

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2019**

Consolidated Statement of Comprehensive Income

	Individual			Cumulative		
	Current year 30-Sep-2019 RM'000	Preceding year 30-Sep-2018 RM'000	Changes %	Current year 30-Sep-2019 RM'000	Preceding year 30-Sep-2018 RM'000	Changes %
Revenue	65,887	76,337	-14%	206,108	221,811	-7%
Cost of sales	(50,738)	(57,448)	12%	(160,865)	(168,441)	4%
Gross profit	15,149	18,889	-20%	45,243	53,370	-15%
Interest income	13	64	-80%	199	163	22%
Other income	1,365	421	224%	2,996	1,192	151%
Employee benefits expense	(7,552)	(8,592)	12%	(23,817)	(25,436)	6%
Other operating expenses	(7,687)	(5,767)	-33%	(17,950)	(20,192)	11%
Operating profit	1,288	5,015	-74%	6,671	9,097	-27%
Finance cost	(225)	(502)	55%	(720)	(971)	-26%
Share of profit of associate company	3,174	-	100%	6,631	-	100%
Profit before tax	4,237	4,513	-6%	12,582	8,126	55%
Income tax expenses	(572)	(1,335)	57%	(2,733)	(3,468)	21%
Profit for the period	3,665	3,178	15%	9,849	4,658	111%
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	1,240	110	1027%	1,098	1,132	-3%
Total comprehensive income for the year	4,905	3,288	49%	10,947	5,790	89%
Profit for the period attributable to:						
Owners of the parent	3,854	1,871	106%	9,314	3,279	184%
Non-controlling interests	(189)	1,307	-114%	535	1,379	-61%
	3,665	3,178	15%	9,849	4,658	111%
Total comprehensive income for the period, net of tax attributable to:						
Owners of the parent	5,094	1,981	157%	10,412	4,411	136%
Non-controlling interests	(189)	1,307	-114%	535	1,379	-61%
	4,905	3,288	49%	10,947	5,790	89%
Earnings per share attributable to owners of the parent (sen per share)						
Basic earnings per share (sen)	1.21	0.59		2.93	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 2018 and the accompanying explanatory notes attached to this report.

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2019**

Consolidated Statement of Comprehensive Income

	Individual		Cumulative	
	Current year 30-Sep-2019 RM'000	Preceding year 30-Sep-2018 RM'000	Current year 30-Sep-2019 RM'000	Preceding year 30-Sep-2018 RM'000
Profit For The Period	3,665	3,178	9,849	4,658
Other Comprehensive Income For The Period, Net Of Income Tax	1,240	110	1,098	1,132
Total Comprehensive Income For The Period, Net Of Income Tax	4,905	3,288	10,947	5,790
Total Comprehensive Income Attributable To:				
Owners of the Company	3,854	1,871	9,314	3,279
Non-controlling interests	(189)	1,307	535	1,379
	3,665	3,178	9,849	4,658

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

Interest Income	13	64	199	163
Other Income Including Investment Income	1,365	421	2,996	1,192
Interest Expenses	(225)	(502)	(720)	(971)
Depreciation and Amortization	(564)	(549)	(1,754)	(1,657)

The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to this report.

Damansara Realty Berhad (4030-D)
Condensed Consolidated Statement of Financial Position
As at 30 September 2019

	Unaudited 30-Sep-2019 <i>RM'000</i>	Audited 31-Dec-2018 <i>RM'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	18,759	22,717
Inventories	61,203	60,755
Investment properties	89,115	89,141
Investment in associates*	6,631	-
Deferred tax assets	3,737	3,324
Other investments	51	51
Goodwill on consolidation	888	888
	180,384	176,876
Current assets		
Inventories	23,924	23,096
Trade receivables and other receivables	108,118	105,162
Other current assets	2,318	707
Cash and bank balances	46,895	27,120
	181,255	156,085
TOTAL ASSETS	361,639	332,961
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	7,554	9,555
Trade and other payables	161,447	139,473
	169,001	149,028
Net current assets	12,254	7,057
Non-current liabilities		
Loans and borrowings	6,235	7,364
Deferred tax liabilities	1,734	1,740
	7,969	9,104
Total Liabilities	176,970	158,132
Net assets	184,669	174,829
Equity attributable to owners of the parent		
Share capital	159,341	159,341
Revaluation reserves	41,603	41,603
Accumulated profit / (losses)	42	(10,370)
Merger Reserve	(18,568)	(18,568)
Capital reserve	47	56
Exchange reserve	(2,982)	(1,884)
Shareholders' equity	179,483	170,178
Non-controlling interests	5,186	4,651
Total equity	184,669	174,829
TOTAL EQUITY AND LIABILITIES	361,639	332,961
Net Assets Per Share Attributable to Owners of the Company (RM)	0.564	0.535

The Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2018 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 2019

	<div style="display: flex; justify-content: space-between; align-items: center;"> ← ← ← ← ← ← ← ← ← ← ← </div>										
	Equity attributable to owners of the parent		Attributable To Owners Of Parent Non-Distributable							Non-controlling interest	
	Equity Total RM'000	parent Total RM'000	Share capital RM'000	Redeemable Convertible Notes RM'000	Revaluation reserves RM'000	Capital reserve RM'000	Merger Reserve RM'000	Exchange Reserve RM'000	Accumulated profit / (losses) RM'000	Non-controlling interest RM'000	
2019											
Opening balance at 1 January 2019	174,829	170,178	159,341	-	41,603	56	(18,568)	(1,884)	(10,370)	4,651	
Total comprehensive income	9,849	9,314	-	-	-	-	-	(1,098)	10,412	535	
Capital reserve	(9)	(9)	-	-	-	(9)	-	-	-	-	
Closing balance at 30 September 2019	184,669	179,483	159,341	-	41,603	47	(18,568)	(2,982)	42	5,186	
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	

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 2018 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 2019

	9 months ended 30-Sep-2019 <i>RM'000</i>	9 months ended 30-Sep-2018 <i>RM'000</i>
Receipt from customers	214,380	218,656
Payment to suppliers, creditors and employees	(181,667)	(196,333)
Payment of income taxes paid	(7,582)	(6,546)
Interest paid	(693)	(735)
Interest received	182	172
Net Cash generated from operating activities	24,620	15,214
Purchase of property, plant and equipment	(913)	(3,084)
Net Cash used in investing activities	(913)	(3,084)
Cash Flow from financing activities		
Net drawdown/repayment of obligations under finance leases	(1,438)	(2,779)
Net of drawdown/repayment of loan & borrowings	(2,494)	(7,222)
Net Cash used in financing activities	(3,932)	(10,001)
Net increase of cash and cash equivalents	19,775	2,129
Cash and cash equivalents as at 1 January	27,120	27,472
Cash and cash equivalents as at 30 September	46,895	29,601

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2018 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 2019

- 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 2018. 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 2018.

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 17	<i>Insurance contracts</i>
Amendments to MFRS 3	<i>Definition of a business</i>
Amendments to MFRS 101 and Amendments to MFRS 108	<i>Definition of material</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

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 2018 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.

DAMANSARA REALTY BERHAD (4030-D)

A NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONT'D)

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

A6 DEBT AND EQUITY SECURITIES

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

A7 DIVIDEND PAID

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

A8 SEGMENTAL INFORMATION

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

- i. Property and Land Development ("PLD") - The development of residential and commercial properties.
- ii. Integrated Facilities 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") - Facilities 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. Segmental 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 2019 (CONT'D)

- PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (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-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	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	-	-	198,889	208,415	5,741	6,904	1,478	6,492	-	-	-	-	206,108	221,811
- Inter company sales	7,029	5,277	2,419	2,898	-	-	518	-	50	-	(10,016)	(8,175)	-	-
Total revenue	7,029	5,277	201,308	211,313	5,741	6,904	1,996	6,492	50	-	(10,016)	(8,175)	206,108	221,811
Results:														
Interest Income	6	26	157	73	5	38	-	26	1	-	-	-	169	163
Depreciation and amortisation	81	88	1,628	1,418	44	44	1	106	-	1	-	-	1,754	1,657
Segment profit/(loss)	780	(2,239)	7,391	11,343	4,663	(1,591)	43	799	(223)	(186)	(72)	-	12,582	8,126
Assets :														
Segment assets	121,494	100,844	146,119	144,795	247,370	226,411	3,562	13,479	55,015	40,805	(211,921)	(191,451)	361,639	334,883
Segment liabilities	54,302	53,906	113,330	121,837	193,149	176,094	15,610	7,349	117,024	114,778	(316,445)	(303,584)	176,970	170,379

* Note : inclusive overseas operations

	30-Sep-19						30-Sep-18					
	Singapore		Philippines		Malaysia	Total	Singapore		Philippines		Malaysia	Total
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)	RM ('000)	RM ('000)	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)	RM ('000)	RM ('000)
Revenue	11,520	34,939	339,221	27,273	143,896	206,108	11,306	34,154	349,111	26,882	160,775	221,811
Profit / (loss)	104	316	35,810	2,879	9,387	12,582	(492)	(1,485)	36,983	2,847	6,764	8,126
Assets	2,847	8,630	166,840	13,497	339,512	361,639	3,502	10,608	153,778	11,764	312,511	334,883
Liabilities	2,605	7,896	90,117	7,290	161,784	176,970	3,360	10,179	87,551	6,698	153,502	170,379

Exchange rate :
Income statement
Balance Sheet

RM3.0329
RM3.0311

RM0.0804
RM0.0809

RM3.0209
RM3.0289

RM0.0770
RM0.0765

DAMANSARA REALTY BERHAD (4030-D)

**A NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (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 2018.

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 2019.

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

The Group's revenue for the nine months ended 30 September 2019 ("3QFY2019") decreased by RM15.70 million or 7% to RM206.11 million, compared to RM221.81 million for the nine months ended 30 September 2018 ("3QFY2018").

The Group recorded a higher profit before tax of RM12.58 million mainly due to the contribution from PLD segment driven by our joint venture development in Central Park, Johor Bahru with Country Garden Management Sdn Bhd.

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

a) **Integrated Facilities Management ("IFM")**

IFM recorded RM10.00 million decrease in revenue to RM201.31 million in 3QFY2019 compared to RM211.31 million in 3QFY2018.

The decline was mainly due to lower occupancy at Rapid Temporary Executive Village ("RTEV"), Pengerang, Johor and expiration of maintenance contract in KLIA.

As a result of expiration of the contracts, profit for the segment in 3QFY2019 decreased by RM3.95 million to RM7.39 million as compared to RM11.34 million in 3QFY2018.

b) **Property and Land Development ("PLD")**

For 3QFY2019, PLD recorded a revenue of RM5.74 million compared to RM6.90 million in 3QFY2018. The decrease was mainly due to lower units sold in 3QFY2019 as compared to 3QFY2018 from our projects in Taman Damansara Aliff, Johor Bahru and Bandar Damansara Kuantan, Pahang.

Profit for the segment in 3QFY2019 turnaround by RM6.25 million to RM4.66 million from a loss of RM1.59 million in 3QFY2018, mainly due to contributions from Central Park joint venture development with Country Garden in Johor Bahru

c) **Project Management Consultancy ("PMC")**

For 3QFY2019, the PMC segment recorded a lower revenue of RM2.00 million, a decrease of 69% or RM4.50 million compared to the previous corresponding period. The decrease was mainly due to absence of contribution by Healthcare Technical Services Sdn Bhd which was disposed in 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 2019 (CONT'D)

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

	Current Quarter	Immediate Preceding Quarter	Changes
	30-Sep-19	30-Jun-19	%
Revenue	65,887	68,927	-4%
Gross Profit	15,149	14,439	5%
Operating Profit	1,288	1,642	-22%
Profit Before Tax	4,237	4,844	-13%
Profit After Tax	3,665	3,910	-6%

The Group's revenue for the three months period ended 30 September 2019 decrease 4% to RM65.89 million from RM68.93 million for the three months ended 30 June 2019. The decrease was mainly due to lower revenue recorded from the IFM and PLD segment.

B3 CURRENT YEAR'S PROSPECTS

We have well achieved our transformation goals as outlined in the Group's Strategic Restructuring Plan ("SRP"). As the new and transformed Damansara Realty Bhd ("DBhd"), we're now geared for success and moving onto our long-term strategy to achieve sustainable growth and better margins.

Our main objective during this five-year phase is to focus on tech-based solutions and innovation in our services to increase productivity, improve operational efficiencies and optimise resources. We aim to strengthen and deepen our presence in existing and new markets, backed by our strong brand and reputation. Our continued performance and better-quality earnings will contribute to driving our business expansion, making DBhd the preferred solutions provider for our three core business segments of IFM, PMC, and PLD.

As we actively identify and pursue opportunities to grow our business organically, we are also growing rapidly through developing innovative solutions to create unique value propositions to meet the changing market needs and demands for increased productivity and automation. We are also looking at how we can capitalise on data analytics to grow our business.

Our ability to offer feasible and innovative solutions as well as a broader scope of consultancy services will underscore our operations alongside the delivery of greater value-add to all our stakeholders; from our clients, our employees, our investors to our regulators.

Whilst the PLD segment will remain the key driver of profit for DBhd over the long-term, we continue to be selective with development projects as the property market recovers. We foresee IFM segment to predominantly generate larger growth opportunities for DBhd, countering the effects of the softer property market. Through our expansion of tech-based solutions, we are also looking at ways to address rising manpower and maintenance costs in view of the 4th industrial revolution by advancement in automation to improve our operational efficiency and reduce dependency on labour intensive work approach.

On the PMC front, we are combining strengths with PLD to expand our consultancy services beyond the healthcare sector to specialised development projects such as hospital planning, development and construction which will diversify income streams as well as support the Group's property projects.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019 (CONT'D)

B3 CURRENT YEAR'S PROSPECTS (CONT'D)

a) Property and Land Development Activities

Our outlook for the property market in Malaysia will remain cautious in view of current stagnation as the property market recovers. Meanwhile amid the slower property market, we remain focused on selecting only property projects that can improve the Group's margins, cash flow and bottom-line performance. We believe that opportunities still remain in untapped segments of the market and there is strong genuine demand for affordable homes with good location and infrastructure, close to economic growth areas. With this in mind, marketing our current property projects will be one of our key priorities.

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.

In May, we received Letter of Award ("LOA") from Menteri Besar Negeri Sembilan Incorporated ("MBNSI") for a joint development project on 50 acres of commercial land in Bandar Sri Sendayan, Seremban, Negeri Sembilan. The gross development value ("GDV") of this mix development project will be approximately RM771.0 million, consisting of commercial podiums, shop lots and residential units. The projects is expected to contribute positively to the earnings and net assets of DBhd Group from the financial year 2020 onwards.

b) Integrated Facility Management

As we continue our transformation to become the Preferred Assets and Facilities Management Solutions Provider in the industry, we are exploring ways to harness and develop related and complementary facility management services beyond our core engineering service provider – such as our own in-house cashless payment solution as well as automated centralised system – making DBhd a one-stop-shop for IFM services. We aim to do this with minimal capital expenditure and an asset-light approach.

We have successfully developed and delivered our own in-house cashless payment solution as well as automated centralised system for Metro Parking car parks over the past few years. This cashless payment solution has been expanded for F&B payments as well as security management (i.e. operations and maintenance) for off-site and interconnecting facilities and utilities in the RAPID Executive Village and Management Office in Pengerang, Johor. Building on the success of our cashless payment solutions, moving forward, technology-based solutions will continue to be the key to enhancing and expanding our suite of IFM services as well as providing customisable solutions to meet our clients' needs and requirements.

c) Project Management Consultancy

Moving forward in 2019, we plan to broaden our offerings within the PMC segment beyond the healthcare sector to a wider sector including construction. Spearheaded by Damansara PMC Services Sdn Bhd ("DPMC"), we will grow our PMC segment by pairing strengths with PLD to focus on specialised projects especially in hospital and medical centre development. This is aimed at increasing and diversifying our income streams to ensure a more sustainable recurring revenue as well as to support the Group's property projects.

Backed by sound technical knowledge and expertise especially in the areas of hospital planning and construction, project management and technical consultancy, we will continue to pursue PMC projects more aggressively as we expand our offerings in the areas of construction and hospital management.

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 2019 (CONT'D)****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-Sep-19	Year 30-Sep-18	Year 30-Sep-19	Year 30-Sep-18
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current tax	572	1,335	2,733	3,468
	<u>572</u>	<u>1,335</u>	<u>2,733</u>	<u>3,468</u>

B6 STATUS OF CORPORATE PROPOSAL**1) Damansara Realty Berhad ("DBhd" or the "Company") Proposed Private Placement of up to 10% of the issued shares in DBhd ("Proposed Private Placement")**

On 28 May 2019, the Company proposed to undertake a private placement of up to 31,837,100 new ordinary shares in DBhd, representing up to 10% of the total number of issued shares of the Company investors, to be identified later and at an issue price to be determined by the Board.

On 31 May 2019, the Group was unable to secure the targeted projects for the full utilisation of RM9.81 million intended for the IFM projects, hence the Company to reallocate any remaining balance of the proceeds to the Group's working capital such as purchase of consumables for existing IFM contracts in Klang Valley and Johor as well as payment of sales and marketing costs for the PLD segment of DBhd.

On 3 June 2019, the Proposed Private Placement was submitted to Bursa Malaysia Securities Berhad.

On 12 June 2019, Bursa Securities had, vide its letter dated 12 June 2019, approved the listing of and quotation of up to 31,837,100 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the following conditions:-

1. DBhd and M&A Securities must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Private Placement;
2. DBhd and M&A Securities to inform Bursa Securities upon the completion of the Proposed Private Placement
3. DBhd to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and
4. If relevant, DBhd to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming annual general meeting for the authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016 before the listing of the Placement Shares.

The company required to ensure full compliance of all the requirements as provided under the MMLR at all the times.

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 2019 (CONT'D)

B7 BORROWINGS AND DEBT SECURITIES

As at 3rd quarter ended 30 September 2019					
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	1,870	2,338	-	178	2,516
Bank Overdraft	-	-	-	2,369	2,369
Hire purchase	1,502	525	118	1,070	1,595
Unsecured					
Advanced from shareholder of a subsidiary	-	-	-	1,805	1,805
Advanced from shareholder	-	-	-	2,014	2,014
Total	3,372	2,863	118	7,436	10,299

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					
Bank Overdraft	-	-	-	3,293	3,293
Term Loan	3,333	1,963	-	177	2,140
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

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 2019 (CONT'D)

B8 DERIVATIVES

During FY2019, 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 previous quarterly report ended 15 August 2019, the following are the changes:

a) Om Cahaya Mineral Asia Berhad ("OmC" or the "Plaintiff") v Damansara Realty (Pahang) Sdn. Bhd. ("DRP" or the "Defendant")

This case is concerning a legal suit filed by OmC against DRP for unlawful termination of contract in relation to their alleged appointment to carry out mining works at DRP's land in Kuantan, Pahang.

On Kuala Lumpur High Court ("KLHC") Trial Decision

The KLHC had 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 / KLHC & closed its case thereafter.

During the Clarification and Decision in the KLHC on 19 October 2018, the judge, YA Dato' Nik Hasmat Nik Mohamad, had decided as follows:-

- (i) that the Court dismissed the OmC's claim for loss of profit in the sum of USD85 million (RM366,656,000.00 as at the date of the summons);
- (ii) that the Court dismissed the OmC's claim for specific performance of the contract;
- (iii) that the Court declared that the termination of the Agreement was unlawful;
- (iv) that the Court has ordered the special damages being the purported wasted expenditure claimed by the OmC 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 OmC for general damages, the Court did not award any damages to the OmC apart from the special damages which must be proven by the OmC during the assessment proceedings as mentioned above.

(the Decision above will be referred to as the "Trial Decision")

On Appeal against KLHC's Trial Decision ("Appeal 1") - Liability Appeal

Following the KLHC Trial Decision on 19 Oct 2018, DRP had filed an appeal in the Court of Appeal ("COA") on 5 November 2018. During the COA case management on 10 December 2018, DRP had updated the COA on the status of the Record of Appeal and the Grounds of Judgment ("GOJ") which is still pending in the KLHC.

The COA then directed the parties to update the Court on the status of filing of the Record of Appeal and the release of the GOJ during the case management on 31 January 2019, which was later postponed to 24 July 2019. On 24 July 2019, the Court was informed that the KLHC has yet to provide their GOJ despite of the reminders being sent on 13 November 2018, 22 November 2018, 11 January 2019, 30 January 2019, 21 February 2019, 12 March 2019, 9 April 2019, 7 May 2019, 8 July 2019, 9 July 2019 and 28 August 2019.

As such, the COA fixed the next Case Management date on 20 November 2019 for the parties to update the COA on the status of the said GOJ.

On KLHC's Assessment of Damages

On 5 November 2018, the KLHC held that the special damages as mentioned in item (iv) of the Trial Decision, which is to be assessed by the KLHC would be limited to the wasted expenditure as pleaded by OmC in the Statement of Claim.

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 2019 (CONT'D)

B10 CHANGES IN MATERIAL LITIGATION (CONT'D)

a) Om Cahaya Mineral Asia Berhad ("OmC" or the "Plaintiff") v Damansara Realty (Pahang) Sdn. Bhd. ("DRP" or the "Defendant")

On KLHC's Assessment of Damages (cont'd)

On 29 March 2019, the KLHC delivered their Decision on the Assessment of Special Damages and awarded RM10.8 million to OmC, taking the contract sum as the basis for her assessment of the special damages ("Assessment Decision").

DRP has then filed an appeal against the Assessment Decision to the COA ("Appeal 2") on 8 April 2019, and an Application of Stay of Execution of Assessment Decision ("Stay Application") on 9 April 2019.

On Stay Application on KLHC's Assessment Decision

The KLHC called the parties for a case management on 16 April 2019 for the Stay Application whereby the KLHC directed the parties to file their affidavits and written submissions accordingly. The KLHC fixed the final Case Management on 16 May 2019 for the parties to comply with directions given, and the Hearing date on 27 May 2019 before the Judge to hear the Stay Application.

On 27 May 2019, the KLHC allowed DRP's Stay Application with costs in cause.

On Appeal against KLHC's Trial Decision ("Appeal 2") - Assessment Appeal

On 27 May 2019, the DRP had informed COA that the due date to file the Record of Appeal is on 27 June 2019, and expressed their intention to file the Record of Appeal (without the GOJ, should the same is still not available) by 14 June 2019. The COA then fixed another Case Management date on 11 July 2019 for the parties to update the COA on the status of filing of the Record of Appeal.

During the COA's Case Management on 24 October 2019, the parties informed the COA that the KLHC has not released their GOJ despite of the reminders being sent on 13 November 2018, 22 November 2018, 11 January 2019, 30 January 2019, 21 February 2019, 12 March 2019, 9 April 2019, 7 May 2019, 8 July 2019, 9 July 2019 and 28 August 2019. As such, the COA has fixed a further Case Management date on 4 December 2019 for the parties to update the Court of Appeal on the release of the said GOJ.

b) Express Rail Link Sdn Bhd ("ERL" or the "Plaintiff") v Semasa Parking Sdn Bhd ("SPSB" or the "Defendant") & Metro Parking (M) Sdn Bhd ("MPM" or the "Third Party")

On 1 November 2018, MPM was served with a Third-Party Notice dated 31 October 2018 pertaining to a Kuala Lumpur High Court ("Court") legal suit between ERL and SPSB over a dispute on the alleged outstanding profit-sharing amount within the period from January 2013 to June 2014.

The Third-Party Notice was filed by SPSB who is seeking for indemnification from the MPM over ERL's claim, in the event the Court finds SPSB liable.

MPM had filed their Memorandum of Appearance in the Court on 13 November 2018.

During the Case Management on 10 December 2018, the Court had directed all parties to update the Court on (i) the close of pleadings, and (ii) any interlocutory application filed by the parties prior to the closing of the pleading, during the Case Management which is fixed on 11 February 2019.

On 11 February 2019, the Court had directed (i) SPSB to file and serve its Statement of Reply, if any; (ii) the parties to file all interlocutory application, if any; and (iii) for the parties to update any amicable settlement reached, if any. The Court then fixed another Case Management on 27 March 2019 for the parties to update on the status of the said directions.

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 2019 (CONT'D)

B10 CHANGES IN MATERIAL LITIGATION (CONT'D)

b) Express Rail Link Sdn Bhd ("ERL" or the "Plaintiff") v Semasa Parking Sdn Bhd ("SPSB" or the "Defendant") & Metro Parking (M) Sdn Bhd ("MPM" or the "Third Party") (cont'd)

On 27 March 2019, the parties informed the Court on their ongoing attempts for a settlement meeting.

MPM recorded their intention to file an application for a dismissal of action under Order 33 rule 5 of the Rules of Court 2012 ("the O33 application"). MPM also informed the Court that they are receptive to the settlement meeting on a without prejudice basis.

As such, the Court has fixed another case management date on 10 April 2019 for the parties to comply with the Court directives and to update (i) the status of the settlement meeting; (ii) for the parties to finalize all of the pre-trial documents by 10 April 2019; and (iii) for MPM to file and serve the O33 application by 10 April 2019.

On 10 April 2019, the Court directed the parties to compile, among others, the List of Witnesses, the Common Bundle of Documents, and the Common Summary of Facts by 24 April 2019 and for MPM to file and serve their O33 Application by 24 April 2019. The Court then fixed the next case management date on 7 May 2019 for the parties to update on the directions given.

On 7 May 2019, the Court has fixed another case management date on 30 May 2019 for SPSB to file their reply to MPM's Affidavit on MPM's O33 Application as well as the pre-trial documents ie. the List of Witnesses and the Defendant's Summary of Case; and for the parties to update the Court on the status of settlement.

As the parties had filed the required pre-trial documents, the Court then fixed the case management on 22 July 2019 and the Hearing for the O33 Application on 22 July 2019. The parties were further directed to update the Court on the outcome of the settlement between the parties, if any.

On 22 July 2019, the Court converted the Hearing of the O.33 Application into a Case Management due to the change of solicitors by MPM on 15 July 2019. The court directed the parties to file the Written Submission by 30 August 2019 and fixed a Hearing for the O33 Application on 6 September 2019. The Court also acknowledged that MPM may dispense with the O.33 Application and may try to explore for an amicable settlement together with the parties in the suit.

On 6 September 2019, MPM withdrew the O33 Application, which costs of RM2,000.00 was awarded by the Court to the SPSB thereafter. The Court then fixed a Case Management date on 24 September 2019 for MPM to file their application to amend their pleadings, and for the Court to fix Trial dates, if necessary.

On 24 September 2019, MPM informed the Court that they will not be filing any application to amend its pleadings. Consequently, the Court fixed the Full Trial dates from 22 April 2020 to 24 April 2020, and directed the parties to file and exchange their Witness Statements no later than 2 weeks before Trial date. The Court also fixed a Case Management date on 21 February 2020 for the parties to update the Court on the outcome of settlement between the parties. In the event the matter is settled earlier, the parties are directed to immediately notify the Court in writing.

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 2019 (CONT'D)

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>Quarter</u> <u>30-Sep-19</u>	<u>Preceding</u> <u>Year Quarter</u> <u>30-Sep-18</u>
a) Basic EPS		
Net profit attributable to ordinary shareholders (RM'000)	9,314	3,279
Weighted average number of ordinary shares in issue ('000)	318,371	318,371
Basic earnings per ordinary share (sen)	2.93	1.03

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

12 November 2019