

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 30 September 2014

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--------------------|------------------------------|--------------------|------------------------------|
| | CURRENT YEAR | PRECEDING YEAR CORRESPONDING | CURRENT YEAR | PRECEDING YEAR CORRESPONDING |
| | 1ST QTR | 1ST QTR | CUM 1 QTR | CUM 1 QTR |
| | FY2015 | FY2014 | FY2015 | FY2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Continuing Operations | | | | |
| Revenue | 54,465 | 28,021 | 54,465 | 28,021 |
| Operating expenses | (49,503) | (26,058) | (49,503) | (26,058) |
| Other operating income | 2,700 | 39,524 | 2,700 | 39,524 |
| Profit from operations | 7,662 | 41,487 | 7,662 | 41,487 |
| Finance cost | (882) | - | (882) | - |
| Investing results | 329 | 2,207 | 329 | 2,207 |
| Share of profit of a joint venture | 58 | - | 58 | - |
| Profit before tax from continuing operations | 7,167 | 43,694 | 7,167 | 43,694 |
| Taxation | (3,257) | (11,143) | (3,257) | (11,143) |
| Net profit for the period from continuing operation | 3,910 | 32,551 | 3,910 | 32,551 |
| Other Comprehensive Income: | | | | |
| Currency translation differences | 1 | 2,120 | 1 | 2,120 |
| Other comprehensive income for the year | 1 | 2,120 | 1 | 2,120 |
| Total comprehensive income for the year | 3,911 | 34,671 | 3,911 | 34,671 |
| Profit attributable to: | | | | |
| Owners of the parent | 3,910 | 32,551 | 3,910 | 32,551 |
| Minority Interest | - | - | - | - |
| | 3,910 | 32,551 | 3,910 | 32,551 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 3,911 | 34,671 | 3,911 | 34,671 |
| Minority Interest | - | - | - | - |
| | 3,911 | 34,671 | 3,911 | 34,671 |
| Earning per share (sen) | | | | |
| Basic | 1.86 | 15.46 | 1.86 | 15.46 |
| Diluted | 1.86 | 15.46 | 1.86 | 15.46 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As At 30 September 2014

| | AS AT END OF CURRENT QUARTER 30/Sep/2014 | AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2014 |
|---|---|---|
| | RM'000 | RM'000 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 304,603 | 305,820 |
| Investment properties | 314,715 | 314,236 |
| Land held for property development | 560,997 | 563,310 |
| Other investments | 29,982 | 29,982 |
| Investment in joint venture | 38,045 | 37,986 |
| Deferred tax assets | 9,453 | 7,757 |
| | <u>1,257,795</u> | <u>1,259,091</u> |
| CURRENT ASSETS | | |
| Property development costs | 96,525 | 100,785 |
| Inventories | 7,619 | 9,762 |
| Trade receivables | 59,569 | 62,478 |
| Other receivables | 5,282 | 3,985 |
| Prepayment | 3,116 | 3,891 |
| Tax recoverable | 740 | 995 |
| Other investments | 360 | 1,300 |
| Fixed deposits | 39,274 | 17,835 |
| Cash and bank balances | 11,545 | 35,669 |
| | <u>224,030</u> | <u>236,700</u> |
| TOTAL ASSETS | <u>1,481,825</u> | <u>1,495,791</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | |
| Share capital | 212,192 | 212,192 |
| Reserves | | |
| - Treasury shares | (2,480) | (2,480) |
| - Capital redemption reserve | 23,064 | 23,064 |
| - Revaluation reserve | 126,122 | 126,165 |
| - Foreign exchange reserve | (492) | (493) |
| - Fair value adjustment reserve | (865) | (865) |
| - Retained earnings | 731,095 | 727,142 |
| TOTAL EQUITY | <u>1,088,636</u> | <u>1,084,725</u> |
| NON-CURRENT LIABILITIES | | |
| Provision for foreseeable losses for affordable housing | 190,655 | 190,655 |
| Deferred tax liabilities | 40,430 | 40,263 |
| Borrowings | 70,175 | 69,809 |
| Retirement benefit obligations | 861 | 915 |
| | <u>302,121</u> | <u>301,642</u> |
| CURRENT LIABILITIES | | |
| Trade payables | 22,465 | 34,415 |
| Other payables | 25,290 | 32,782 |
| Tax payable | 43,313 | 42,227 |
| | <u>91,068</u> | <u>109,424</u> |
| TOTAL LIABILITIES | <u>393,189</u> | <u>411,066</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,481,825</u> | <u>1,495,791</u> |
| Net assets per share | | |
| Net assets | 1,088,636 | 1,084,725 |
| Share capital (unit) | | |
| Number of ordinary shares in issue | 212,192 | 212,192 |
| Less: Cumulative number of treasury shares | (1,611) | (1,611) |
| | <u>210,581</u> | <u>210,581</u> |
| Net assets per share (RM) | 5.17 | 5.15 |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the 3 Months Period Ended 30 September 2014

| | Share Capital RM'000 | Treasury Shares RM'000 | Capital Redemption Reserve RM'000 | Revaluation Reserve RM'000 | Foreign Exchange Reserve RM'000 | Retained Earnings RM'000 | Fair Value Adjustment Reserve RM'000 | Total RM'000 |
|---|----------------------------|------------------------------|--|----------------------------------|--|--------------------------------|---|-----------------|
| At 1 July 2014 | 212,192 | (2,480) | 23,064 | 126,165 | (493) | 727,142 | (865) | 1,084,725 |
| Realisation of revaluation surplus due to sales of property | - | - | - | (43) | - | 43 | - | - |
| Currency translation differences | - | - | - | - | 1 | - | - | 1 |
| Net income/(expense) not recognised in the income statement | - | - | - | (43) | 1 | 43 | - | 1 |
| Net profit for the Period | - | - | - | - | - | 3,910 | - | 3,910 |
| Total comprehensive income | - | - | - | (43) | 1 | 3,953 | - | 3,911 |
| At 30 September 2014 | 212,192 | (2,480) | 23,064 | 126,122 | (492) | 731,095 | (865) | 1,088,636 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
For the 3-Month Period Ended 30 September 2014

| | 30 September 2014 | 30 September 2013 |
|--|--------------------------|--------------------------|
| | RM'000 | RM'000 |
| <u>Cash Flows from Operating Activities</u> | | |
| Profit before tax | 7,167 | 43,694 |
| Adjustments for non-cash flow: | | |
| Non-cash items | 6,316 | (37,569) |
| Non-operating items | 499 | (357) |
| Operating profit before changes in working capital | <u>13,982</u> | <u>5,768</u> |
| Changes in working capital: | | |
| Net change in current assets | 11,048 | 1,958 |
| Net change in current liabilities | (19,442) | 1,412 |
| Cash generated from/(used in) operations | <u>5,588</u> | <u>9,138</u> |
| Payment of retirement benefits | (120) | - |
| Tax paid | (3,446) | (3,172) |
| Interest paid | (1,017) | - |
| Interest received | 1 | 41 |
| Net cash flows from/(used in) operating activities | <u>1,006</u> | <u>6,018</u> |
| <u>Cash Flows from Investing Activities</u> | | |
| Purchase of property, plant and equipment | (2,944) | (23,981) |
| Disposal of property, plant and equipment | 1 | 85 |
| Addition of Investment Properties | (479) | (886) |
| Acquisition of investments | - | 668 |
| Disposal of investments | 947 | 19,498 |
| Interest received | 322 | 316 |
| Other investing activities | (2,039) | (106) |
| Net cash generated from/(used in) investing activities | <u>(4,192)</u> | <u>(4,406)</u> |
| <u>Cash Flows from Financing Activities</u> | | |
| Borrowings | 500 | - |
| Net cash generated from/(used in) financing activities | <u>500</u> | <u>-</u> |
| Net change in Cash & Cash Equivalents | (2,686) | 1,612 |
| Cash & Cash Equivalents at beginning of year | 53,504 | 135,874 |
| Effect of changes in foreign currency | 1 | 2,120 |
| Cash & Cash Equivalents at end of year | <u>50,819</u> | <u>139,606</u> |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements of the Company have been prepared on a historical cost basis, except for freehold land and buildings included under property, plant and equipment and investment properties that have been measured at their fair value.

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2014. These explanatory notes attached to the interim financial statements explains the changes in the financial position and performance of the Group since the year ended 30 June 2014.

2. Significant Accounting Policies

2.1 Changes in accounting policy and effects arising from adption of new FRS

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2014 except for the adoption of the following new Financial Reporting Standard ("FRS") effective for financial year beginning 1 July 2014:

- Amendments to FRS 10, FRS 12 and FRS 127
- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies
- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

Adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Group and the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

2.2 Standards and interpretations issued but not yet effective

The Group have not adopted the following standards and interpretations that have been issued but not yet effective:

| | Effective for annual periods beginning on or after |
|--|---|
| • Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint operations | 1 January 2016 |
| • FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Malaysian Financial Reporting Standards (MFRS Framework)

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

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein referred as "Transitioning Entities"). The adoption of the MFRS Framework by Transitioning Entities will be mandatory only for annual financial period beginning on or after 1 January 2017.

The Group will present its first financial statements in accordance with the MFRS Framework for the financial year beginning on 1 July 2017. The Group is currently in the process of determining the impact arising from the initial application of MFRS Framework. Before the effective date, the Group will continue to prepare its financial statement in accordance with the FRS framework.

3. Nature and Amount of Unusual Items

There were no unusual item or transaction reported for the financial period ended 30 September 2014.

4. Changes In Estimates

There were no material effect on changes in estimates in the current financial quarter under review.

5. Seasonal or Cyclical Factors

The Group's core business comprises property developments and property investments which are not seasonal but cyclical in nature.

6. Dividends Paid

No dividend was paid in the current financial quarter ended 30 September 2014.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

7. Issuance and Repayment of Debts and Equity Securities

There were no issuances, repurchases, resale and repayments of debt and equity securities for the financial period ended 30 September 2014 except for the following:

Shares Buy-back

There were no shares buy-back by the Company from the open market during the current financial quarter under review.

The shares bought-back, other than those previously cancelled, are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

8. Segmental Reporting

Segment information for the 3-month financial period ended 30 September 2014 :-

| | Revenue RM'000 | Profit/(Loss) Before Taxation RM'000 |
|------------------------|-------------------|---|
| Analysis by industry : | | |
| Property development | 39,434 | 14,631 |
| Property investment | 2,403 | 592 |
| Trading | 5,698 | 388 |
| Leisure and recreation | 2,132 | (122) |
| Hospitality | 4,546 | (8,332) |
| Others | 252 | 10 |
| | <u>54,465</u> | <u>7,167</u> |

9. Valuation of Property, Plant & Equipment

There were no amendments to the valuation of property, plant and equipment brought forward from the previous annual financial statements.

10. Subsequent Material Events

There were no material events subsequent to the end of the reporting quarter and at the date of this announcement.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter ended 30 September 2014.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 30 September 2014.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB

1. Performance Review

Revenue Review

The Group's revenue for the current financial quarter under review was RM54,465,000 compared to RM28,021,000 in the corresponding financial quarter of the preceding year.

The higher revenue in the current financial quarter under review was mainly due to higher property sales in Taman Gaya which comprised of double-storey cluster houses and higher sales of double-storey shop offices and double-storey cluster houses in Taman Daiman Jaya.

Hospitality business also contributed to the increase in revenue.

Profit Review

The Group's profit before tax for the current financial quarter under review was RM7,167,000 compared to RM43,694,000 in the corresponding financial quarter of the preceding year.

The decrease in the Group's profit before tax compared to the corresponding financial quarter of the preceding year is because, included in that corresponding financial quarter was a one time accounting gain of RM37.2 million pursuant to the joint venture agreement with Publiq Development Group Sdn Bhd (Formerly known as Rainbow Crest Sdn Bhd). The decrease is also due to higher operating costs from hospitality division, but partially offset by higher profit from the property development business from higher properties sales.

2. Comparison with Immediate Preceding Quarter's Profit Before Tax

The Group's profit before tax for the current financial quarter under review was RM7,167,000 compared to RM29,653,000 in the immediate preceding financial quarter.

The decrease in the Group's profit before tax was mainly due to higher fair value gains on investment properties in the preceding quarter and higher hotel operation losses in the current financial quarter.

3. Commentary on Prospects

The Board is confident that, barring unforeseen circumstances, the financial results of the Group for the financial year ending 30 June 2015 will be satisfactory.

4. Profit Forecast

Not applicable.

DAIMAN DEVELOPMENT BERHAD**NOTES TO THE INTERIM FINANCIAL STATEMENTS****PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB****5. Notes to the Statement of Comprehensive Income**

| | FY2015 | |
|---|---------|-----------|
| | 1ST QTR | CUM 1 QTR |
| | RM'000 | RM'000 |
| (a) Interest income | 323 | 323 |
| (b) Other income including investment income | 8 | 8 |
| (c) Interest expense | (882) | (882) |
| (d) Depreciation and amortization | (4,155) | (4,155) |
| (e) Provision for and write off of receivables | N/A | N/A |
| (f) Provision for and write off of inventories | N/A | N/A |
| (g) Gain / (Loss) on disposal of quoted or unquoted investments or properties | 1 | 1 |
| (h) Impairment of assets | N/A | N/A |
| (i) Foreign exchange loss | N/A | N/A |
| (j) Gain or loss on derivatives | N/A | N/A |
| (k) Exceptional items | N/A | N/A |

N/A - Not applicable

6. Taxation

| | FY2015 | |
|-----------------------------------|--------------|--------------|
| | 1ST QTR | CUM 1 QTR |
| | RM'000 | RM'000 |
| Current year income tax provision | 4,786 | 4,786 |
| Deferred taxation | (1,529) | (1,529) |
| | <u>3,257</u> | <u>3,257</u> |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% on the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The higher effective income tax rate for the current financial quarter is mainly due to the non tax deductible items.

7. Status of Corporate Proposals

(a) Status of Corporate Proposals

There is no announced corporate proposal which is not completed as at the date of this Quarterly Report.

(b) Status of Utilisation of Proceeds

Not applicable.

8. Group Borrowings and Debt Securities

| | RM'000 |
|--|---------------|
| Short term borrowings (unsecured) | |
| Revolving credit | 502 |
| Medium term borrowings (secured) | |
| Term loan | 69,673 |
| | <u>70,175</u> |

The borrowing is denominated in Ringgit Malaysia.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB

9. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk as at the date of this Quarterly Report.

10. Material Litigation

There is no pending material litigation as at the date of this Quarterly Report.

11. Dividend

No dividend has been declared for the current financial quarter ended 30 September 2014.

12. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the consolidated net profit after tax for the financial period by using the weighted average number of ordinary shares in issue during the financial period.

| | |
|--|----------------|
| | RM'000 |
| Net profit after tax | <u>3,910</u> |
| Weighted average number of ordinary shares: | |
| Number used in calculation of basic & diluted earnings per share | <u>210,581</u> |
| Basic earnings per share (sen) | <u>1.86</u> |
| Diluted earnings per share (sen) | <u>1.86</u> |

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART C : DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Summary of the Realised and Unrealised Profits or Losses for the current quarter and immediate preceding quarter is as follows:

| | As at 30/9/2014 RM'000 | As at 30/6/2014 RM'000 |
|---|------------------------------|------------------------------|
| Total retained profits of the Group | | |
| - Realised | 635,369 | 633,874 |
| - Unrealised | 179,532 | 177,474 |
| | <u>814,901</u> | <u>811,348</u> |
| Consolidation adjustments | (83,806) | (84,206) |
| Total Group retained profits as per consolidated accounts | <u>731,095</u> | <u>727,142</u> |

By Order of the Board
WOO MIN FONG (MS)
Company Secretary
Johor Bahru
25 November 2014