

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

Consolidated Statement of Comprehensive Income

| | Individual | | Cumulative | |
|--|---------------------------------------|--|---------------------------------------|--|
| | Current year 30-Sep-2016 RM'000 | Preceding year 30-Sep-2015 RM'000 | Current year 30-Sep-2016 RM'000 | Preceding year 30-Sep-2015 RM'000 |
| Revenue | 45,180 | 50,629 | 133,107 | 154,208 |
| Cost of sales | (37,424) | (39,836) | (109,849) | (118,096) |
| Gross profit | 7,756 | 10,793 | 23,258 | 36,112 |
| Interest income | 54 | 153 | 172 | 390 |
| Other income | 802 | 539 | 1,411 | 4,544 |
| Depreciation | (584) | (844) | (1,840) | (1,935) |
| Employee benefits expense | (4,567) | (5,721) | (14,919) | (17,263) |
| Other operating expenses | (5,233) | (4,562) | (13,223) | (12,825) |
| Operating (loss)/profit | (1,772) | 358 | (5,141) | 9,023 |
| Finance cost | (2,241) | (2,386) | (7,386) | (7,125) |
| (Loss)/Profit before tax | (4,013) | (2,028) | (12,527) | 1,898 |
| Income tax expenses | (739) | (2,215) | (1,985) | (4,555) |
| (Loss) for the period | (4,752) | (4,243) | (14,512) | (2,657) |
| Other comprehensive income, net of tax | | | | |
| Foreign currency translation differences for foreign operations | 338 | 226 | 295 | 353 |
| Total comprehensive income for the year | (4,414) | (4,017) | (14,217) | (2,304) |
| (Loss) Attributable to: | | | | |
| Owners of the parent | (4,657) | (4,164) | (14,531) | (3,984) |
| Non-controlling interests | (95) | (79) | 19 | 1,327 |
| | (4,752) | (4,243) | (14,512) | (2,657) |
| Comprehensive income Attributable to: | | | | |
| Equity holders of the Company | (4,320) | (3,938) | (14,236) | (3,631) |
| Non-controlling interests | (94) | (79) | 19 | 1,327 |
| | (4,414) | (4,017) | (14,217) | (2,304) |
| Earnings per share attributable to equity holders of the Company: | | | | |
| Basic earnings per share (sen) | (3.45) | (2.54) | (4.70) | (1.29) |
| 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 SEPTEMBER 2016**

Consolidated Statement of Comprehensive Income

| | Individual | | Cumulative | |
|---|---------------------------------------|--|---------------------------------------|--|
| | Current year 30-Sep-2016 RM'000 | Preceding year 30-Sep-2015 RM'000 | Current year 30-Sep-2016 RM'000 | Preceding year 30-Sep-2015 RM'000 |
| (Loss) For The Period | (4,752) | (4,243) | (14,512) | (2,657) |
| Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax | 338 | 226 | 295 | 353 |
| Total Comprehensive Income For The Period, Net Of Income Tax | (4,414) | (4,017) | (14,217) | (2,304) |
| Total Comprehensive Income Attributable To: | | | | |
| Owners of the Company | (4,657) | (4,164) | (14,531) | (3,984) |
| Non-controlling interests | (95) | (79) | 19 | 1,327 |
| | (4,752) | (4,243) | (14,512) | (2,657) |

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

| | | | | |
|--|---------|---------|---------|---------|
| Interest Income | 54 | 153 | 172 | 390 |
| Other Income Including Investment Income | 802 | 539 | 1,411 | 4,544 |
| Interest Expenses | (2,241) | (2,386) | (7,386) | (7,125) |
| Depreciation and Amortization | (584) | (844) | (1,840) | (1,935) |
| 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

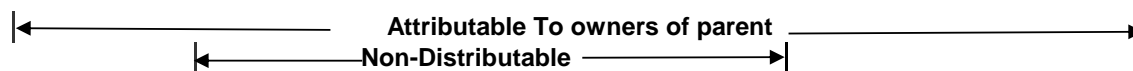
The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report.

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

| | Unaudited 30-Sep-2016 <i>RM'000</i> | Audited 31-Dec-2015 <i>RM'000</i> |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 24,793 | 26,369 |
| Land held for property development | 220,209 | 216,164 |
| Investment properties | 3,072 | 3,512 |
| Deferred tax assets | 580 | 502 |
| Other investments | 101 | 101 |
| Goodwill on consolidation | 1,409 | 1,409 |
| | 250,164 | 248,057 |
| Current assets | | |
| Property development costs | 243 | 4,604 |
| Inventories | 4,200 | 1,655 |
| Trade receivables and other receivables | 60,621 | 47,356 |
| Other current assets | 6,905 | 3,638 |
| Cash and bank balances | 26,580 | 41,003 |
| | 98,549 | 98,256 |
| TOTAL ASSETS | 348,713 | 346,313 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | | |
| Loans and borrowings | 12,338 | 15,302 |
| Trade and other payables | 221,478 | 202,955 |
| | 233,816 | 218,257 |
| Net current (liabilities) | (135,267) | (120,001) |
| Non-current liabilities | | |
| Loans and borrowings | 5,477 | 4,113 |
| Deferred tax liabilities | 448 | 459 |
| | 5,925 | 4,572 |
| Total Liabilities | 239,741 | 222,829 |
| Net assets | 108,972 | 123,484 |
| Equity attributable to owners of the parent | | |
| Share capital | 154,685 | 154,685 |
| Share premium | 156 | 156 |
| Accumulated losses | (34,767) | (20,531) |
| Merger Reserve | (18,568) | (18,568) |
| Capital reserve | 85 | 85 |
| Exchange reserve | (1,326) | (1,031) |
| Shareholders' equity | 100,265 | 114,796 |
| Non-controlling interests | 8,707 | 8,688 |
| Total equity | 108,972 | 123,484 |
| TOTAL EQUITY AND LIABILITIES | 348,713 | 346,313 |
| Net Assets Per Share Attributable to Owners of the Company (RM) | 0.324 | 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 September 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 | (14,512) | (14,531) | - | - | - | - | (295) | (14,236) | 19 |
| Dividend to non-controlling interest | - | - | - | - | - | - | - | - | - |
| Closing balance at 30 September 2016 | 108,972 | 100,265 | 154,685 | 156 | 85 | (18,568) | (1,326) | (34,767) | 8,707 |
| 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 | (2,657) | (3,984) | - | - | - | - | (353) | (3,631) | 1,327 |
| Dividend to non-controlling interest | - | - | - | - | - | - | - | - | - |
| Closing balance at 30 September 2015 | 123,937 | 115,128 | 154,685 | 156 | 85 | (18,568) | (812) | (20,418) | 8,809 |

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 September 2016

| | 9 months ended 30-Sep-2016 <i>RM'000</i> | 9 months ended 30-Sep-2015 <i>RM'000</i> |
|--|--|--|
| Receipt from customers | 125,562 | 140,130 |
| Payment to suppliers, creditors and employees | (120,273) | (134,073) |
| Payment of income taxes (paid) | (11,310) | (7,893) |
| Interest paid | (548) | (628) |
| Total Cash flow (used in) operating activities | (6,569) | (2,464) |
| Purchase of property, plant and equipment | (2,051) | (331) |
| Interest received | 374 | 254 |
| Total Cash flow (used in) investing activities | (1,677) | (77) |
| Cash flow from financing activities | | |
| Net drawdown/repayment of obligations under finance leases | (2,704) | (2,515) |
| Net of drawdown/repayment of loan & borrowings | (3,473) | (3,573) |
| Total Cash flow (used in) financing activities | (6,177) | (6,088) |
| Decrease in cash and cash equivalents | (14,423) | (8,629) |
| Cash and cash equivalents as at 1 January | 41,003 | 49,214 |
| Cash and cash equivalents as at 30 September | 26,580 | 40,585 |

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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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
THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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. 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.
- III. 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONT'D)

A8 SEGMENTAL INFORMATION

| | PROPERTY DEVELOPMENT | | PROPERTY SERVICES | | PARKING | | OTHERS | | ADJUSTMENTS AND ELIMINATIONS | | PER CONSOLIDATED | |
|-------------------------------|----------------------|-----------|-------------------|-----------|-----------|-----------|-----------|-----------|------------------------------|-----------|------------------|-----------|
| | 30-Sep-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-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 |
| Revenue: | | | | | | | | | | | | |
| - External sales | 2,965 | 13,273 | 47,271 | 52,370 | 82,871 | 88,565 | - | - | - | - | 133,107 | 154,208 |
| - Inter company sales | 3,218 | - | - | - | - | - | - | 368 | (3,218) | (368) | - | - |
| Total revenue | 6,183 | 13,273 | 47,271 | 52,370 | 82,871 | 88,565 | - | 368 | (3,218) | (368) | 133,107 | 154,208 |
| Results: | | | | | | | | | | | | |
| Interest Income | 152 | 296 | 0 | 70 | 15 | 24 | 5 | - | - | - | 172 | 390 |
| Depreciation and amortisation | 455 | 454 | 387 | 401 | 983 | 1,055 | 15 | 25 | - | - | 1,840 | 1,935 |
| Segment profit/(loss) | (13,899) | (4,528) | 758 | 3,945 | 2,539 | 2,683 | (59) | (190) | (1,866) | (12) | (12,527) | 1,898 |
| Assets : | | | | | | | | | | | | |
| Segment assets | 340,035 | 330,921 | 55,289 | 51,749 | 55,638 | 50,815 | 31,200 | 30,631 | (133,449) | (116,420) | 348,713 | 347,696 |
| Segment liabilities | 315,421 | 291,449 | 30,211 | 25,833 | 42,362 | 40,297 | 85,881 | 85,218 | (234,134) | (219,038) | 239,741 | 223,759 |

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016.

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 RM133.11 million, a decrease of RM21.10 million as compared to the corresponding period of the previous year at RM154.21 million.

The Group net earnings for the period ended 30 September 2016 recorded a loss of RM14.51 million, as compared to RM2.66 million loss for the period ended 30 September 2015. This was mainly due to lower revenue by property development in Johor Baharu due to lower number of units sold, expiration of car park contracts and high cost incurred as compared to 2015.

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

a) **Property Development**

Property Development activities contribute RM2.96 million to Group revenue in Q3 2016 as compared to RM13.27 million for the same quarter in FY2015. Lower revenue was due to lower number of units sold.

b) **Property Services**

Property services activities consists of facility management, cleaning and project management consultancy. Revenue contribution in 2016 decreased to RM47.27million from RM52.37 million in 2015. Net earnings in 2016 were reduced by RM3.19 due to high cost incurred as compared to 2015.

c) **Parking**

Parking activities revenue in 2016 decrease by RM5.69 million from RM88.57 million to RM82.87 million mainly due to expiration of car park contracts. Net earnings decrease by RM0.14 million from RM2.68 million to RM2.54 million.

DAMANSARA REALTY BERHAD (4030-D)**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTH ENDED 30 SEPTEMBER 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 RM45.18 million, increase by RM0.6 million compared to the immediate preceding quarter at RM44.60 million. Loss before tax improves by RM1.01 million mainly due to increase in gross profit and other income in current quarter.

B3 CURRENT YEAR'S PROSPECTS

The Group is expected to achieve a revenue growth in Q4 due to the following:-

a) Property Development Activities

- i) Realisation of sales from property development in Johor Bahru, Johor and
- 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 Cost of RM467.31 million.

b) Property Services Activites

- i) TMR Urusharta (M) Sdn Bhd. on 7 March 2016 was awarded a "Comprehensive Cleaning and Related Services (Category1)" contract 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.
- ii) On 26 September 2016, the Group was awarded Operation and Maintenance of RAPID Temporary Executive Village (RTEV) and RAPID Temporary Management Offices (RTMO) (the "RTEV and RTMO Contract") by Petronas Refinery and Petrochemical Corporation Sdn Bhd ("PRPC"). The said RTEV and RTMO Contract is for 38 months tentatively to commence on December 1, 2016. The estimated contract value is RM 124.0 million.
- iii) HC Duraclean Sdn Bhd 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.

B4 PROFIT FORECAST/PROFIT GUARANTEE

There were no changes in Profit Forecast / Profit Guarantee during the current quarter under review.

B5 INCOME TAX EXPENSE

| | <u>Individual quarter</u> | | <u>Preceding quarter</u> | |
|-------------|--|--|--|--|
| | <u>Year</u> <u>30-Sep-16</u> <i>RM'000</i> | <u>Year</u> <u>30-Sep-15</u> <i>RM'000</i> | <u>Year</u> <u>30-Sep-16</u> <i>RM'000</i> | <u>Year</u> <u>30-Sep-15</u> <i>RM'000</i> |
| Current tax | (739) | (2,215) | (1,985) | (4,555) |
| | <u>(739)</u> | <u>(2,215)</u> | <u>(1,985)</u> | <u>(4,555)</u> |

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTH ENDED 30 SEPTEMBER 2016 (CONT'D).

B6 STATUS OF CORPORATE PROPOSAL

1) 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 ("Proposed RCN") with an aggregate principal amount of up to RM150.0 million.

On 10th June 2016, the Company submitted the draft Proposed RCN to Bursa Malaysia Securities Berhad.

2) Multiple Proposals Damansara Realty Berhad "DBhd"

- (I) Proposed Joint Venture;
- (II) Proposed Settlement; And
- (III) Proposed Provision Of Financial Assistance.

On 13 October 2016, Damansara Realty Johor Sdn Bhd ("DRJ") had entered into the

- (i) a subscription and shareholders' agreement with Country Garden Management ("CGM") to record certain commitments of the parties with regards to the subscription of shares in DAC Properties Sdn Bhd ("DAC Properties") and to regulate their rights as shareholders of DAC Properties and the conduct of the business and affairs of DAC Properties, which has been identified as the joint venture vehicle between DRJ and CGM to undertake the Proposed Joint Venture on a portion of approximately 53.08 acres of land within the TDA Land and
- (ii) a share sale agreement with CGM for the disposal of 26,500 ordinary shares of RM0.10 each in DAC Properties held by DRJ to CGM, resulting in DRJ and CGM holding 30.0% and 70.0% of the equity interest in DAC Properties, respectively for a disposal consideration of RM18, 800,000, upon the terms and subject to the conditions contained therein, which form part of the Proposed Joint Venture.

Subsequently, on 14 October 2016 DRJ had entered into a settlement agreement with DBhd, JCD, JCorp, and JLand to settle an aggregate sum of RM141, 526,000 for the TDA Land. The Aggregate Settlement Sum shall be settled through (i) the consideration arising from the purchase of the JV Land by DAC Properties; and (ii) the consideration arising from the purchase of the remaining portion of approximately 10.07 acres of the TDA Land by DRJ and its wholly-owned subsidiary, namely DAC Land Sdn Bhd ("DAC Land"), which will be effected via the following two (2) sale and purchase agreements:-

- (i) a sale and purchase agreement entered into between JCD, JCorp and DAC Properties, for the acquisition of the JV Land for a sale and purchase consideration of RM130,300,000; and
- (ii) a sale and purchase agreement between JCorp, JLand, DRJ and DAC Land, for the acquisition of the Remaining Land for a purchase consideration of RM11,226,000

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTH ENDED 30 SEPTEMBER 2016 (CONT'D).

B7 BORROWINGS AND DEBT SECURITIES

Group borrowings as at 30 September 2016 are as follows:

| | <i>RM'000</i> |
|--|---------------|
| Short term | |
| Bank Overdraft (secured) | (73) |
| Term Loan (secured) | 2,841 |
| Hire purchase (secured) | 257 |
| Revolving credit | 85 |
| Advanced from shareholders of a subsidiary (unsecured) | 1,805 |
| Advanced from shareholders (unsecured) | 7,423 |
| | <u>12,338</u> |
| Long term | |
| Term Loan (secured) | 625 |
| Hire purchase (secured) | 4,852 |
| | <u>5,477</u> |

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

B8 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 30 June 2016, the followings are the changes:

a) Bungsar Hill Holdings Sdn Bhd v Damansara Realty Berhad

On 4 February 2016, The Federal Court registrar has fixed the matter for hearing on 12 May 2016. The Federal Court had on 12 May 2016 granted BHH's leave to appeal on one single question on law only. The suit has been fixed for case management on 18 November 2016.

During the case management on 18 November 2016, the parties' solicitors had informed the Federal Court that the Grounds of Judgment from the Court of Appeal had not been obtained despite of the several requests made. The Federal Court also informed that the Appeal cannot be heard until the Grounds of Judgment had been obtained from the Court of Appeal. The next case management is fixed on 19.01.2017 pending the receipt of the Court of Appeal's Grounds of Judgments.

b) DBhd & TASB v Ibsul Holdings Sdn Bhd

DBhd and TASB had filed a summons action 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 resulting the matter to proceed to trial.

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

On 17 October 2016, DBhd have instructed our solicitors to conduct watching brief for the arbitration proceedings between IHSB and the concession company pertaining to the dispute arose due to the said project.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTH ENDED 30 SEPTEMBER 2016 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (Cont'd)

c) Om Cahaya Mineral Asia Berhad v Damansara Realty (Pahang) Sdn Bhd

On 5 February 2016, Om Cahaya Mineral Asia Berhad (“**Om Cahaya**”) has filed a claim for unlawful termination of contract in relation to their alleged appointment to carry out mining works at Damansara Realty (Pahang) Sdn Bhd’s (“**DRP**”) land in Kuantan, Pahang and claims, *inter alia*, the following:-

- 1) a declaration that the termination of the agreement dated 1 December 2014 (“**Agreement**”) vide the DRP’s letter dated 11 September 2015 was invalid and unlawful;
- 2) special damages (wasted expenditure) in the sum of RM15,833,484.16;
- 3) loss of profit in the sum of USD85.0 million (RM366,656,000) as at the date of the summons;
- 4) Alternatively or in lieu:-
 - a) a declaration that specific performance be granted to Om Cahaya to proceed with the said Agreement;
 - b) an order that Om Cahaya be granted an extension of time of 526 days with an option to extend for a further one (1) year from the expiry, from the date of the order to complete the works under the Agreement;
 - c) loss and expense arising from the delay caused by the wrongful termination by DRP to be assessed by the Court from the date of wrongful termination on 11 September 2015 until the date of the order;
 - d) interest and finance charges to be assessed by the court from the date of wrongful termination on 11 September 2015 until the date of the order;
 - e) costs; and
 - f) further or other relief as if deemed necessary by the honourable court.

DRP had on 14 April 2016 filed an application to strike out the suit to the court. The matter has come up for hearing of the striking out application on 27 May 2016 whereby the Kuala Lumpur High Court has allowed DRP’s application to strike out Om Cahaya’s summons and statement of claim with costs of RM5,000.00 and allocator fee of RM200.00. Om Cahaya appealed against the striking out and a case management is fixed on 8 November 2016, pending the extraction of the sealed Order.

During the case management on 8 November 2016, the Court has instructed the parties to file their written submission and bundle of authorities, executive summary and common chronology of facts by the next case management date which is fixed on 20 February 2017. The Court of Appeal has also fixed the hearing date on 6 March 2017.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREM FOR THE THIRD QUARTER AND NINE MONTH ENDED 30 SEPTEMBER 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 9 months</u> | |
|---|--|---|
| | Current Quarter 30-Sep-16 | Preceding Year Quarter 30-Sep-15 |
| a) Basic EPS | | |
| Net (loss)/profit attributable to ordinary shareholders | (14,531) | (3,984) |
| Weighted average number of ordinary shares in issue | 309,371 | 309,371 |
| Basic earnings per ordinary share (sen) | (4.70) | (1.29) |

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

30 November 2016