

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the Quarter Ended 31 December 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	2ND QTR	2ND QTR	CUM 2 QTR	CUM 2 QTR
	FY2016	FY2015	FY2016	FY2015
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	36,072	47,506	85,597	101,971
Operating expenses	(35,222)	(43,386)	(72,575)	(92,889)
Other operating income	3,258	2,860	5,589	5,560
Profit from operations	4,108	6,980	18,611	14,642
Finance cost	(1,073)	(872)	(2,021)	(1,754)
Investing results	1,388	616	2,644	945
Share of loss of a joint venture	(407)	4	(1,024)	62
Profit before tax from continuing operations	4,016	6,728	18,210	13,895
Taxation	(1,957)	(2,708)	(6,320)	(5,965)
Net profit for the period from continuing operation	2,059	4,020	11,890	7,930
<b>Other Comprehensive Income:</b>				
Currency translation differences	-	3	-	3
Other comprehensive income for the year	-	3	-	3
Total comprehensive income for the year	2,059	4,023	11,890	7,933
Profit attributable to:				
Owners of the parent	2,059	4,020	11,890	7,930
Minority Interest	-	-	-	-
	2,059	4,020	11,890	7,930
Total comprehensive income attributable to:				
Owners of the parent	2,059	4,023	11,890	7,933
Minority Interest	-	-	-	-
	2,059	4,023	11,890	7,933
Earning per share (sen)				
Basic	0.98	1.91	5.65	3.77
Diluted	0.98	1.91	5.65	3.77

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
As At 31 December 2015

	AS AT END OF CURRENT QUARTER 31/Dec/2015	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2015
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	289,247	297,676
Investment properties	332,263	331,535
Land held for property development	602,085	602,835
Other investments	30,308	29,618
Investment in joint venture	36,712	37,736
Deferred tax assets	7,471	7,527
	1,298,086	1,306,927
<b>CURRENT ASSETS</b>		
Property development costs	42,757	85,962
Inventories	61,065	25,514
Trade receivables	38,923	42,074
Other receivables	3,863	3,541
Prepayment	773	2,308
Tax recoverable	2,625	2,172
Other investments	81,357	8,734
Fixed deposits	15,304	21,590
Cash and bank balances	11,504	24,574
	258,171	216,469
<b>TOTAL ASSETS</b>	<b>1,556,257</b>	<b>1,523,396</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	212,192	212,192
Reserves		
- Treasury shares	(2,488)	(2,486)
- Capital redemption reserve	23,064	23,064
- Revaluation reserve	125,966	126,029
- Fair value adjustment reserve	(3,539)	(3,539)
- Retained earnings	737,343	735,919
<b>TOTAL EQUITY</b>	<b>1,092,538</b>	<b>1,091,179</b>
<b>NON-CURRENT LIABILITIES</b>		
Provision for foreseeable losses for affordable housing	235,966	235,966
Deferred tax liabilities	42,259	41,808
Borrowings	68,762	68,689
Retirement benefit obligations	900	865
	347,887	347,328
<b>CURRENT LIABILITIES</b>		
Trade payables	14,336	13,139
Other payables	17,671	23,386
Borrowings	44,081	9,011
Tax payable	39,744	39,353
	115,832	84,889
<b>TOTAL LIABILITIES</b>	463,719	432,217
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,556,257</b>	<b>1,523,396</b>
<b>Net assets per share</b>		
Net assets	1,092,538	1,091,179
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,614)	(1,613)
	210,578	210,579
Net assets per share (RM)	5.19	5.18

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 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 2015**

	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 2015	212,192	(2,486)	23,064	126,029	-	735,919	(3,539)	1,091,179
Realisation of revaluation surplus due to sales of property	-	-	-	(63)	-	63	-	-
Net income/(expense) not recognised in the income statement	-	-	-	(63)	-	63	-	-
Net profit for the Period	-	-	-	-	-	11,890	-	11,890
Total comprehensive income	-	-	-	(63)	-	11,953	-	11,890
Dividends on ordinary shares	-	-	-	-	-	(10,529)	-	(10,529)
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
At 31 December 2015	212,192	(2,488)	23,064	125,966	-	737,343	(3,539)	1,092,538

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 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 2015**

	31 December 2015	31 December 2014
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	18,210	13,895
Adjustments for non-cash flow:		
Non-cash items	9,280	11,265
Non-operating items	1,289	979
Operating profit before changes in working capital	<u>28,779</u>	<u>26,139</u>
Changes in working capital:		
Net change in current assets	10,609	11,082
Net change in current liabilities	(4,518)	(20,358)
Cash generated from/(used in) operations	<u>34,870</u>	<u>16,863</u>
Payment of retirement benefits	(58)	(248)
Tax paid	(6,843)	(6,468)
Tax refund	968	-
Interest paid	(1,879)	(1,825)
Interest received	161	40
Net cash flows from/(used in) operating activities	<u>27,219</u>	<u>8,362</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(1,042)	(4,294)
Disposal of property, plant and equipment	491	86
Addition of Investment Properties	(855)	(755)
Disposal of Investment Properties	319	-
Acquisition of investments	(132,057)	(30,302)
Disposal of investments	60,850	9,782
Interest received	500	640
Other investing activities	750	(3,163)
Net cash generated from/(used in) investing activities	<u>(71,044)</u>	<u>(28,006)</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(2)	(3)
Borrowings	35,000	13,000
Dividends paid	(10,529)	(16,846)
Net cash generated from/(used in) financing activities	<u>24,469</u>	<u>(3,849)</u>
Net change in Cash & Cash Equivalents	(19,356)	(23,493)
Cash & Cash Equivalents at beginning of year	46,164	53,504
Effect of changes in foreign currency	-	3
Cash & Cash Equivalents at end of year	<u>26,808</u>	<u>30,014</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 2015. 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 2015.

#### 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 2015 except for the adoption of the following new Financial Reporting Standard ("FRS") effective for financial year beginning 1 July 2015:

- Amendments to FRS 10, FRS 12 and FRS 127 : Investment Entities
- 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:

	<b>Effective for annual periods beginning on or after</b>
• Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint operations	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 14 Regulatory Deferral Accounts	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)**

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 called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Group and Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group and Company are in the midst of assessing the impact of adopting the MFRS Framework.

**3. Nature and Amount of Unusual Items**

There were no unusual item or transaction reported for the financial period ended 31 December 2015.

**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 (RM)</u>
No. 24	Final	5 sen	30/6/2015	30/12/2015	<u>10,528,890</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 2015 except for the following:

##### Shares Buy-back

1,000 ordinary shares were bought-back from the open market at an average price of RM2.41 per share during the current financial quarter under review.

The total consideration paid for the purchase including transaction costs was RM2,406 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 2015 :-

Analysis by industry :	Revenue	Profit/(Loss)
	RM'000	Before Taxation RM'000
Property development	43,804	20,716
Property investment	6,107	2,991
Trading	5,577	(72)
Leisure and recreation	4,604	(217)
Hospitality	24,925	(5,237)
Others	580	29
	<u>85,597</u>	<u>18,210</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 2015.

#### 12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 31 December 2015.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

**1. Performance Review**

**Current Quarter vs. Corresponding Quarter of the Preceding Year**

The Group's revenue for the current financial quarter under review was RM36,072,000 compared to RM47,506,000 in the corresponding financial quarter of the preceding year.

The lower revenue in the current financial quarter under review was mainly due to lower property development revenue and lower trading revenue, but partially offset by higher revenue contributed by hospitality and property investment division.

The Group's profit before tax for the current financial quarter under review was RM4,016,000 compared to RM6,728,000 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 mainly due to lower property development and trading profit, but partially offset by higher property investment profit and also lower loss from hospitality division.

**Current Financial Year vs. Preceding Financial Year**

The Group's revenue for the 6-month financial period ended 31 December 2015 was RM85,597,000 compared to RM101,971,000 for the 6-month ended 31 December 2014.

The decrease was mainly due to lower property development revenue and lower trading revenue, but partially offset by higher revenue contributed by hospitality and property investment division.

The Group's profit before tax for the 6-months financial period ended 31 December 2015 was RM18,210,000 compared to RM13,895,000 for the 6-months ended 31 December 2014.

The higher Group's profit before tax was mainly due to higher property investment profit and also lower loss from hospitality division, but partially offset by lower property development and trading profit.

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

The Group's profit before tax for the current financial quarter under review was RM4,016,000 compared to RM14,194,000 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 Paloh, but partially offset by lower loss from hospitality division.

**3. Commentary on Prospects**

Barring any unforeseen circumstances, the Board is cautiously optimistic about the financial results of the Group for the financial year ending 30 June 2016, given the challenging business environment.

**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

	2ND QTR	FY2016 CUM 2 QTR
	RM'000	RM'000
(a) Interest income	297	662
(b) Other income including investment income	1,108	2,012
(c) Interest expense	(1,073)	(2,022)
(d) Depreciation and amortization	(4,452)	(8,980)
(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	29	252
(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

	2ND QTR	FY2016 CUM 2 QTR
	RM'000	RM'000
Current year income tax provision	1,835	5,781
Underprovision in prior years	-	2
Real property gain tax	-	29
Deferred taxation	122	508
	<u>1,957</u>	<u>6,320</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% on the estimated assessable profit for the year.

The higher effective tax rate for the current financial quarter is mainly due to movements in deferred taxation and 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.

**DAIMAN DEVELOPMENT BERHAD**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

**8. Group Borrowings and Debt Securities**

The details of the Group borrowings are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	1,000	43,081	44,081
Medium term borrowings	68,762	-	68,762
	<u>69,762</u>	<u>43,081</u>	<u>112,843</u>

The borrowing is denominated in Ringgit Malaysia.

**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 2015.

**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.

Net profit after tax	RM'000 <u>11,890</u>
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,579</u>
Basic earnings per share (sen)	<u>5.65</u>
Diluted earnings per share (sen)	<u>5.65</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 31/12/2015 RM'000	As at 30/9/2015 RM'000
Total retained profits of the Group		
- Realised	639,124	647,911
- Unrealised	<u>190,436</u>	<u>190,530</u>
	829,560	838,441
Consolidation adjustments	<u>(92,217)</u>	<u>(92,682)</u>
Total Group retained profits as per consolidated accounts	<u><u>737,343</u></u>	<u><u>745,759</u></u>

**By Order of the Board**  
**WOO MIN FONG (MS)**  
**Company Secretary**  
**Johor Bahru**  
**25 February 2016**