd had received and accepted a tender award from Ministry of Health Malaysia in relation to cleaning services contract covering Kuala Lumpur and Putrajaya for total of RM6.92 million for a period of 3 years commencing from 1st May 2016 to 30th April 2019. The Contract has contributed positively to the earnings of the Group.
- iii) TMR Urusharta (M) Sdn Bhd has received a Letter of Award from Petronas Refinery and Petrochemical Corporation Sdn Bhd for The Operation and Maintenance of Rapid Temporary Executive Village ("RTEV") and Rapid Temporary Management Office ("RTMO") Facilities and Infrastructure for Refinery and Petrochemical Integrated Development ("RAPID") at Pengerang, Johor Darul Takzim for a period of thirty-eight (38) months with an estimated Contract Value of RM124,000,000.

B4 PROFIT FORECAST/PROFIT GUARANTEE

There were no changes in Profit forecast / profit guarantee during the current quarter under review.

DAMANSARA REALTY BERHAD (4030-D)**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).****B5 INCOME TAX EXPENSE**

	<u>Individual quarter</u>		<u>Preceding quarter</u>	
	Year	Year	Year	Year
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current tax	(698)	(953)	(1,246)	(2,340)
	<u>(698)</u>	<u>(953)</u>	<u>(1,246)</u>	<u>(2,340)</u>

B6 STATUS OF CORPORATE PROPOSAL**New Issues Of Securities (Chapter 6 Of Listing Requirements)-Bonus Issues**

As at 2nd June 2016, the Company had announced on the Proposed Redeemable Convertible Notes with an aggregate principal amount of up to RM150.0 million.

On 10th June 2016, the company had been submitted to Bursa Malaysia Securities Berhad in relation to the Proposals.

Subject to Bursa's approval, it is expected that the issuance of the RCN will commence in September 2016.

B7 BORROWINGS AND DEBT SECURITIES

Group borrowings as at 30 June 2016 are as follows:

	<i>RM'000</i>
Short term	
Bank Overdraft (secured)	(76)
Term Loan (secured)	2,611
Hire purchase (secured)	1,257
Revolving credit	85
Advanced from shareholders of a subsidiary (unsecured)	1,805
Advanced from shareholders (unsecured)	7,388
	<u>13,070</u>
Long term	
Syndicated Term Loan (secured)	-
Term Loan (secured)	127
Hire purchase (secured)	4,374
	<u>4,501</u>

There was no debt securities issued as at 30 June 2016.

B8 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 31 March 2016, the followings are the changes:

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

DBhd had on 18 September 2006 filed an application seeking damages for losses incurred due to the injunction taken out by Pembinaan Kota Laksamana (Melaka) Sdn Bhd ("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 of the High Court awarded a sum of RM13 million to be paid to DBhd with interest of 8% per annum from 30 September 2004 until date of full realization and the said decision was maintained by the High Court Judge. PKL had filed an appeal at the Court of Appeal and on 21 January 2014, the Court of Appeal allowed the appeal with costs. DBhd has instructed its solicitors to file an application for leave to appeal at the Federal Court.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (Cont'd)

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

DBhd's application for leave to appeal initially was fixed for hearing on 7 July 2014, but was postponed to 30 September 2014.

On 30 September 2014, DBhd solicitors has filed a Notice of Motion to Discharge themselves from representing DBhd and the court gave an Order in Terms. Applicant's representative attended the hearing on behalf of the applicant and request for an adjournment of the matter to enable the applicant to appoint new solicitors. Federal Court fixed the matter for Case Management on 7 November 2014.

Court brought forward the case management date to 29 October 2014. On 29 October 2014, matter fixed for case management. Court fixed another case management date on 27 November 2014 to enable the applicant to appoint new solicitors.

27 November 2014, matter fixed for case management. Court fixed final case management on 30 December 2014 to enable applicant to appoint new solicitors.

On 30 December 2014, DBhd's newly appointed solicitors appeared on our behalf for the case management. Court fixed further case management date on 11 February 2015.

On 11 February 2015, Federal Court registrar fixed the matter for hearing, scheduled on 27 May 2015.

On 27 May 2015, Federal Court granted DBhd a further extension to enable the newly appointed solicitors to obtain the grounds of judgment.

Federal court then fixed 8 September 2015 for case management.

On 8 September 2015, the Federal Court fixed the matter for further case management pending receipt of the grounds of judgment on 21 October 2015.

On 21 October 2015, the Federal Court fixed the matter for further case management pending receipt of the grounds of judgment on 28 January 2016.

On 28 January 2016, the matter was fixed for further case management on 22 March 2016.

The Federal court vide a letter dated 17 February 2016, brought the matter forward to 4 March 2016 for case management.

On 4 March 2016, the Federal court fixed the matter on 15 April 2016 for case management.

On 15 April 2016, the Federal court fixed the matter for hearing on 28 July 2016.

On 28 July 2016, the Federal court dismissed DBhd's leave application with cost of RM10,000.

b) Suit relating to Property Development Agreement

Pursuant to a Property Development Agreement dated 7 January 1993 ("the PDA"), Bungsar Hill Holdings Sdn. Bhd. ("BHH") and Editry Sdn. Bhd. ("ESB"), two subsidiaries of Selangor Properties Berhad granted rights to the Company to develop approximately 15 acres of land adjacent to the Damansara Town Centre ("DTC") Complex in Damansara Heights, Kuala Lumpur ("the Development Land"). Part of the Development Land was compulsory acquired for the construction of Sprint Highway and the Company had filed an objection with the Land Administrator over its dissatisfaction on the decision of the Land Administrator in respect of the compensation payable to the Company. The objections have been referred to the High Court and pending resolution of the matter, the compensation monies (RM6,856,597.50 for suit No. S3(S1)-21-90-2001 and RM425,505.00 for suit No. S4-15-13-20013) have been deposited into the High Court.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (CONT'D)

b) Suit relating to Property Development Agreement (cont'd)

On 15 November 2010, the High Court had ordered for the case to be transferred and heard together with another suit filed by the Company against BHH and ESB for breaches of the PDA in relation to their disregard of the Company's interest in the Development Land. However, on 19 October 2011, the case pertaining to the breaches of PDA had been struck out with costs.

BHH has filed an application for release of the compensation monies which have been deposited into Court and claimed for an interest accrued thereof. On 30 April 2013, the Court has allowed BHH's application in respect of release of the monies whereby the compensation monies to be released and paid solely and exclusively to BHH. On 8 October 2013, the Company's solicitors informed that the Court has allowed BHH's application for interest as follows:-

- i) Pre Judgment interest on the sum of RM6,856,597.50 from 8 July 2002 until 30 April 2013 at the rate of 8% per annum and Post Judgment interest on the sum of RM6,856,597.50 from 1 May 2013 until date of payment by the Company at the rate of 5% per annum.
- ii) Pre Judgment interest on the sum of RM425,505.00 from 22 November 2007 until 30 April 2013 at the rate of 8% per annum and Post Judgment interest on the sum of RM425,505.00 from 1 May 2013 until date of payment by the Company at the rate of 5% per annum.

The above decision was made by the Senior Assistant Registrar "SAR" of the High Court and the Company's solicitors has filed an appeal against the said decision to the Judge in Chambers. Matter was fixed for case management on 16 August 2014 to enable DBhd's solicitors to obtain the grounds of SAR's decision.

On 26 May 2014, BHH's solicitors issued a 218 notice for the judgment sum against DBhd. On 16 June 2014, DBhd, through its solicitors obtained an ex-parte injunction order, restraining BHH from presenting the winding up petition. BHH subsequently filed an application to set aside the said injunction. Both applications were heard on and the court later fixed decision for the two application on 4 July 2014, whereby the court decided that the 218 notice filed was null and void, and made a final order restraining BHH from filing a winding up petition together with total cost of RM8,000.

BHH's solicitors later gave an undertaking not to enforce the judgment obtained by any other means pending disposal of DBhd's appeal (which was earlier fixed on 16 August 2014, now postponed to 12 September 2014). Parties were directed to file their submissions by 29 August 2014. It was learnt that BHH has instructed their solicitors to file an appeal against the decision given on 4 July 2014. Date for the hearing of the appeal yet to be obtained.

Court of Appeal fixed the date for appeal on 9 September 2014 at 2.30pm on BHH's appeal against the injunction, nullification of their 218 notice and dismissal of their application to set aside the ex parte injunction (ENCLOSURES 3, 1 & 9), but later was postponed to 12 September 2014.

On 12 September 2014, BHH's counsel applied for postponement on grounds that they need their client's instruction whether the government has paid 2% interest already, and whether to discontinue action against DBhd. We did not object to the postponement as we still have the injunction and undertaking from BHH's solicitors, DBhd is not prejudiced in any way. Next hearing date is 15 October 2014.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (CONT'D)

b) Suit relating to Property Development Agreement (cont'd)

14 October 2014, matter fixed for case management of 3 appeals by BHH's solicitors. Our solicitors pointed out that the appeals are not in order. Due to the record of appeal was filed and serve out of time, notes of evidence not included, initial orders were not included, BHH solicitors yet to file motion to consolidate the appeals. The Deputy Registrar fixed another date for case management to 13 November 2014.

15 October 2014, matter fixed for hearing before judge in chambers. Our solicitors objected to the affidavit by BHH and request for the same to be expunged, but the Judicial Commissioner allowed the affidavit to remain on record, but adjourned the hearing to 31 October 2014 for us to file an affidavit in reply to BHH on or before 29 October 2014.

On 31 October 2014, the matters were argued extensively. The Judge then fixed the issue of costs pursuant to BHH's appeals for hearing on 2 December 2014. The judge will also deliver his decision on both the interest and costs issues on the same date.

On 13 November 2014, during case management, the deputy registrar fixed the matter for further case management on 3 December 2014, whereby BHH is to file for motion to consolidate the 3 appeals (nullification of 218 notice, injunction granted to DBhd and dismissal of their injunction setting aside application). Appeal is fixed for hearing on 4 March 2015, and written submissions to be filed on 18 February 2015.

On 2 December 2014, the Judicial Commissioner delivered judgment on the appeal as follows:-

- a) DBhd to pay BHH pre judgment interest at 3% per annum on principle sum of RM6,856,597.80 from 10 July 2002 to 30 April 2013;
- b) DBhd to pay BHH post judgment interest at 5% per annum on the sum of RM7,659,101.18 from 1 May 2013 to 21 October 2013;
- c) DBhd to pay cost of RM40,000 to BHH;
- d) BHH to be paid interest of 2% per annum on the sum of RM7,659,101.18 and also interest of 2% per annum on RM425,505 (by Ministry of Finance).

DBhd to pay BHH a total of RM2,445,518.26 (cost factored into the amount). All in there is a reduction of approximately RM3,884,464.33 (RM6,289,982.59 – RM2,405,518.26). DBhd instructed its solicitor to appeal on part of the Judicial Commissioner's decision not in favour of DBhd (items a, b and c above)

On BHH's proposed consolidated appeals, court fixed the matter for case management on 21 January 2015 as BHH's counsel is awaiting their client's instruction whether to proceed with the appeal or otherwise, as the decision given on 2 December 2014 may render their appeal nugatory.

Our appeal against decision of the Learned Judicial Commissioner was filed on 29 December 2014.

On 21 January 2015, BHH's solicitors withdraw their consolidated appeals with no order as to costs.

On 26 February 2015, the Court Of Appeal Deputy Registrar ("COA") called parties for case management and fixed the hearing date on 22 June 2015, with parties to file their written submission on or before 8 June 2015.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (CONT'D)

b) Suit relating to Property Development Agreement (cont'd)

On 22 June 2015, the Court Of Appeal decided the matter in favour of DBhd, and allowed DBhd's appeal, dismissing BHH's cross appeal and allowed cost of RM70,000 to be paid to DBhd. BHH then through their solicitors have filed an application for leave to appeal to the Federal Court. The case management is fixed on 2 September 2015.

On 2 September 2015, The Federal Court fixed the matter for further case management on 8 December 2015.

On 8 December 2015, the Federal Court Registrar fixed the matter for Case Management on 8 March 2016, but later brought forward the case management date to 6 January 2016.

On 6 January 2016, The Federal Court Registrar then fixed the matter for further case management on 4 February 2016, pending the parties in receipt of the grounds of judgment from the Court of Appeal.

On 4 February 2016, The Federal Court registrar has fixed the matter for hearing on 12 May 2016.

On 12 May 2016, The Federal Court allowed the applicants application for leave to appeal on ONE single question of law only.

Next case management date is on 27 September 2016.

c) DBhd & Anor. (v) Ibsul Holdings Sdn Bhd

The Company and TASB had filed a summons against Ibsul Holdings Sdn Bhd ("IHSB") claiming a sum of RM3.6 million being the balance progress claim submitted to IHSB under the subcontract for Jelutong project which was terminated in April 2006. On 18 July 2012, the Court had dismissed DBhd's application for summary judgement with costs. The trial of the matter has been initially fixed on 26 and 27 June 2014 but later was postponed to 25 and 26 September 2014.

The above trial date has been vacated by the court as the judge is away for conference. Court fixed 17 November 2014 for case management, 15th and 16th January 2015 as a tentative trial date. On 7 January 2015, matter fixed for final case management to give parties opportunities to settle outside court prior trial, but no settlement proposal received todate.

Trial did not proceed on 7 January 2015 as the main witness is on medical leave. Court postponed the trial to 10 February 2015, 16 February 2015 and 17 February 2015.

Trial date on 10 February 2015 was vacated by the court. Trial resume on 16 February 2015 where our witness was called for Examination in Chief. Court then on request of the solicitors, adjourned the hearing to 31 March 2015 for cross examination. Initial trial date of 17 February 2015 is now vacated.

On 31 March 2015, matter resumed for cross examination. Court further fixed the next date for 16 April 2015 and subsequently 19 May 2015.

On 16 April 2015, Ibsul's solicitor was on MC, and case did not proceed. Next hearing date is 19 May 2015.

On 14 May 2015 ,appointment with the honourable Judge on proposal to withdraw the matter but defendant do not agree. Matter fixed for continued hearing on 26 May 2015

On 26 May 2015, the matter was postponed to 6 July 2015 and 7 July 2015. However on 6 July 2015, cross examination of DBhd's 1st witness continues and settled. The 7 July 2015 date is now vacated to enable the filing of DBhd's 2nd witness statement. Hearing then fixed on 25 August 2015 and 26 August 2015

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (CONT'D)

c) DBhd & Anor. (v) Ibsul Holdings Sdn Bhd (cont'd)

On 25 August 2015, the honourable judge was on leave, and the matter was fixed for continued hearing on 3 and 4 November 2015.

On 3 November 2015, the matter was postponed to 2 & 3 December 2015, but on that particular hearing date, the judge was on leave, thus the matter was postponed to 14 January 2016.

On 14 January, the matter was adjourned to 22 January 2016 and 1st February 2016 for cross examination of the Plaintiff's second witness.

On 1 February, both parties have closed their case. The judge then ordered the parties to file their respective written submission on 4 March 2016.

On 4 March 2016, since the notes of proceeding are still not available, the court granted Extension of Time for parties to file their respective written submission on or before 23 March 2016.

On 23 March 2016, since the notes of proceeding were only made available, on 18 March 2016, the court granted Extension of Time for parties to file their respective written submission on or before 30 March 2016.

On 3 June 2016, The Court dismissed the plaintiff's claim on the account that the claim is premature, and also dismissed the defendant's counter claim with no order as to costs.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2016 (CONT'D).

B9 DIVIDEND

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

B10 EARNINGS PER SHARE ("EPS")

	<u>Cumulative 6 months</u>	
	Current Quarter 30-Jun-16	Preceding Year Quarter 30-Jun-15
a) Basic EPS		
Net (loss)/profit attributable to ordinary shareholders (RM'000)	(9,874)	180
Weighted average number of ordinary shares in issue ('000)	309,371	309,371
Basic earnings per ordinary share (sen)	(3.19)	0.06

Basic earnings per share is calculated by dividing the net (loss)/profit 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

AHMAD FAISAL BIN ABDUL KARIM [MAICSA 7045851]

Secretary

Kuala Lumpur

26 August 2016