

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
 30 JUNE 2018**
Consolidated Statement of Comprehensive Income

	Individual			Cumulative		
	Current year	Preceding year	Changes	Current year	Preceding year	Changes
	30-Jun-2018	30-Jun-2017		30-Jun-2018	30-Jun-2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	74,228	66,702	11%	145,474	117,473	24%
Cost of sales	(56,475)	(47,904)	-18%	(110,993)	(89,861)	-24%
Gross profit	17,753	18,798	-6%	34,481	27,612	25%
Interest income	28	47	-41%	99	93	7%
Other income	426	707	-40%	771	1,876	-59%
Employee benefits expense	(8,986)	(8,174)	-10%	(16,844)	(15,223)	-11%
Other operating expenses	(8,790)	(4,648)	-89%	(14,425)	(9,154)	-58%
Operating profit	431	6,730	-94%	4,082	5,204	-22%
Finance cost	(98)	(231)	58%	(469)	(442)	-6%
Profit before tax	333	6,499	-95%	3,613	4,762	-24%
Income tax expenses	(750)	(1,983)	62%	(2,133)	(2,307)	8%
(Loss) / Profit for the period	(417)	4,516	-109%	1,480	2,455	-40%
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	905	284	219%	1,022	280	-265%
Total comprehensive income for the year	488	4,800	-90%	2,502	2,735	-9%
(Loss) / Profit for the period attributable to:						
Owners of the parent	(330)	4,541	-107%	1,408	3,197	-56%
Non-controlling interests	(87)	(25)	-248%	72	(742)	110%
	(417)	4,516	-109%	1,480	2,455	-40%
Total comprehensive income for the period, net of tax attributable to:						
Owners of the parent	575	4,825	-88%	2,430	3,477	-30%
Non-controlling interests	(87)	(25)	-249%	72	(742)	110%
	488	4,800	-90%	2,502	2,735	9%
Earnings per share attributable to owners of the parent (sen per share)						
Basic earnings per share (sen)	(0.10)	1.47		0.44	1.03	
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 2017 and the accompanying explanatory notes attached to this report.

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2018**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 30-Jun-2018 RM'000	Preceding year 30-Jun-2017 RM'000	Current year 30-Jun-2018 RM'000	Preceding year 30-Jun-2017 RM'000
(Loss) / Profit For The Period	(417)	4,516	1,480	2,455
Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax	905	284	1,022	280
Total Comprehensive Income For The Period, Net Of Income Tax	488	4,800	2,502	2,735
Total Comprehensive Income Attributable To:				
Owners of the Company	(330)	4,541	1,408	3,197
Non-controlling interests	(87)	(25)	72	(742)
	(417)	4,516	1,480	2,455
Note 1 :- Included in the Total Comprehensive Income for the period are the following :-				
Interest Income	28	47	99	93
Other Income Including Investment Income	426	707	771	1,876
Interest Expenses	(98)	(231)	(469)	(442)
Depreciation and Amortization	(559)	(537)	(1,107)	(1,177)

The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Statement of Financial Position
As at 30 June 2018

	Unaudited 30-Jun-2018 <i>RM'000</i>	Audited 31-Dec-2017 <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	23,761	25,026
Land held for property development	61,048	59,709
Investment properties	89,159	89,177
Deferred tax assets	320	530
Other investments	51	51
Goodwill on consolidation	1,410	1,410
	175,749	175,903
Current assets		
Property development costs	12,824	16,522
Inventories	3,688	3,195
Trade receivables and other receivables	83,235	81,481
Other current assets	3,413	12,153
Cash and bank balances	32,412	27,472
	135,572	140,823
Assets classified as held for sale	12,314	-
	147,886	140,823
TOTAL ASSETS	323,635	316,726
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	9,359	18,912
Trade and other payables	124,088	119,337
	133,447	138,249
Liabilities related to assets classified as held for sales	6,719	-
	140,166	138,249
Net current assets	7,720	2,574
Non-current liabilities		
Loans and borrowings	11,815	12,375
Deferred tax liabilities	478	533
Trade and other payables	9,850	9,850
	22,143	22,758
Total Liabilities	162,309	161,007
Net assets	161,326	155,719
Equity attributable to owners of the parent		
Share capital	159,341	155,341
Redeemable convertible notes	443	316
Revaluation reserves	41,603	41,603
Accumulated losses	(27,019)	(29,449)
Merger Reserve	(18,568)	(18,568)
Capital reserve	85	85
Exchange reserve	(2,947)	(1,925)
Shareholders' equity	152,938	147,403
Non-controlling interests	8,388	8,316
Total equity	161,326	155,719
TOTAL EQUITY AND LIABILITIES	323,635	316,726
Net Assets Per Share Attributable to Owners of the Company (RM)	0.480	0.474

The Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2017 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 2018

	<div style="display: flex; justify-content: space-between; align-items: center;"> Attributable To Owners Of Parent </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Non-Distributable </div>										
	Equity Total RM'000	Equity attributable to owners of the parent Total RM'000	Share capital RM'000	Share premium RM'000	Redeemable Convertible Notes RM'000	Revaluation reserves RM'000	Capital reserve RM'000	Merger Reserve RM'000	Exchange Reserve RM'000	Accumulated losses RM'000	Non- controlling interest RM'000
2018											
Opening balance at 1 January 2018	155,719	147,403	155,341	-	316	41,603	85	(18,568)	(1,925)	(29,449)	8,316
Total comprehensive income	1,480	1,408	-	-	-	-	-	-	(1,022)	2,430	72
Conversion of Redeemable Convertible Notes ("RCN")	4,000	4,000	4,000	-	-	-	-	-	-	-	-
Estimated equity component of RCN	127	127	-	-	127	-	-	-	-	-	-
Closing balance at 30 June 2018	161,326	152,938	159,341	-	443	41,603	85	(18,568)	(2,947)	-27,019	8,388
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	2,455	3,197	-	-	-	-	-	-	(280)	3,477	(742)
Closing balance at 30 June 2017	98,158	91,166	154,685	156	-	-	85	(18,568)	(1,658)	(43,534)	6,992

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 2017 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 2018

	6 months ended 30-Jun-2018 <i>RM'000</i>	6 months ended 30-Jun-2017 <i>RM'000</i>
Receipts from customers	141,347	84,149
Payments to suppliers, creditors and employees	(121,387)	(88,070)
Payment of income taxes (paid)/refunded	(5,273)	(4,421)
Interest paid	(493)	(2,024)
Interest received	89	53
Net Cash (used in) / generated from operating activities	14,283	(10,313)
Purchase of property, plant and equipment	(2,186)	(1,241)
Net Cash (used in) from investing activities	(2,186)	(1,241)
Cash Flow from financing activities		
Net drawdown/repayment of obligations under finance leases	(1,868)	(1,261)
Net of drawdown/repayment of loan & borrowings	(5,289)	(824)
Net Cash (used in) in financing activities	(7,157)	(2,085)
Net increase / (decrease) of cash and cash equivalents	4,940	(13,639)
Cash and cash equivalents as at 1 January	27,472	25,672
Cash and cash equivalents as at 30 June	32,412	12,033

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this report.

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

PART A - EXPLANATORY NOTES PURSUANT TO FRS134

A1 BASIS OF PREPARATION

This interim financial statement is unaudited and has 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.

This interim financial statement should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017. 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 2017.

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.

Malaysian Financial Reporting Standards (MFRS Framework)

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

The MFRS Framework has been 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 and IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venture (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statement for the year ending 31 December 2018.

In presenting its first MFRS financial statement, the Group will be required to restate the comparative financial statement to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The financial statements could be different if prepared under the MFRS Framework.

A2 AUDITORS' REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CON'T)

PART A - EXPLANATORY NOTES PURSUANT TO FRS134 (CON'T)

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

- 1) During the financial year the Company issued 8,000,000 shares due to conversion of Redeemable Convertible Notes ("RCN").
- 2) Other than the above, there are no 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 three reportable operating segments as follows:

- i. Property and Land Development ("PLD") - the development of residential and commercial properties.
- ii. Integrated Facility Management ("IFM") - provision of property services comprising of general services, parking operation, trading of parking equipment and the provision of related consultancy services.
- iii. Project Management Consultancy ("PMC") - facility management, project management and consultancy, construction management, energy management services, hospital planning, maintenance services and manpower 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 FINANCIAL STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018 (CONT'D)

A8 SEGMENTAL INFORMATION

	HOLDING CO.		INTEGRATED FACILITY MANAGEMENT		PROPERTY AND LAND DEVELOPMENT		PROJECT MANAGEMENT CONSULTANCY		OTHERS		ADJUSTMENTS AND ELIMINATIONS		PER CONSOLIDATED	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	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	-	-	134,347	99,090	7,072	13,258	4,055	5,125	-	-	-	-	145,474	117,473
- Inter company sales	3,518	3,571	1,990	-	-	-	-	-	-	-	(5,508)	(3,571)	0	-
Total revenue	3,518	3,571	136,337	99,090	7,072	13,258	4,055	5,125	-	-	(5,508)	(3,571)	145,474	117,473
Results:														
Interest Income	26	-	34	58	32	4	7	28	-	3	-	-	99	93
Depreciation and amortisation	59	275	949	811	29	17	70	74	-	-	-	-	1,107	1,177
Segment profit/(loss)	(1,448)	(2,828)	5,138	988	(315)	6,052	359	428	(121)	122	-	-	3,613	4,762
Assets :														
Segment assets	101,541	94,803	134,231	96,721	226,998	259,836	20,793	20,835	40,781	40,276	(200,709)	(147,173)	323,635	365,298
Segment liabilities	53,811	54,945	115,830	83,645	175,582	257,358	7,924	8,094	114,694	115,076	(305,532)	(251,978)	162,309	267,140

* Note : inclusive overseas operations

	30-Jun-18						30-Jun-17					
	Singapore		Philippines		Malaysia	Total	Singapore		Philippines		Malaysia	Total
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)			SGD ('000)	RM ('000)	PHP ('000)	RM ('000)		
Revenue	7,168	21,281	228,086	17,186	107,007	145,474	5,993	18,530	192,159	16,474	82,469	117,473
Profit / (loss)	-382	-1,135	14,792	1,114	3,634	3,613	122	377	8,919	767	3,618	4,762
Assets	3,777	11,175	144,972	10,968	301,492	323,635	3,168	9,880	120,163	10,223	345,195	365,298
Liabilities	3,526	10,432	89,731	6,789	145,088	162,309	2,018	6,293	77,587	6,601	254,246	267,140
Exchange rate :												
Income statement	<u>RM2.9687</u>		<u>RM0.0754</u>				<u>RM3.0922</u>		<u>RM0.0857</u>			
Balance Sheet	<u>RM2.9589</u>		<u>RM0.0757</u>				<u>RM3.1188</u>		<u>RM0.0851</u>			

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CON'T)

PART A - EXPLANATORY NOTES PURSUANT TO FRS134 (CON'T)

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 2017.

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 MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

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.

A12 CHANGE IN THE COMPOSITION OF THE GROUP

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

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no Contingent Liabilities or Contingent Assets in 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 MONTHS ENDED 30 JUNE 2018.

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

The Group's revenue for the six months ended 30 June 2018 ("1HFY2018") increased by RM28.00 million, or 24%, to RM145.47 million, compared to RM117.47 million for the six months ended 30 June 2017 ("1HFY2017").

1HFY2018 gross profit increased to RM34.48 million as compared to RM27.61 million in 1HFY2017. The Group's profit margin stood at 24% over the comparative period.

The Group posted an operating profit of RM4.08 million in 1HFY2018, compared to RM5.20 million previously in 1HFY2017.

Reduction in the Group's performance in 1HFY2018 as compared to 1HFY2017 was mainly attributed to lower contribution from PLD segment.

- i) IFM recorded RM37.25 million increase in revenue due to higher contributions from Pengerang projects and new Metro Parking contracts secured in the second half of 2017 such as Dataran Maybank and Etiqa buildings, MRT stations and Singapore Sport Centre.
- ii) For Property and Land Development, the decrease in revenue was due to lower contribution from Aliff Square 1 and Aliff Square 2 in 1HFY2018.

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

a) Property and Land Development ("PLD") Activities

The segment recorded RM7.07 million revenue in 1HFY2018, as compared to RM13.26 million in 1HFY2017. The decrease in was mainly due to lower units sold in 1HFY2018 especially from the Aliff Square 2 project in Johor Bahru.

b) Integrated Facility Management ("IFM")

The IFM segment recorded RM37.25 million increase in revenue to RM136.34 million in 1HFY2018 compared to RM99.09 million in 1HFY2017.

The increase was mainly due to higher person-on-board ("POB") revenue from the Pengerang project and also recognition of revenue from the contracts secured in the second half 2017.

c) Project Management Consultancy ("PMC")

For 1HFY2018 the PMC segment recorded a lower revenue of RM4.06 million representing a decrease of RM1.07 million or 21% lower compared to the previous corresponding period. The lower revenue recognition from construction and technical advisory fees.

Profit for 1HFY2018 was lower at RM0.07 million compared to 1HFY2017, due to lower recognition from the Construction Consultancy contract in FY2018.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

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

	Current Quarter	Immediate Preceding Quarter	Changes
	30-Jun-18	31-Mar-18	%
Revenue	74,228	71,246	4%
Gross Profit	17,753	16,728	6%
Operating Profit	431	3,651	-88%
Profit Before Tax	333	3,280	-90%
(Loss)/Profit After Tax	(417)	1,897	-122%
Total comprehensive income for the period, net of tax attributable to: Owners of the parent	575	1,855	-69%

The Group's revenue for 2QFY2018 increased by 4% to RM74.23 million from RM71.25 million in 1QFY2018. The increase was mainly due to higher revenue recognition from projects secured in FY2017.

For 2QFY2018, the Group's Loss After Tax stood at RM0.42 million as compared to Profit After Tax at RM1.90 million in 1QFY2018. The decrease was due to higher operating expenses in 2QFY2018.

B3 CURRENT YEAR'S PROSPECTS

We have well achieved our goals for transformation as outlined in the Strategic Restructuring Plan ("SRP") and we're now moving into our long-term strategy for continuous growth. Our main objective during this five-year phase will be to build on innovation and efficiency on our offerings and operations, strengthening our presence and our offerings as well as solidify our brand and reputation. Our focus remains targeted on building our strengths as the preferred solutions provider for our three core business segments of IFM, PMC, and PLD.

Alongside this plan to build stronger presence and sustainable business, we aim to underscore our operations by delivering greater value to all our stakeholders; from our clients, our employees, our investors to our regulators. To achieve this, we are focusing on efficient business processes as well as the use of innovation and technology in our offerings. We are also looking at how we can capitalise on data analytics to grow our business.

While we are pushing on all areas for growth from our three business segments, we foresee IFM predominantly offering better potential for growth as we expect the property segment to remain subdued for the time being. In our quest to ensure our long-term and continuous sustainable growth, we are continuously exploring more innovations and technology-based solutions related to IFM to provide our clients with results that address their needs, such as the cashless payment system that was successfully implemented within our IFM offerings. We are also looking at ways to increase our efficiency in operations as well as to reduce dependency on labour-intensive work approach.

On the PMC front, we are expanding our scope of services beyond the healthcare industry to the construction industry. In this regard, we aim to offer a more comprehensive set of services related to commercial, residential and infrastructure development.

a) Property and Land Development Activities

Our outlook for the property market in Malaysia will remain cautious following the cooling measures that have been progressively introduced by the authorities. While the economy is expected to rebound, the property market may continue to remain subdued. However, we believe that the segment which we operate in is affordable and the government supported housing schemes will still be in demand. With this in mind, marketing our current property projects will be one of our key priorities for 2018.

We have earmarked to develop another 10 acres from our 63.1 acres land in Tampoi, Johor, which will be a mixed development of both residential and commercial units. Likewise, we are also looking at a mixed development within the 512-acre land in Bandar Damansara Kuantan as well as a commercial development on a 4.7-acre commercial land in Presint 5, Putrajaya.

We expect that the outlay of investment for the development in the ongoing and future property development projects will help us to build up a series of projects that will contribute progressively to our bottom line for the coming years.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

B3 CURRENT YEAR'S PROSPECTS (CON'T)

b) Integrated Facility Management ("IFM")

As we continue in our transformation to become the Preferred Assets and Facilities Management Solutions Provider in the industry, we will look at how we can harness other complementary facilities management services to enhance and expand our IFM services and capabilities. We aim to do this with minimal capital expenditure alongside an asset-light approach.

Currently, our in-house cashless payment IT solutions is being used for food and beverage payments as well as security management (i.e. operations and maintenance) for off-site and interconnecting facilities and utilities at the Executive Village and management office for the RAPID project in Pengerang, Johor. Following the success of our cashless payments solutions, moving forward in 2018, technology-based solutions will continue to be key in our progress towards enhancing and expanding our suite of IFM services as well as providing customisable solutions to meet clients' needs and requirements.

Whilst we continue to explore technological advances to increase efficiencies and productivity in our internal systems and operations, we will also be looking at ways to reduce dependency on labour-intensive work approaches through innovations.

c) Project Management Consultancy ("PMC")

Moving forward in 2018, we plan to broaden our offerings within the PMC segment beyond the healthcare sector to a wider sector including Construction. This is aimed at diversifying our income streams to ensure more sustainable revenue to the Group.

As part of our efforts to strengthen our presence overseas, in 2018, we will be working on a new government hospital project in Gerehu, Port Moresby, Papua New Guinea. The project includes the development of a hospital complex with a capacity of 500 beds as well as staff accommodation and hospital facilities.

We believe the PMC segment offers a lot of potential for growth to our business, hence in 2018, we will continue to pursue PMC projects more aggressively as we look towards broadening our offerings within the Construction sector.

B4 PROFIT FORECAST/PROFIT GUARANTEE

There were no Profit forecast / Profit Guarantee during the current quarter under review.

B5 INCOME TAX EXPENSE

	Individual quarter		Cumulative quarter	
	Year 30-Jun-18 RM'000	Year 30-Jun-17 RM'000	Year 30-Jun-18 RM'000	Year 30-Jun-17 RM'000
Current tax	750	1,983	2,133	2,307
	<u>750</u>	<u>1,983</u>	<u>2,133</u>	<u>2,307</u>

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

B6 STATUS OF CORPORATE PROPOSAL

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

Since the last quarter report ended 15 May 2018, there were no issuance of securities in the current quarter under review.

Redeemable Convertible Notes ("RCN")

As at the date of this report, the status of the utilisation of the gross proceeds from the RCN is as follows :

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Financing of property development activities	77,000	-	Within 36 months
Working capital requirements	61,000	6,796	Within 36 months
Estimated expenses in relation to the Proposed Notes Issued	12,000	1,204	Within 36 months
TOTAL	150,000	8,000	

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

B7 BORROWINGS AND DEBT SECURITIES

As at 2nd quarter ended 30 June 2018						
Long Term		Short Term		Total Borrowings		
Foreign denomination RM ('000)	Denomination RM ('000)	Foreign denomination RM ('000)	Denomination RM ('000)	Foreign denomination RM ('000)	Denomination RM ('000)	
Secured						
Term Loan	3,333	2,345	-	177	3,333	2,522
Bank Overdraft	-	-	-	2,117	-	2,117
Hire purchase	1,531	1,549	1,655	1,192	3,186	2,741
Redeemable Convertible Notes	-	3,057	-	-	-	3,057
Unsecured						
Advanced from shareholder of a subsidiary	-	-	-	1,805	-	1,805
Advanced from shareholder	-	-	-	2,413	-	2,413
Total	4,864	6,951	1,655	7,704	6,519	14,655

As at 2nd quarter ended 30 June 2017						
Long Term		Short Term		Total Borrowings		
Foreign denomination RM ('000)	Denomination RM ('000)	Foreign denomination RM ('000)	Denomination RM ('000)	Foreign denomination RM ('000)	Denomination RM ('000)	
Secured						
Bank Overdraft	-	-	-	-	-	
Term Loan	-	1,636	-	11	-	1,647
Hire purchase	1,603	898	1,107	756	2,710	1,654
Redeemable Convertible Notes	-	-	-	-	-	
Unsecured						
Advanced from shareholder of a subsidiary	-	-	-	1,805	-	1,805
Advanced from shareholder	-	-	-	7,554	-	7,554
Total	1,603	2,534	1,107	10,126	2,710	12,660

Advance from shareholder decreased in current year due to repayment and interest charged at 2.5% per annum .
Hire purchase decreased due to repayment and interest charged on average of 5.5% per annum.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

B8 DERIVATIVES

During the FY2018, there were no derivatives entered into by the Group.

B9 GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There were no gains/losses arising from the fair value changes of financial liabilities.

B10 CHANGES IN MATERIAL LITIGATION

Since the last quarter report ended 15 May 2018, the following are the changes:

a) Bungsar Hill Holdings Sdn Bhd ("BHH") v Damansara Realty Berhad

On 4 February 2016, The Federal Court ("FC") registrar fixed the matter for Hearing on 12 May 2016. The FC on 12 May 2016 granted BHH's leave to appeal on one single question on law only. The suit was fixed for case management on 18 November 2016.

During the case management on 18 November 2016, the parties' solicitors had informed the FC that the Grounds of Judgment ("GOJ") from the Court of Appeal ("COA") had not been obtained despite of the several requests made. The FC also informed that the Appeal cannot be heard until the GOJ had been obtained from the COA.

During the case management on 3 April 2018, the FC directed the parties to file their written submissions and bundle of authorities on or before 10 May 2018 and fixed the Hearing date of the appeal proper on 24 May 2018.

On 24 May 2018, the case proceeded with the Hearing of the Appeal Proper in the FC. However, on 8 June 2018, the Chairman of the panel, Yang Arif Tan Sri Ahmad Bin Haji Maarop had recused himself from further hearing the appeal due to a conflict of interest. As such, the matter was then fixed for case management on 28 June 2018 pending the empanelling of a new Chairman.

During the case management on 28 June 2018, the FC fixed for a re-Hearing of the Appeal Proper on 2 October 2018.

b) Om Cahaya Mineral Asia Berhad v Damansara Realty (Pahang) Sdn Bhd ("DRP")

"The Federal Court ("FC") on 9 January 2018 had fixed the Hearing date for DRP's leave application on 15 March 2018, upon the parties' receipt of the Grounds of Judgment ("GOJ"). During the Hearing on 15 March 2018, the FC dismissed DRP's leave application with cost of RM10,000.00 ("FC's decision").

On 17 January 2018, the Kuala Lumpur High Court ("KLHC") directed the parties to file the pre-trial Court papers by the next case management date on 26 March 2018 and further to update the KLHC on the possibility of mediation between the parties. The KLHC had fixed the new Full Trial dates on 6 April 2018, 10 May 2018, 24 May 2018 and 25 May 2018.

On 21 March 2018, the parties had updated the KLHC on FC's decision, resulting to the KLHC to maintain the Trial dates, unless if the parties wish to opt for settlement. The KLHC further directed the parties to file the Court paper by the next case management date on 3 April 2018.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018.

B10 CHANGES IN MATERIAL LITIGATION (Con't)

b) Om Cahaya Mineral Asia Berhad v Damansara Realty (Pahang) Sdn Bhd (con't)

On 27 March 2018, the Defendant was served with the Plaintiff's application for leave to amend their Statement of Claim ("Amendment Application") wherein the Hearing was fixed on 26 April 2018. As the Plaintiff requested for an opportunity to mediate the matter, the KLHC then directed the parties to inform the mediation centre of this intended mediation, and to set a short date with the mediation centre. The KLHC vacated the Trial date on 6 April 2018 and maintained the Full Trial dates on 10, 24 and 25 May 2018.

On 26 April 2018, the Plaintiff's amendment application has been dismissed by the KLHC today with costs of RM2,000.00 to be paid by the Plaintiff to the Defendant. The Plaintiff's solicitor further informed the KLHC that they have filed an application to discharge themselves as the Plaintiff's solicitors for this case ("discharge application") wherein it was fixed for Hearing on 7 May 2018. In relation to the trial, the Judge directed the parties to file the pre-trial Court paper and to exchange the witness statement by the next case management fixed on 7 May 2018. The KLHC further vacated the trial date on 10 May 2018 due to the Malaysian General Election. The trial date is now fixed on 24 May 2018 and 25 May 2018.

On 22 May 2018, the Defendant was advised by their solicitors that the KLHC had vacated the Trial date on 25 May 2018. The Court further fixed another Trial date on 28 May 2018. The Trial dates on 24 May 2018 and 8 June 2018 is maintained.

The KLHC then proceeded with Full Trial of the case on 24 May 2018, 28 May 2018, 8 June 2018 and 2 July 2018 wherein the parties had called their witnesses to Court & closed its case thereafter. The Court directed the parties to file and exchange their written submissions before 15 July 2018, with allowance to be given for the chance to file reply submission, if any. The Court further fixed a Clarification date on 15 August 2018, and the Decision date on 29 August 2018 at 2.30 p.m.

B12 EARNINGS PER SHARE ("EPS")

	Cumulative 6 months	
	Current Quarter 30-Jun-18	Preceding Year Quarter 30-Jun-17
a) Basic EPS		
Net profit/ (loss) attributable to ordinary shareholders (RM'000)	1,408	3,197
Weighted average number of ordinary shares in issue ('000)	318,371	309,371
Basic earnings per ordinary share (sen)	0.44	1.03

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
15 August 2018