

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2017**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 31-Mar-2017 RM'000	Preceding year 31-Mar-2016 RM'000	Current year 31-Mar-2017 RM'000	Preceding year 31-Mar-2016 RM'000
Revenue	50,771	43,323	50,771	43,323
Cost of sales	(41,957)	(35,284)	(41,957)	(35,284)
Gross profit	8,814	8,039	8,814	8,039
Interest income	46	73	46	73
Other income	1,169	107	1,169	107
Employee benefits expense	(7,049)	(5,833)	(7,049)	(5,833)
Other operating expenses	(4,506)	(3,294)	(4,506)	(3,294)
Operating (loss) / profit	(1,526)	(908)	(1,526)	(908)
Finance cost	(211)	(2,582)	(211)	(2,582)
(Loss) / Profit before tax	(1,737)	(3,490)	(1,737)	(3,490)
Income tax expenses	(324)	(548)	(324)	(548)
(Loss) for the period	(2,061)	(4,038)	(2,061)	(4,038)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(4)	(462)	(4)	(462)
Total comprehensive income for the year	(2,065)	(4,500)	(2,065)	(4,500)
(Loss) Attributable to:				
Owners of the parent	(1,344)	(3,858)	(1,344)	(3,858)
Non-controlling interests	(717)	(180)	(717)	(180)
	(2,061)	(4,038)	(2,061)	(4,038)
Comprehensive income Attributable to:				
Equity holders of the Company	(1,348)	(4,320)	(1,348)	(4,320)
Non-controlling interests	(717)	(180)	(717)	(180)
	(2,065)	(4,500)	(2,065)	(4,500)
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	(0.43)	(1.25)	(0.43)	(1.25)
Diluted earnings per share (sen)	-	-	-	0

The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this report.

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2017**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 31-Mar-2017 RM'000	Preceding year 31-Mar-2016 RM'000	Current year 31-Mar-2017 RM'000	Preceding year 31-Mar-2016 RM'000
Profit / (Loss) For The Period	(2,061)	(4,038)	(2,061)	(4,038)
Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax	(4)	(462)	(4)	(462)
Total Comprehensive Income For The Period, Net Of Income Tax	(2,065)	(4,500)	(2,065)	(4,500)
Total Comprehensive Income Attributable To:				
Owners of the Company	(1,344)	(3,858)	(1,344)	(3,858)
Non-controlling interests	(717)	(180)	(717)	(180)
	(2,061)	(4,038)	(2,061)	(4,038)

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

Interest Income	46	73	46	73
Other Income Including Investment Income	1,169	107	1,169	107
Interest Expenses	(211)	(2,582)	(211)	(2,582)
Depreciation and Amortization	(640)	(636)	(640)	(636)

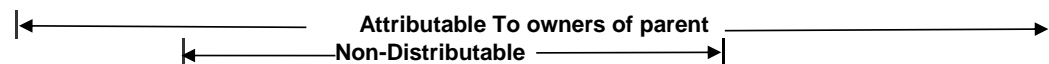
The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Statement of Financial Position
As at 31 March 2017

	Unaudited 31-Mar-2017 <i>RM'000</i>	Audited 31-Dec-2016 <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	22,254	23,216
Land held for property development	220,070	227,342
Investment properties	1,518	3,054
Investment in associates*	-	-
Deferred tax assets	743	779
Other investments	51	51
Other Assets	-	-
Goodwill on consolidation	1,410	1,410
	246,046	255,852
Current assets		
Property development costs	8,040	-
Inventories	4,011	4,000
Trade receivables and other receivables	79,188	51,815
Other current assets	2,896	5,385
Cash and bank balances	20,024	25,672
	114,159	86,872
TOTAL ASSETS	360,205	342,724
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	15,139	14,230
Trade and other payables	247,749	227,298
	262,888	241,528
Net current assets / (liabilities)	(148,729)	(154,656)
Non-current liabilities		
Loans and borrowings	3,160	5,013
Deferred tax liabilities	515	480
	3,675	5,493
Total Liabilities	266,563	247,021
Net assets	93,642	95,703
Equity attributable to owners of the parent		
Share capital	154,685	154,685
Share premium	156	156
Accumulated losses	(48,359)	(47,011)
Merger Reserve	(18,568)	(18,568)
Capital reserve	85	85
Exchange reserve	(1,374)	(1,378)
Shareholders' equity	86,625	87,969
Non-controlling interests	7,017	7,734
Total equity	93,642	95,703
TOTAL EQUITY AND LIABILITIES	360,205	342,724
Net Assets Per Share Attributable to Owners of the Company (RM)	0.280	0.284

The Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2016 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 31 March 2017



	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
2017									
Opening balance at 1 January 2017	95,703	87,969	154,685	156	85	(18,568)	(1,378)	(47,011)	7,734
Total comprehensive income	(2,061)	(1,344)	-	-	-	-	4	(1,348)	(717)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-
Closing balance at 31 March 2017	93,642	86,625	154,685	156	85	(18,568)	(1,374)	(48,359)	7,017
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	(4,038)	(3,858)	-	-	-	-	462	(4,320)	(180)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-
Closing balance at 31 March 2016	119,446	110,938	154,685	156	85	(18,568)	(569)	(24,851)	8,508

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 2016 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 31 March 2017

	3 months ended 31-Mar-2017 <i>RM'000</i>	3 months ended 31-Mar-2016 <i>RM'000</i>
Receipt from customers	32,083	38,752
Payment to suppliers, creditors and employees	(33,639)	(38,637)
Payment of income taxes (paid)/refunded	(1,777)	(3,301)
Interest paid	(835)	(179)
Total Cash flow from/ (used in) operating activities	(4,168)	(3,365)
Purchase of property, plant and equipment	(466)	(381)
Interest received	37	90
Total Cash flow from/ (used in) investing activities	(429)	(291)
Cash flow from financing activities		
Net drawdown/repayment of obligations under finance leases	(625)	(820)
Net of drawdown/repayment of loan & borrowings	(426)	(1,110)
Total Cash flow from/ (used in) financing activities	(1,051)	(1,930)
Decrease in cash and cash equivalents	(5,648)	(5,586)
Cash and cash equivalents as at 1 January	25,672	41,003
Cash and cash equivalents as at 31 March	20,024	35,417

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this report.

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2017

A1 BASIS OF PREPARATION

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 2016. 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 2016.

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.

Amendments to FRS 12	Annual Improvements to FRS Standards 2014 - 2016 Cycle
Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of the initial application.

A2 AUDITORS' REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2016 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.

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.

DAMANSARA REALTY BERHAD (4030-D)

**A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE
FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2017 (CONT'D)**

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 FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2017 (CONT'D)

A8 SEGMENTAL INFORMATION

	PROPERTY DEVELOPMENT		PROPERTY SERVICES		PARKING		OTHERS		ADJUSTMENTS AND ELIMINATIONS		PER CONSOLIDATED	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	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	206	-	19,860	14,827	30,705	28,496	-	-	-	-	50,771	43,323
- Inter company sales	1,786	-	-	-	-	-	-	-	(1,786)	-	-	-
Total revenue	1,992	-	19,860	14,827	30,705	28,496	-	-	(1,786)	-	50,771	43,323
Results:												
Interest Income	3	42	20	23	23	8	0	-	-	-	46	73
Depreciation and amortisation	148	152	156	123	336	353	0	8	-	-	640	636
Segment profit/(loss)	(1,830)	(5,731)	(362)	742	481	1,525	(26)	(26)	-	-	(1,737)	(3,490)
Assets :												
Segment assets	357,341	347,629	66,401	54,597	52,184	52,476	29,555	31,252	(145,276)	(136,046)	360,205	349,908
Segment liabilities	338,026	314,297	48,960	29,073	44,556	40,123	85,084	85,900	(250,063)	(238,931)	266,563	230,462

DAMANSARA REALTY BERHAD (4030-D)

A UNAUDITED REPORT FOR THE INTERIM FINANCIAL STATEMENT FOR THE FIRST QUARTER AND THREES MONTHS ENDED 31 MARCH 2017 (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 2016.

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 REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2017.

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

The Group's revenue for the three months ended 31 March 2017 ("1stQtr17") increased RM7.45 million to RM50.77 million from RM43.32 million a year ago ("1stQtr16").

The Group net loss for the 3 months period ended 31 March 2017 ("1stQtr17") recorded a loss of RM2.06 million, as compared to RM4.04 million loss for the period ended 31 March 2016 ("1stQtr16"). The decrease was due to:-

- i) Higher revenue in 1stQtr17 of RM50.77 million as compared to RM43.32 million in 1stQtr16, representing an increase of revenue by 17%. Main contributor for the increase were from Property Services and Parking amounting to RM5.03 million and RM2.20 million respectively.
- ii) Reduction of RM2.38 million in finance cost as compared to 1stQtr16.
- iii) Disposal of office unit RM0.98 million.

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

a) **Property Development**

Property Development activities contributed RM0.21 million to the Group's revenue in 1stQtr17. In comparison, the Property development segment did not register any revenue in 1stQtr17.

Property Development recorded lower loss mainly due to absence of finance cost.

b) **Property Services**

Property services activities consists of facility management, cleaning and project management consultancy. Revenue contribution in 1stQtr17 increased to RM19.86 million from RM14.83 million in 1stQtr16. The increase in revenue was mainly due to contribution from Operation and Maintenance of RAPID at Pengerang, Johor.

Due to higher admin and operating expenses, Property services recorded a loss of RM0.36 million compared to a profit of RM0.74 million in 1stQtr16.

c) **Parking**

Parking activities' revenue in 1stQtr17 increase by RM2.21 million from RM28.50 million to RM30.71 million mainly due from overseas operation.

Parking activities recorded a profit of RM0.48 million in 1stQtr17 compared to RM1.52 million in 1stQtr16. The lower profit was mainly due to higher operating expenses.

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

The Group revenue for the current quarter stood at RM50.77 million, increase by RM0.68 million compared to the immediate preceding quarter at RM50.09 million.

In 1stQtr17, the Company's loss before tax decreased significantly to RM1.74 million compared to a loss before tax of RM12.04 million in 4thQtr16. The improvement was mainly due to higher gross profits recorded in 1stQtr17 and a reduction of other operating expenses.

DAMANSARA REALTY BERHAD (4030-D)**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).****B3 CURRENT YEAR'S PROSPECTS**

The Group has implemented a Strategic Restructuring Plan to accelerate corporate recovery and enhance shareholder value. In view of the actions undertaken, the Group expects to achieve a revenue growth for the financial year ending 31 December 2017, mainly from the following activities:-

a) Property Development Activities

- i) Joint venture with Country Garden Management to develop a 53-acre integrated township in Johor Bahru, known as Central Park, as mentioned in para B6 (6).
- ii) Expected sales from property development in Damansara Hills 1, Kuantan, Pahang and Aliff Square 2, Johor Bahru, Johor.

b) Property Services Activities

Full year operations for the following contracts secured in 2016:

- i) "Comprehensive Cleaning and Related Services (Category1)" contract at KL International Airport by Malaysia Airports (Sepang) Sdn Bhd for a total contract sum of RM 28.90 million from 1 April 2016 until 31 March 2019.
- ii) 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 commencing in January 2017. The estimated contract value is RM 124.0 million.

B4 PROFIT FORECAST/PROFIT GUARANTEE

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

B5 INCOME TAX EXPENSE

	Individual quarter		Preceding quarter	
	Year 31-Mar-17 RM'000	Year 31-Mar-16 RM'000	Year 31-Mar-17 RM'000	Year 31-Mar-16 RM'000
Current tax	324	548	324	548
	<u>324</u>	<u>548</u>	<u>324</u>	<u>548</u>

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).

B6 STATUS OF CORPORATE PROPOSAL

1) New Issues Of Securities (Chapter 6 Of Listing Requirements)-Bonus Issues

The Company on 16 December 2016 entered into a supplemental letter to amend the Fulfilment Date* stipulated in the Subscription Agreement. The revision is as follows:

Original term per Subscription	Revised term per Supplemental
"Fulfilment Date means the date falling six calendar months from the date of this Agreement, or such other date as the Parties may agree in writing"	"Fulfilment Date means 7 March 2017, or such other date as the Parties may agree in writing".

On 7 March 2017 entered into a supplemental letter ("Supplemental Letter 2") to amend the Fulfilment Date stipulated in the Subscription Agreement (as supplemented by the supplemental letter dated 16 December 2016 ("Supplemental Letter 1")). The revision is as follows:

Original term per Subscription	Revised term per Supplemental
"Fulfilment Date means 7 March 2017, or such other date as the Parties may agree in writing".	"Fulfilment Date means 7 June 2017, or such other date as the Parties may agree in writing".

2) Multiple Proposals Damansara Realty Berhad "DBhd"

On 3 January 2017 CGM had by a written notice to the Company dated 31 December 2016 agreed to extend the period for the fulfillment of the conditions precedent for a further period of one month from 1 January 2017 to 31 January 2017, subject to the following conditions:-

- (i) to obtain DBhd Shareholders' Approval for the Proposed Joint Venture on or before 31 January 2017; and
- (ii) that in the event any or all the Shareholders' Agreements CPs have not been obtained/fulfilled/waived on or before 31 January 2017, CGM's obligations in respect of the Subscription RPS-A and the payment of the RPS-A Subscription Price on or before each subscription date from 28 February 2017 onwards as per the Shareholders' Agreement, shall be suspended automatically unless otherwise mutually agreed upon in writing by the parties.

DRJ, CGM and DAC Properties had on 17 February 2017 entered into a supplemental agreement to the Shareholders' Agreement to vary certain terms and conditions of the Shareholders' Agreement ("Supplemental Agreement") consequential to the Additional Subscription (as defined below).

DAMANSARA REALTY BERHAD (4030-D)**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).****B6 STATUS OF CORPORATE PROPOSAL (CONT'D)****2) Multiple Proposals Damansara Realty Berhad "DBhd" (cont'd)**

DRJ and CGM had on 27 January 2017 subscribed for additional 1,356,000 DAC Prop Shares and 1,044,000 DAC Prop Shares respectively ("Additional Subscription") to facilitate DAC Properties' applications to obtain the advertisement and sales permit and developer's licence (APDL) for the implementation of the JV Project. As at the date hereof, DRJ and CGM hold 1,412,500 DAC Prop Shares and 1,087,500 DAC Prop Shares, representing 56.5% and 43.5% of the enlarged issued and paid-up share capital of DAC Properties, respectively.

On 20 February 2017, the Company had announced pursuant to the terms of the Supplemental Agreement, DRJ and CGM had mutually agreed the following:-

(a) in order to maintain the Shareholding Proportions as set out in the Shareholders' Agreement, CGM will subscribe for an additional 2,120,000 DAC Prop Shares ("CGM Subscription Shares") upon or at any time after the completion of the Proposed Share Transfer ("Proposed CGM Subscription"), subject to DAC Properties obtaining the approval from the Economic Planning Unit for and on behalf of CGM (if required); and

(b) subject to the completion of the Proposed Share Transfer and the Proposed CGM

Subscription, the entire enlarged issued share capital of DAC Properties will be as follows:-

Share holders	No. of DAC Prop Shares held in DAC Properties after the Additional Subscription	No. of Sale Shares	No. of CGM Subscription Shares	Resultant DAC Prop Shares held after the Proposed Share Transfer and the Proposed CGM Subscription	Shareholding Proportions (%)
DRJ	1,412,500	(26,500)	-	1,386,000	30.0
CGM	1,087,500	26,500	2,120,000	3,234,000	70.0
Total				4,620,000	100.0

In addition, on behalf of the Company also announce that:

(a) With respect to the Shareholders' Agreement and the SSA, all the Shareholders' Agreement CPs and the SSA Conditions Precedents have been obtained/fulfilled or waived by the parties to the respective agreements, subject to certain terms and conditions agreed by the parties. Accordingly, the Shareholders' Agreement and the SSA have become unconditional on 17 February 2017.

(b) The parties to the Shareholders' Agreement had on 17 February 2017 mutually agreed to extend the timeline imposed on DRJ to fulfil the special conditions of the Shareholders' Agreement of obtaining the approval of the shareholders of DBhd at an EGM to be convened for, amongst others, the Proposed Joint Venture, including the proposed disposal of the Sale Shares in favour of CGM under the Proposed Share Transfer and the proposed disposal of the JV Land to DAC Properties for a further period of 2 months from 1 February 2017 to 31 March 2017.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).

B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

2) Multiple Proposals Damansara Realty Berhad "DBhd" (cont'd)

- (c) The parties to the Settlement Agreement had on 13 February 2017 mutually agreed to extend the timeline imposed on the Company to obtain the Company Shareholders' Approval for a further period of 45 days commencing from 15 February 2017 until 31 March 2017.

The parties to the Settlement Agreement and the SPA 1 had on 9 March 2017, entered into a supplemental letter agreement in respect of the Settlement Agreement and the SPA 1 ("Supplemental Letter Agreement") to vary the terms of the Settlement Agreement and the SPA 1 relating to the following matters:

1. The release of the Transfer Documents with respect to a parcel of the JV Land held under title particulars HSD 573330 PTD 195589, Mukim of Tebrau, District of Johor Bahru, State of Johor ("PTD 195589"), being the sub-divided title arising from the Amalgamation & Subdivision involving the JV Land, and such portion of Initial Sum amounting to RM16,900,000 (being part payment of the Purchase Consideration 1) which is equivalent to the purchase consideration of PTD 195589, currently deposited with the Stakeholder, to DAC Properties and JCorp respectively, within 2 days from the execution of the Supplemental Letter Agreement, subject always to DRJ and DAC Properties' agreement not to affect the memorandum of transfer for PTD 195589 in DAC Properties' favour unless and until DBhd Shareholders' Approval is obtained.
2. The Proposed Acquisition 1 shall be subject to DAC Properties obtaining the approval from the Economic Planning Unit for the Proposed Acquisition 1 prior to the completion of the SPA 1.

The parties to the SSA had on 24 March 2017, entered into a supplemental agreement to the SSA to vary certain terms and conditions of the SSA ("SSA Supplemental Agreement"), which includes effecting the relevant consequential amendments to the SSA arising from the execution of the supplemental agreement to the Shareholders' Agreement on 17 February 2017.

Pursuant to the terms of the SSA Supplemental Agreement, DRJ and CGM had mutually agreed as follows:-

- (a) upon the completion of the Proposed Share Transfer, the entire enlarged issued share capital of DAC Properties is as follows:

Shareholders	Resultant DAC Prop Shares held after the Proposed Share Transfer	Shareholding Proportions (%)
DRJ	1,386,000	55.44
CGM	1,114,000	44.56
Total	2,500,000	100.00

- (b) the Retention Sum (together with any interests accrued) and the remaining 50% of the Share Disposal Consideration shall be fully released to DRJ on the 7th business days after the special condition as set out in section 2.2.5(ii) of the announcement dated 14 October 2016 is fulfilled or waived (as the case may be) premised on DRJ's confirmation that DAC Properties is not deemed to be a real property company under the Real Property Gains Tax Act, 1976.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).

B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

2) Multiple Proposals Damansara Realty Berhad "DBhd" (cont'd)

The Company had on 11 April 2017 obtained the DBhd Shareholders' Approval. Accordingly, the special condition as contained in the Shareholders' Agreement has been fulfilled by DRJ on 11 April 2017.

B7 BORROWINGS AND DEBT SECURITIES

Group borrowings as at 31 March 2017 are as follows:

	<i>RM'000</i>
Short term	
Term Loan (secured)	2,461
Hire purchase (secured)	3,362
Advanced from shareholders of a subsidiary (unsecured)	1,805
Advanced from shareholders (unsecured)	7,511
	<u>15,139</u>
Long term	
Syndicated Term Loan (secured)	390
Hire purchase (secured)	2,770
	<u>3,160</u>

There was no debt securities issued as at 31 March 2017.

B8 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 30 November 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 23 May 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.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).

B8 CHANGES IN MATERIAL LITIGATION (Cont'd)

b) DBhd & TASB v Ibsul Holdings Sdn Bhd (Cont'd)

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.

However, the management has made a commercial decision not to proceed with the arbitration as watching brief, taking into account of the legal risk and implication and legal cost of the said arbitration.

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.

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.

Om Cahaya appealed to the Court of Appeal against the Kuala Lumpur High Court decision in striking out the suit. On 6 March 2017, the Court of Appeal allowed Om Cahaya's appeal, overturned the Kuala Lumpur High Court's decision and ordered to revert the case to the Kuala Lumpur High Court ("decision of the Court of Appeal").

In the Kuala Lumpur High Court, Om Cahaya has filed an application to transfer the case to the Kuantan High Court ("transfer application"). During the case management on 17 April 2017, the Court has instructed DRP to reply to Om Cahaya's transfer application by 28 April 2017 and for Om Cahaya to reply to DRP's reply by 12 May 2017. On 12 May 2017, the Court fixed a case management date on 7 June 2017 for the parties to file their written submissions in Court and a Hearing date for the transfer application on 21 June 2017 before the Judicial Commissioner Dato' Nik Hasmah binti Nik Mohamad.

Meanwhile, on 4 April 2017, DRP filed an application for leave to appeal to the Federal Court against the aforesaid decision of the Court of Appeal ("leave application"). During the case management on 26 April 2017, the Court has fixed the Hearing for DRP's leave application on 14 August 2017.

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 FIRST QUARTER AND THREE MONTH ENDED 31 MARCH 2017 (CONT'D).

B10 EARNINGS PER SHARE ("EPS")

	Cumulative 3 months	
	Current Quarter 31-Mar-17	Preceding Year Quarter 31-Mar-16
a) Basic EPS		
Net (loss)/profit attributable to ordinary shareholders (RM'000)	(1,344)	(3,858)
Weighted average number of ordinary shares in issue ('000)	309,371	309,371
Basic earnings per ordinary share (sen)	(0.43)	(1.25)

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

WAN RAZMAH BINTI WAN ABD RAHMAN [MAICSA 7021383]

Secretary

Kuala Lumpur
23 May 2017