

**UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2019**

**Consolidated Statement of Comprehensive Income**

	Individual			Cumulative		
	Current year	Preceding year	Changes	Current year	Preceding year	Changes
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	%	31-Dec-2019 RM'000	31-Dec-2018 RM'000	%
Revenue	88,211	82,314	7%	294,319	304,125	-3%
Cost of sales	(63,462)	(54,469)	-17%	(224,327)	(222,910)	-1%
Gross profit	24,749	27,845	-11%	69,992	81,215	-14%
Interest income	139	127	9%	338	290	17%
Other income	301	4,807	-94%	3,297	5,999	-45%
Employee benefits expense	(8,956)	(6,718)	-33%	(32,773)	(32,154)	-2%
Other operating expenses	(6,128)	(8,491)	28%	(24,078)	(28,684)	16%
<b>Operating profit</b>	<b>10,105</b>	<b>17,570</b>	<b>-42%</b>	<b>16,776</b>	<b>26,666</b>	<b>-37%</b>
Finance cost	(211)	(281)	25%	(931)	(1,252)	26%
Share of profit of associate company	4,869	-	100%	11,500	-	100%
<b>Profit before tax</b>	<b>14,763</b>	<b>17,289</b>	<b>-15%</b>	<b>27,345</b>	<b>25,414</b>	<b>8%</b>
Income tax expenses	(1,299)	(2,406)	46%	(4,032)	(5,874)	31%
<b>Profit for the period</b>	<b>13,464</b>	<b>14,883</b>	<b>-10%</b>	<b>23,313</b>	<b>19,540</b>	<b>19%</b>
<b>Other comprehensive income, net of tax</b>						
Foreign currency translation differences for foreign operations	738	(1,173)	163%	1,836	(41)	4578%
<b>Total comprehensive income for the year</b>	<b>14,202</b>	<b>13,710</b>	<b>4%</b>	<b>25,149</b>	<b>19,499</b>	<b>29%</b>
<b>Profit for the period attributable to:</b>						
Owners of the parent	14,667	17,340	-15%	23,981	20,619	16%
Non-controlling interests	(1,203)	(2,457)	51%	(668)	(1,079)	38%
	<b>13,464</b>	<b>14,883</b>	<b>-10%</b>	<b>23,313</b>	<b>19,540</b>	<b>19%</b>
<b>Total comprehensive income for the period, net of tax attributable to:</b>						
Owners of the parent	15,405	16,167	-5%	25,817	20,578	25%
Non-controlling interests	(1,203)	(2,457)	51%	(668)	(1,079)	38%
	<b>14,202</b>	<b>13,710</b>	<b>4%</b>	<b>25,149</b>	<b>19,499</b>	<b>29%</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>						
Basic earnings per share (sen)	4.61	5.45		7.53	6.48	
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  
31 DECEMBER 2019**

**Consolidated Statement of Comprehensive Income**

	Individual		Cumulative	
	Current year 31-Dec-2019 RM'000	Preceding year 31-Dec-2018 RM'000	Current year 31-Dec-2019 RM'000	Preceding year 31-Dec-2018 RM'000
Profit For The Period	13,464	14,883	23,313	19,540
Other Comprehensive Income For The Period, Net Of Income Tax	738	(1,173)	1,836	(41)
<b>Total Comprehensive Income For The Period, Net Of Income Tax</b>	<b>14,202</b>	<b>13,710</b>	<b>25,149</b>	<b>19,499</b>
Total Comprehensive Income Attributable To:				
Owners of the Company	14,667	17,340	23,981	20,619
Non-controlling interests	(1,203)	(2,457)	(668)	(1,079)
	<b>13,464</b>	<b>14,883</b>	<b>23,313</b>	<b>19,540</b>

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

Interest Income	139	127	338	290
Other Income Including Investment Income	301	4,807	3,297	5,999
Interest Expenses	(211)	(281)	(931)	(1,252)
Depreciation and Amortization	(593)	(507)	(2,347)	(2,163)

**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 31 December 2019**

	<b>Unaudited</b> <b>31-Dec-2019</b> <i>RM'000</i>	<b>Audited</b> <b>31-Dec-2018</b> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,565	22,717
Inventories	60,971	60,755
Investment properties	84,706	89,141
Investment in associates	11,500	-
Deferred tax assets	894	3,324
Other investments	51	51
Other Assets	24	-
Goodwill on consolidation	888	888
	<b>176,599</b>	<b>176,876</b>
<b>Current assets</b>		
Inventories	14,087	23,096
Trade receivables and other receivables	117,085	105,162
Other current assets	2,281	707
Cash and bank balances	32,228	27,120
	<b>165,681</b>	<b>156,085</b>
<b>TOTAL ASSETS</b>	<b>342,280</b>	<b>332,961</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	8,529	9,555
Trade and other payables	129,202	139,473
	<b>137,731</b>	<b>149,028</b>
<b>Net current assets</b>	<b>27,950</b>	<b>7,057</b>
<b>Non-current liabilities</b>		
Loans and borrowings	4,730	7,364
Deferred tax liabilities	1,686	1,740
	<b>6,416</b>	<b>9,104</b>
<b>Total Liabilities</b>	<b>144,147</b>	<b>158,132</b>
<b>Net assets</b>	<b>198,133</b>	<b>174,829</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	159,341	159,341
Revaluation reserves	41,603	41,603
Accumulated profit / (losses)	15,447	(10,370)
Merger Reserve	(18,568)	(18,568)
Capital reserve	47	56
Exchange reserve	(3,720)	(1,884)
Shareholders' equity	194,150	170,178
Non-controlling interests	3,983	4,651
<b>Total equity</b>	<b>198,133</b>	<b>174,829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>342,280</b>	<b>332,961</b>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<b>0.610</b>	<b>0.535</b>

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 31 December 2019**

	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> <b>Equity attributable to owners of the parent</b> </div> <div style="padding: 0 10px;"> <b>Attributable To Owners Of Parent</b> </div> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> <b>Non-Distributable</b> </div> </div> </div> </div>									
	Equity Total RM'000	Equity attributable to owners of the 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
<b>2019</b>										
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	23,313	23,981	-	-	-	-	-	(1,836)	25,817	(668)
Capital reserve	(9)	(9)	-	-	-	(9)	-	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-
<b>Closing balance at 31 December 2019</b>	<b>198,133</b>	<b>194,150</b>	<b>159,341</b>	<b>-</b>	<b>41,603</b>	<b>47</b>	<b>(18,568)</b>	<b>(3,720)</b>	<b>15,447</b>	<b>3,983</b>
<b>2018</b>										
Opening balance at 1 January 2018	155,719	147,403	155,341	316	41,603	85	(18,568)	(1,925)	(29,449)	8,316
Conversion of Redeemable Convertible Notes ("RCN")	4,000	4,000	4,000	-	-	-	-	-	-	-
Termination of RCN	(345)	(345)	-	(316)	-	(29)	-	-	-	-
Disposal of subsidiary	(3,966)	-	-	-	-	-	-	-	-	(3,966)
Total comprehensive income	19,541	19,120	-	-	-	-	-	41	19,079	421
Dividend to non-controlling interest	(120)	-	-	-	-	-	-	-	-	(120)
<b>Closing balance at 31 December 2018</b>	<b>174,829</b>	<b>170,178</b>	<b>159,341</b>	<b>-</b>	<b>41,603</b>	<b>56</b>	<b>(18,568)</b>	<b>(1,884)</b>	<b>(10,370)</b>	<b>4,651</b>

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 31 December 2019**

	<b>12 months ended</b> <b>31-Dec-2019</b> <i>RM'000</i>	<b>12 months ended</b> <b>31-Dec-2018</b> <i>RM'000</i>
Receipt from customers	272,942	218,656
Payment to suppliers, creditors and employees	(250,371)	(204,439)
Payment of income taxes paid	(10,613)	(1,989)
Interest paid	(975)	(1,252)
Interest received	357	290
<b>Net Cash generated from operating activities</b>	<b>11,340</b>	<b>11,266</b>
Purchase of property, plant and equipment	(1,273)	(4,358)
Net cash outflows from disposal of subsidiaries	-	(2,822)
Proceed from disposal of property plant and equipment	-	100
<b>Net Cash used in investing activities</b>	<b>(1,273)</b>	<b>(7,080)</b>
<b>Cash Flow from financing activities</b>		
Repayment of obligations under finance leases	(1,820)	(2,677)
Repayment of loan & borrowings	(3,139)	(2,836)
Proceeds from issuance of RCN	-	5,000
Payment for redemption RCN	-	(4,025)
<b>Net Cash used in financing activities</b>	<b>(4,959)</b>	<b>(4,538)</b>
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>5,108</b>	<b>(352)</b>
Cash and cash equivalents as at 1 January	27,120	27,472
<b>Cash and cash equivalents as at 31 December</b>	<b>32,228</b>	<b>27,120</b>

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 31 DECEMBER 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 31 DECEMBER 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.

**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 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-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
<b>Revenue:</b>														
- External sales	-	-	261,043	285,483	31,385	11,192	1,891	7,450	-	-	-	-	294,319	304,125
- Inter company sales	10,339	6,970	3,408	3,796	-	-	2,439	-	80	-	(16,266)	(10,766)	-	-
Total revenue	10,339	6,970	264,451	289,279	31,385	11,192	4,330	7,450	80	-	(16,266)	(10,766)	294,319	304,125
<b>Results:</b>														
Interest Income	13	26	316	195	8	43	-	26	1	-	-	-	338	290
Depreciation and amortisation	107	116	2,181	1,870	58	58	1	118	-	1	-	-	2,347	2,163
Segment profit/(loss)	2,583	14,633	9,641	21,859	15,525	(2,520)	493	768	594	(81)	(1,491)	(9,245)	27,345	25,414
<b>Assets :</b>														
Segment assets	122,946	117,096	117,027	149,274	263,289	237,697	5,562	754	55,127	39,644	(221,671)	(211,504)	342,280	332,961
Segment liabilities	53,950	53,863	81,799	118,687	199,928	188,140	17,161	12,859	116,320	101,413	(325,011)	(316,830)	144,147	158,132

\* Note : inclusive overseas operations

	31-Dec-19					
	Singapore		Philippines		Malaysia	Total
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)	RM ('000)	RM ('000)
Revenue	15,337	46,879	460,087	37,727	209,713	294,319
Profit / (loss)	387	1,184	53,443	4,382	21,779	27,345
Assets	2,868	8,715	180,859	14,595	318,970	342,280
Liabilities	2,343	7,119	93,082	7,512	129,516	144,147
Exchange rate :						
Income statement	RM3.0566		RM0.0820			
Balance Sheet	RM3.0387		RM0.0807			

	31-Dec-18					
	Singapore		Philippines		Malaysia	Total
	SGD ('000)	RM ('000)	PHP ('000)	RM ('000)	RM ('000)	RM ('000)
Revenue	15,444	47,032	466,901	36,885	220,208	304,125
Profit / (loss)	(495)	(1,508)	51,810	4,093	22,829	25,414
Assets	3,450	10,461	162,924	12,822	309,678	332,961
Liabilities	3,312	10,042	86,317	6,793	141,297	158,132
Exchange rate :						
Income statement	RM3.0453		RM0.0790			
Balance Sheet	RM3.0322		RM0.0787			



**DAMANSARA REALTY BERHAD (4030-D)**

**A NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019.**

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

The Group's revenue for the financial year ended 31 December 2019 ("FY2019") decreased by RM9.81 million or 3% to RM294.32 million, compared to RM304.13 million for the financial year ended 31 December 2018 ("FY2018") mainly due lower contribution from IFM and PMC. The decrease was off-set by improved contribution from our PLD, namely contribution from project at Taman Damansara Aliff and Central Park, Johor Bahru.

Despite a lower revenue as compared to FY2018, the Group recorded a higher profit before tax of RM27.35 million mainly due to the contribution from PLD segment driven by our project 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")**

For FY2019 IFM recorded RM24.83 million or 9% decrease in revenue to RM264.45 million as compared to RM289.28 million in FY2018, mainly due to lower occupancy at Rapid Temporary Executive Village ("RTEV"), Pengerang, Johor and expiration of maintenance contract in KLIA.

This results in lower profit for the segment in FY2019 by RM12.22 million to RM9.64 million as compared to RM21.86 million in FY2018.

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

For FY2019, PLD recorded a revenue of RM31.39 million compared to RM11.19 million in FY2018. The increase was mainly due to higher units sold from our projects in Taman Damansara Aliff, Johor Bahru and Bandar Damansara Kuantan, Pahang.

For FY2019 PLD recorded a profit of RM15.53 million as compared to RM2.52 million loss for FY2018, mainly due to contributions from project at Taman Damansara Aliff, Johor Bahru and Central Park joint venture development with Country Garden in Johor Bahru.

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

For FY2019, the PMC recorded a lower revenue of RM4.33 million , a decrease of 42% or RM3.12 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 FY2018.

## DAMANSARA REALTY BERHAD (4030-D)

### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019 (CONT'D)

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

	Current Quarter 31-Dec-19	Immediate Preceding Quarter 30-Sep-19	Changes %
Revenue	88,211	65,887	34%
Gross Profit	24,749	15,149	63%
Operating Profit	10,105	1,288	685%
Profit Before Tax	14,763	4,237	248%
Profit After Tax	13,464	3,665	267%

The Group's reported improvement in the 3 month current quarter ended 31 December 2019 compared to the 3 month immediate preceding quarter ended 30 September 2019. In tandem with the increase in revenue, the Group reported higher profit mainly due to higher operating profit contribute by PLD and IFM 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.

## **DAMANSARA REALTY BERHAD (4030-D)**

### **B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 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 FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 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 31-Dec-19 RM'000	Year 31-Dec-18 RM'000	Year 31-Dec-19 RM'000	Year 31-Dec-18 RM'000
Current tax	1,299	2,406	4,032	5,874
	<u>1,299</u>	<u>2,406</u>	<u>4,032</u>	<u>5,874</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 Main Market Listing Requirement ("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 FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019 (CONT'D)

B7 BORROWINGS AND DEBT SECURITIES

As at 4th quarter ended 31 December 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)	
<b>Secured</b>						
Term Loan	1,140	2,302	586	242	1,726	2,544
Bank Overdraft	-	-	-	2,448	-	2,448
Hire purchase	975	313	502	924	1,477	1,237
<b>Unsecured</b>						
Advanced from shareholder of a subsidiary	-	-	-	1,805	-	1,805
Advanced from shareholder	-	-	-	2,022	-	2,022
<b>Total</b>	<b>2,115</b>	<b>2,615</b>	<b>1,088</b>	<b>7,441</b>	<b>3,203</b>	<b>10,056</b>

As at 4th quarter ended 31 December 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)	
<b>Secured</b>						
Bank Overdraft	-	-	-	2,524	-	2,524
Term Loan	3,333	1,521	-	178	3,333	1,699
Hire purchase	1,531	979	1,655	207	3,186	1,186
Redeemable Convertible Notes	-	-	-	-	-	-
<b>Unsecured</b>						
Advanced from shareholder of a subsidiary	-	-	-	1,805	-	1,805
Advanced from shareholder	-	-	-	3,186	-	3,186
<b>Total</b>	<b>4,864</b>	<b>2,500</b>	<b>1,655</b>	<b>7,900</b>	<b>6,519</b>	<b>10,400</b>

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 FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 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 12 November 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")**

*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. The parties had also updated the COA on the status of Record of Appeal during the case management on 10 December 2018.

However, during numerous case managements held between 10 December 2018 to 20 November 2019, the parties had updated the COA on status of the Grounds of Judgment ("GOJ") that is still pending in the KLHC. DRP had also written to the KLHC several reminder on their request of the GOJ 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.

During the case management on 20 November 2019, the COA in noting the same had fixed a case management on 30 January 2020 for the parties to update the COA on the status of the GOJ.

During the case management on 30 January 2020, which was heard together with the case management for appeal against KLHC's Trial Decision ("Appeal 2 / Assessment Appeal") as stated below, the COA noted on the receipt of the GOJ from the KLHC and the fact that the appeal herein ("Liability Appeal") and the Assessment Appeal are related and to be heard together. As such, the COA directed the parties to file their Common Core Bundle, chronology of facts, written submission, and executive summary by 16 June 2020, and further fixed the Hearing for both appeals on 30 June 2020.

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

During the case management on 4 December 2019, DRP informed the COA that the KLHC has released their GOJ, as notified on 3 December 2019. During the case management on 9 January 2020, the Appellant had also updated the COA on the filing of Supplementary Record of Appeal as directed by the COA.

Further, during the case managements on 9 January 2020, 14 January 2020, 28 January 2020, and 30 January 2020, the Appellant had requested for the appeal herein ("Assessment Appeal") and the Liability Appeal (as stated above) to be heard on the same date as both appeals came from the decisions out of the same case in KLHC, which have the same facts, parties, solicitors, GOJ and documents as provided in the Record of Appeal. The COA, in noting the same, directed the parties to file their Common Core Bundle, chronology of facts, written submission, and executive summary by 16 June 2020, and further fixed the Hearing for both appeals on 30 June 2020.

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 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")**

During the case management on 30 December 2019, the Third Party has informed the Court of MPM's application for leave to amend MPM's Statement of Defence ("Amendment Application") and the status of its service to all parties. The Court then gave the filing directives of Affidavits in Reply and Written Submission to all parties and fixed the Hearing date of the Amendment Application on 24 February 2020.

The Case Management which is fixed on 21 February 2020 and the Full Trial dates which are fixed 22 April 2020 to 24 April 2020 are maintained.

**B11 DIVIDEND**

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

**B12 EARNINGS PER SHARE ("EPS")**

	Cumulative 12 months	
	Current Quarter	Preceding Year Quarter
	31-Dec-19	31-Dec-18
<b>a) Basic EPS</b>		
Net profit attributable to ordinary shareholders (RM'000)	23,981	20,619
Weighted average number of ordinary shares in issue ('000)	318,371	318,371
Basic earnings per ordinary share (sen)	7.53	6.48

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

19 February 2020