

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 31 December 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	2ND QTR	2ND QTR	CUM 2 QTRS	CUM 2 QTRS
	FY2015	FY2014	FY2015	FY2014
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	47,506	40,576	101,971	68,597
Operating expenses	(43,386)	(32,333)	(92,889)	(58,390)
Other operating income	2,860	3,041	5,560	42,564
Profit from operations	6,980	11,284	14,642	52,771
Finance cost	(872)	-	(1,754)	-
Investing results	616	8	945	2,215
Share of profit of a joint venture	4	-	62	-
Profit before tax from continuing operations	6,728	11,292	13,895	54,986
Taxation	(2,708)	(3,620)	(5,965)	(14,763)
Net profit for the period from continuing operation	4,020	7,672	7,930	40,223
Other Comprehensive Income:				
Currency translation differences	3	1,371	3	3,491
Other comprehensive income for the year	3	1,371	3	3,491
Total comprehensive income for the year	4,023	9,043	7,933	43,714
Profit attributable to:				
Owners of the parent	4,020	7,672	7,930	40,223
Minority Interest	-	-	-	-
	4,020	7,672	7,930	40,223
Total comprehensive income attributable to:				
Owners of the parent	4,023	9,043	7,933	43,714
Minority Interest	-	-	-	-
	4,023	9,043	7,933	43,714
Earning per share (sen)				
Basic	1.91	3.64	3.77	19.10
Diluted	1.91	3.64	3.77	19.10

(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 31 December 2014

	AS AT END OF CURRENT QUARTER 31/Dec/2014	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2014
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	301,301	305,820
Investment properties	314,990	314,236
Land held for property development	562,121	563,310
Other investments	29,982	29,982
Investment in joint venture	38,048	37,986
Deferred tax assets	9,921	7,757
	1,256,363	1,259,091
CURRENT ASSETS		
Property development costs	96,276	100,785
Inventories	10,873	9,762
Trade receivables	58,086	62,478
Other receivables	4,534	3,985
Prepayment	1,703	3,891
Tax recoverable	1,006	995
Other investments	22,125	1,300
Fixed deposits	15,140	17,835
Cash and bank balances	14,874	35,669
	224,617	236,700
TOTAL ASSETS	1,480,980	1,495,791
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	212,192	212,192
Reserves		
- Treasury shares	(2,483)	(2,480)
- Capital redemption reserve	23,064	23,064
- Revaluation reserve	126,090	126,165
- Foreign exchange reserve	-	(493)
- Fair value adjustment reserve	(865)	(865)
- Retained earnings	717,811	727,142
TOTAL EQUITY	1,075,809	1,084,725
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	190,655	190,655
Deferred tax liabilities	40,263	40,263
Borrowings	82,738	69,809
Retirement benefit obligations	777	915
	314,433	301,642
CURRENT LIABILITIES		
Trade payables	27,992	34,415
Other payables	18,846	32,782
Tax payable	43,900	42,227
	90,738	109,424
TOTAL LIABILITIES	405,171	411,066
TOTAL EQUITY AND LIABILITIES	1,480,980	1,495,791
Net assets per share		
Net assets	1,075,809	1,084,725
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,612)	(1,611)
	210,580	210,581
Net assets per share (RM)	5.11	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 6 Months Period Ended 31 December 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	-	-	-	(75)	-	75	-	-
Realisation of foreign exchange reserve	-	-	-	-	490	(490)	-	-
Currency translation differences	-	-	-	-	3	-	-	3
Net income/(expense) not recognised in the income statement	-	-	-	(75)	493	(415)	-	3
Net profit for the Period	-	-	-	-	-	7,930	-	7,930
Total comprehensive income	-	-	-	(75)	493	7,515	-	7,933
Dividends on ordinary shares	-	-	-	-	-	(16,846)	-	(16,846)
Acquisition of treasury shares	-	(3)	-	-	-	-	-	(3)
At 31 December 2014	212,192	(2,483)	23,064	126,090	-	717,811	(865)	1,075,809

(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 6-Month Period Ended 31 December 2014

	31 December 2014	31 December 2013
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	13,895	54,986
Adjustments for non-cash flow:		
Non-cash items	11,265	(36,765)
Non-operating items	979	(818)
Operating profit before changes in working capital	<u>26,139</u>	<u>17,403</u>
Changes in working capital:		
Net change in current assets	11,082	(17,477)
Net change in current liabilities	(20,358)	11,963
Cash generated from/(used in) operations	<u>16,863</u>	<u>11,889</u>
Payment of retirement benefits	(248)	(44)
Tax paid	(6,468)	(5,463)
Interest paid	(1,825)	-
Interest received	40	64
Net cash flows from/(used in) operating activities	<u>8,362</u>	<u>6,457</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(4,294)	(56,681)
Disposal of property, plant and equipment	86	206
Addition of Investment Properties	(755)	(1,197)
Acquisition of investments	(30,302)	(65,543)
Disposal of investments	9,782	101,063
Interest received	640	755
Other investing activities	(3,163)	(296)
Net cash generated from/(used in) investing activities	<u>(28,006)</u>	<u>(21,693)</u>
<u>Cash Flows from Financing Activities</u>		
Borrowings	13,000	-
Dividends paid	(16,846)	(18,952)
Net cash generated from/(used in) financing activities	<u>(3,849)</u>	<u>(18,955)</u>
Net change in Cash & Cash Equivalents	(23,493)	(34,191)
Cash & Cash Equivalents at beginning of year	53,504	135,874
Effect of changes in foreign currency	3	3,491
Cash & Cash Equivalents at end of year	<u>30,014</u>	<u>105,174</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 adoption 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.

DAIMAN DEVELOPMENT BERHAD

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 14: Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
• Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• Amendments to FRS 101: Disclosure Initiative	1 January 2016
• Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
• Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
• FRS 9 Financial Instruments	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 31 December 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.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

6. Dividends Paid

<u>Dividend Number</u>	<u>Dividend Type</u>	<u>Dividend Rate</u>	<u>Financial Year</u>	<u>Date Paid</u>	<u>Dividend Amount</u> (RM)
No. 23	Final	8 sen	30-Jun-2014	30-Dec-2014	<u>16,846,384</u>

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 31 December 2014 except for the following:

Shares Buy-back

1,000 ordinary shares were bought-back from the open market at an average price of RM3.07 per share during the current financial quarter under review.

The total consideration paid for the purchase including transaction costs was RM3,065 and this was financed by internally generated funds.

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 6-month financial period ended 31 December 2014 :-

	Profit/(Loss)	
	Revenue RM'000	Before Taxation RM'000
Analysis by industry :		
Property development	67,224	24,461
Property investment	5,145	1,468
Trading	11,302	680
Leisure and recreation	4,687	(177)
Hospitality	13,057	(12,560)
Others	556	23
	<u>101,971</u>	<u>13,895</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 31 December 2014.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 31 December 2014.

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 RM47,506,000 compared to RM40,576,000 in the corresponding financial quarter of the preceding year.

The higher revenue in the current financial quarter under review was mainly due to revenue contributed by hospitality division and higher property sales in Taman Perindustrian Murni Senai, but partially offset by lower property sales in Taman Daiman Jaya and Taman Gaya.

The Group's revenue for the 6-month financial period ended 31 December 2014 was RM101,971,000 compared to RM68,597,000 for the 6-month ended 31 December 2013. The increase was mainly due to revenue contributed by hospitality division and the higher property sales in Taman Gaya, Taman Daiman Jaya and also in Taman Perindustrian Murni Senai.

Profit Review

The Group's profit before tax for the current financial quarter under review was RM6,728,000 compared to RM11,292,000 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 was due to higher operating costs from hospitality division.

The Group's profit before tax for the 6-months financial period ended 31 December 2014 was RM13,895,000 compared to RM54,986,000 for the 6-months ended 31 December 2013.

The decrease in the Group's profit before tax is because, included in the preceding year 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 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 RM6,728,000 compared to RM7,167,000 in the immediate preceding financial quarter.

The decrease in the Group's profit before tax was mainly due to lower profit from property development business from lower property sales in Taman Gaya and Taman Perindustrian Murni Senai, but partially offset by lower 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	
	2ND QTR	CUM 2 QTRS
	RM'000	RM'000
(a) Interest income	357	680
(b) Other income including investment income	285	293
(c) Interest expense	(871)	(1,753)
(d) Depreciation and amortization	(4,565)	(8,720)
(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	(104)	(103)
(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	
	2ND QTR	CUM 2 QTRS
	RM'000	RM'000
Current year income tax provision	3,343	8,129
Deferred taxation	(635)	(2,164)
	<u>2,708</u>	<u>5,965</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	13,017
Medium term borrowings (secured)	
Term loan	69,721
	<u>82,738</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 31 December 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>7,930</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>3.77</u>
Diluted earnings per share (sen)	<u>3.77</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 31/12/2014 RM'000	As at 30/9/2014 RM'000
Total retained profits of the Group		
- Realised	620,837	635,369
- Unrealised	180,155	179,532
	<u>800,992</u>	<u>814,901</u>
Consolidation adjustments	(83,181)	(83,806)
Total Group retained profits as per consolidated accounts	<u>717,811</u>	<u>731,095</u>

By Order of the Board
WOO MIN FONG (MS)
Company Secretary
Johor Bahru
26 February 2015