

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

Consolidated Statement of Comprehensive Income

	Individual			Cumulative		
	Current year	Preceding year	Changes	Current year	Preceding year	Changes
	30-Sep-2018 RM'000	30-Sep-2017 RM'000	%	30-Sep-2018 RM'000	30-Sep-2017 RM'000	%
Revenue	76,337	64,760	18%	221,811	182,233	22%
Cost of sales	(57,448)	(50,775)	13%	(168,441)	(140,636)	20%
Gross profit	18,889	13,985	35%	53,370	41,597	28%
Interest income	64	48	33%	163	141	16%
Other income	421	290	45%	1,192	2,166	-45%
Employee benefits expense	(8,592)	(7,250)	19%	(25,436)	(22,473)	13%
Other operating expenses	(5,767)	(5,972)	-3%	(20,192)	(15,126)	33%
Operating profit	5,015	1,101	355%	9,097	6,305	44%
Finance cost	(502)	(240)	109%	(971)	(682)	42%
Profit before tax	4,513	861	424%	8,126	5,623	45%
Income tax expenses	(1,335)	(324)	312%	(3,468)	(2,631)	32%
Profit for the period	3,178	537	492%	4,658	2,992	56%
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	110	274	-60%	1,132	554	104%
Total comprehensive income for the year	3,288	811	306%	5,790	3,546	63%
Profit / (Loss) for the period attributable to:						
Owners of the parent	1,871	(906)	307%	3,279	2,291	43%
Non-controlling interests	1,307	1,443	-9%	1,379	701	97%
	3,178	537	492%	4,658	2,992	56%
Total comprehensive income for the period, net of tax attributable to:						
Owners of the parent	1,981	(632)	414%	4,411	2,845	55%
Non-controlling interests	1,307	1,443	-9%	1,379	701	97%
	3,288	811	305%	5,790	3,546	63%
Earnings per share attributable to owners of the parent (sen per share)						
Basic earnings per share (sen)	0.59	(0.29)		1.03	0.74	
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 SEPTEMBER 2018**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 30-Sep-2018 RM'000	Preceding year 30-Sep-2017 RM'000	Current year 30-Sep-2018 RM'000	Preceding year 30-Sep-2017 RM'000
Profit For The Period	3,178	537	4,658	2,992
Other Comprehensive Income For The Period, Net Of Income Tax	110	274	1,132	554
Total Comprehensive Income For The Period, Net Of Income Tax	3,288	811	5,790	3,546
Total Comprehensive Income Attributable To:				
Owners of the Company	1,871	(906)	3,279	2,291
Non-controlling interests	1,307	1,443	1,379	701
	3,178	537	4,658	2,992

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

Interest Income	64	48	163	141
Other Income Including Investment Income	421	290	1,192	2,166
Interest Expenses	(502)	(240)	(971)	(682)
Depreciation and Amortization	(549)	(530)	(1,657)	(1,707)

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 September 2018

	Unaudited 30-Sep-2018 <i>RM'000</i>	Audited 31-Dec-2017 <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	23,084	25,026
Land held for property development	59,824	59,709
Investment properties	89,150	89,177
Deferred tax assets	347	530
Other investments	51	51
Goodwill on consolidation	1,625	1,410
	174,081	175,903
Current assets		
Property development costs	16,196	16,522
Inventories	4,117	3,195
Trade receivables and other receivables	94,814	81,481
Other current assets	2,595	12,153
Cash and bank balances	29,601	27,472
	147,323	140,823
Assets held for sales	13,479	-
	160,802	140,823
TOTAL ASSETS	334,883	316,726
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	10,548	18,912
Trade and other payables	140,942	119,337
	151,490	138,249
Liabilities held for sales	7,349	-
	158,839	138,249
Net current assets	1,963	2,574
Non-current liabilities		
Loans and borrowings	11,059	12,375
Deferred tax liabilities	481	533
Trade and other payables	-	9,850
	11,540	22,758
Total Liabilities	170,379	161,007
Net assets	164,504	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	(25,038)	(29,449)
Merger Reserve	(18,568)	(18,568)
Capital reserve	85	85
Exchange reserve	(3,057)	(1,925)
Shareholders' equity	154,809	147,403
Non-controlling interests	9,695	8,316
Total equity	164,504	155,719
TOTAL EQUITY AND LIABILITIES	334,883	316,726
Net Assets Per Share Attributable to Owners of the Company (RM)	0.486	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 September 2018

	←----- Attributable To Owners Of Parent -----→											
	Equity Total RM'000	Equity attributable to owners of the parent		Share capital RM'000	Share premium RM'000	←----- Non-Distributable -----→					Accumulated losses RM'000	Non- controlling interest RM'000
Total RM'000		Total RM'000	Convertible Notes RM'000			Revaluation reserves RM'000	Capital reserve RM'000	Merger Reserve RM'000	Exchange Reserve 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	4,658	3,279	-	-	-	-	-	-	(1,132)	4,411	1,379	
Conversion of Redeemable Convertible Notes ("RCN")	4,000	4,000	4,000	-	-	-	-	-	-	-	-	
Estimated equity component of RCN	127	127	-	-	127	-	-	-	-	-	-	
Closing balance at 30 September 2018	164,504	154,809	159,341	-	443	41,603	85	(18,568)	(3,057)	(25,038)	9,695	
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	2,992	2,291	-	-	-	-	-	-	(554)	2,845	701	
Closing balance at 30 September 2017	98,695	90,260	154,685	156	-	-	85	(18,568)	(1,932)	(44,166)	8,435	

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 September 2018

	9 months ended 30-Sep-2018 RM'000	9 months ended 30-Sep-2017 RM'000
Receipt from customers	218,656	127,134
Payment to suppliers, creditors and employees	(196,333)	(126,098)
Payment of income taxes paid	(6,546)	(6,148)
Interest paid	(735)	(499)
Interest received	172	112
Net Cash generated / (used in) from operating activities	15,214	(5,499)
Purchase of property, plant and equipment	(3,084)	(7,055)
Net Cash used in investing activities	(3,084)	(7,055)
Cash Flow from financing activities		
Net drawdown/repayment of obligations under finance leases	(2,779)	(1,901)
Net of drawdown/repayment of loan & borrowings	(7,222)	(2,339)
Net Cash used in financing activities	(10,001)	(4,240)
Net increase / (decrease) of cash and cash equivalents	2,129	(16,794)
Cash and cash equivalents as at 1 January	27,472	25,672
Cash and cash equivalents as at 30 September	29,601	8,878

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 SEPTEMBER 2018

- PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 BASIS OF PREPARATION

This interim financial statement is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 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 statement 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.

MFRS 16	<i>Leases</i>
MFRS 17	<i>Insurance contracts</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to MFRS 3	<i>Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>
Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to MFRS 11	<i>Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>
Amendments to MFRS 112	<i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 123	<i>Borrowings Costs Eligible for Capitalisation (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to References to the Conceptual Framework in MFRS Standards	

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 2017 was not qualified.

DAMANSARA REALTY BERHAD (4030-D)

**A NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018 (CONT'D)**

-PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

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) On 7 November 2018, RCN was mutually terminated and RM3.5 million RCN was redeemed.

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 operations, 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-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	-	-	208,415	157,648	6,904	15,680	6,492	8,905	-	-	-	-	221,811	182,233
- Inter company sales	5,277	5,332	2,898	-	-	-	-	-	-	-	(8,175)	(5,332)	-	-
Total revenue	5,277	5,332	211,313	157,648	6,904	15,680	6,492	8,905	-	-	(8,175)	(5,332)	221,811	182,233
Results:														
Interest Income	26	-	73	95	38	8	26	36	-	2	-	-	163	141
Depreciation and amortisation	88	408	1,418	1,161	44	28	106	109	1	1	-	-	1,657	1,707
Segment profit/(loss)	(2,239)	(5,084)	11,343	5,804	(1,591)	4,447	799	351	(186)	105	-	-	8,126	5,623
Assets :														
Segment assets	100,844	93,467	144,795	112,025	226,411	267,403	13,479	20,574	40,805	39,994	(191,451)	(147,015)	334,883	386,448
Segment liabilities	53,906	55,863	121,837	94,456	176,094	266,145	7,349	7,892	114,778	114,744	(303,584)	(251,347)	170,379	287,753

* Note : inclusive overseas operations

	30-Sep-18					
	Singapore		Philippines		Malaysia RM ('000)	Total RM ('000)
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)		
Revenue	11,306	34,154	349,111	26,882	160,775	221,811
Profit / (loss)	-492	-1,485	36,983	2,847	6,764	8,126
Assets	3,502	10,608	153,778	11,764	312,511	334,883
Liabilities	3,360	10,179	87,551	6,698	153,502	170,379

	30-Sep-17					
	Singapore		Philippines		Malaysia RM ('000)	Total RM ('000)
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)		
Revenue	9,329	29,099	294,844	24,354	128,780	182,233
Profit / (loss)	-8	-25	25,450	2,104	3,544	5,623
Assets	5,778	17,984	127,356	10,596	357,868	386,448
Liabilities	4,758	14,808	81,786	6,805	266,140	287,753

Exchange rate :

Income statement
Balance SheetRM3.0209
RM3.0289RM0.0770
RM0.0765RM3.1193
RM3.1125RM0.0826
RM0.0832

DAMANSARA REALTY BERHAD (4030-D)

**A NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018 (CONT'D)**

-PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (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 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

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

The Group's revenue for the nine months ended 30 September 2018 ("3QFY2018") increased by RM39.58 million, or 22%, to RM221.81 million, compared to RM182.23 million for the nine months ended 30 September 2017 ("3QFY2017").

3QFY2018 gross profit increased by RM11.77 million to RM53.37 million from RM41.60 million in previous corresponding period. The Group's profit margin increased by 28% over the comparative period.

The Group achieved growth in operating profit for the current year-to-date of RM9.10 million compared to RM6.31 million in the preceding year corresponding period.

Improvement in the Group's performance in 3QFY2018 as compared to 3QFY2017 was mainly contribute by higher revenue recognised by Integrated Facility Management segment.

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

a) Property and Land Development ("PLD")

The PLD segment recorded a revenue of RM6.90 million revenue in 3QFY2018, compared to RM15.68 million in 3QFY2017. The decrease was mainly due to lower units sold from the Group in Taman Damansara Aliff, Johor Bahru and Bandar Damansara Kuantan, Pahang.

b) Integrated Facility Management ("IFM")

The IFM segment, recorded RM53.66 million increase in revenue to RM211.31 million in 3QFY2018 compared to RM157.65 million in 3QFY2017.

The increase was mainly due to higher person-on-board ("POB") revenue from Operation and Maintenance of RAPID Temporary Executive Village ("RTEV") and RAPID Temporary Management Office ("RTMO") in Pengerang and other ancillary projects such as security services and provision of small medical clinics.

c) Project Management Consultancy ("PMC")

For 3QFY2018 the PMC segment recorded a lower revenue of RM6.49 million representing a decrease of RM2.41 million or 27% lower compared to the previous corresponding period. The decrease was mainly due to lower revenue recognition from project management and technical advisory fees.

Profit for 3QFY2018 increase slightly by RM0.45 million to RM0.80 million compared to RM0.35 million in 3QFY2017, mainly due to lower operating construction consultancy contract in FY2018.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

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

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>	<u>Changes</u>
	30-Sep-18	30-Jun-18	%
Revenue	76,337	74,228	3%
Gross Profit	18,889	17,753	6%
Operating Profit	5,015	431	1064%
Profit Before Tax	4,513	333	1255%
Profit/(Loss) After Tax	3,178	(417)	862%
Total comprehensive income for the period, net of tax attributable to: Owners of the parent	1,981	575	245%

The Group reported improvement in the 3 months current quarter ended 30 September 2018 as compared to 3 months immediate preceding quarter ended 30 June 2018 mainly due to higher revenue from RTEV and RTMO and other ancillary services as mentioned in B1.

B3 CURRENT YEAR'S PROSPECTS

We have well achieved our goals for transformation as outlined in the Group Strategic Restructuring Plan ("SRP") and we are 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 to 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 our plan to build a stronger presence and sustainable business, we concurrently aim to underscore our operations with the delivery of greater value-add 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 market 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.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

B3 CURRENT YEAR'S PROSPECTS (CON'T)

a) Property and Land Development Activities (con't)

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.

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 are looking on how we can harness other complementary facilities management services to enhance and expand our IFM capabilities. We aim to do this with minimal capital expenditure and an asset-light approach.

Last year, we successfully implemented our in-house cashless payment IT solutions, which is now 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. Building on the success of our cashless payments solutions, in 2018, technology-based solutions will continue to be the key to our progress in enhancing and expanding our suite of IFM services as well as providing customisable solutions to meet our 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 new 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 a more sustainable revenue stream 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 together with hospital facilities.

The PMC segment will offer 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.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

B5 INCOME TAX EXPENSE

	Individual quarter		Cumulative quarter	
	Year 30-Sep-18 RM'000	Year 30-Sep-17 RM'000	Year 30-Sep-18 RM'000	Year 30-Sep-17 RM'000
Current tax	1,335	324	3,468	2,631
	<u>1,335</u>	<u>324</u>	<u>3,468</u>	<u>2,631</u>

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	

On 7 November 2018, RCN was mutually terminated and RM3.5 million RCN was redeemed.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

B7 BORROWINGS AND DEBT SECURITIES

As at 3rd quarter ended 30 September 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	1,963	-	177	2,140
Bank Overdraft	-	-	-	3,293	3,293
Hire purchase	1,531	1,175	1,655	693	1,868
Redeemable Convertible Notes	-	3,057	-	-	3,057
Unsecured					
Advanced from shareholder of a subsidiary	-	-	-	1,805	1,805
Advanced from shareholder	-	-	-	2,925	2,925
Total	4,864	6,195	1,655	8,893	15,088

As at 3rd quarter ended 30 September 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					
Term Loan	3,078	1,644	-	12	1,656
Hire purchase	1,610	860	1,463	516	1,376
Unsecured					
Advanced from shareholder of a subsidiary	-	-	-	1,805	1,805
Advanced from shareholder	-	-	-	7,598	7,598
Total	4,688	2,504	1,463	9,931	12,435

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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 August 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 Federal Court 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.

During the Re-Hearing date on 2 October 2018, the Federal Court upon listening to the submission by both parties, informed that the Decision date shall be notified in due course.

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

On 26 April 2018, 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 High Court 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 High Court 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.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

B10 CHANGES IN MATERIAL LITIGATION (Con't)

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

The High Court 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. On 28 August 2018, the Court notified the parties on the postponement of the Decision date to 19 October 2018.

During the Clarification and Decision on 19 Oct 2018, the High Court judge, YA Dato' Nik Hasmat Nik Mohamad, had delivered their decision as follows:-

- i) The Court dismissed the Plaintiff's claim for loss of profit in the sum of USD85 million (RM366,656,000.00 as at the date of the summons);
- ii) The Court also dismissed the Plaintiff's claim for specific performance of the contract;
- iii) The Court declared that the termination of the Agreement was unlawful;
- iv) The Court has ordered the special damages being the purported wasted expenditure claimed by the Plaintiff to be fixed for assessment based on the documents and any other evidences produced during the trial; and
- v) Since there was no claim by the Plaintiff for general damages, the Court did not award any damages to the Plaintiff apart from the special damages which must be proven by the Plaintiff during the assessment proceedings as mentioned above.

The date of the assessment of damages is tentatively fixed on 19 December 2018.

DAMANSARA REALTY BERHAD (4030-D)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018.

B11 DIVIDEND

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

B12 EARNINGS PER SHARE ("EPS")

	<u>Cumulative 9 months</u>	
	<u>Current</u>	<u>Preceding</u>
a) Basic EPS	Quarter	Year Quarter
	30-Sep-18	30-Sep-17
Net profit attributable to ordinary shareholders (RM'000)	3,279	2,291
Weighted average number of ordinary shares in issue ('000)	318,371	309,371
Basic earnings per ordinary share (sen)	1.03	0.74

Basic earnings per share is calculated by dividing the net 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 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

13 November 2018