

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 31 March 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	3RD QTR	3RD QTR	CUM 3 QTR	CUM 3 QTR
	FY2016	FY2015	FY2016	FY2015
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	31,514	57,467	117,111	159,438
Operating expenses	(32,909)	(48,132)	(105,484)	(141,021)
Other operating income	3,009	2,739	8,598	8,299
Profit from operations	1,614	12,074	20,225	26,716
Finance cost	(1,257)	(1,027)	(3,278)	(2,781)
Investing results	1,262	880	3,906	1,825
Share of loss of a joint venture	(247)	(163)	(1,271)	(101)
Profit before tax from continuing operations	1,372	11,764	19,582	25,659
Taxation	(201)	(7,151)	(6,521)	(13,116)
Net profit for the period from continuing operation	1,171	4,613	13,061	12,543
Other Comprehensive Income:				
Currency translation differences	-	-	-	3
Other comprehensive income for the year	-	-	-	3
Total comprehensive income for the year	1,171	4,613	13,061	12,546
Profit attributable to:				
Owners of the parent	1,171	4,613	13,061	12,543
Minority Interest	-	-	-	-
	1,171	4,613	13,061	12,543
Total comprehensive income attributable to:				
Owners of the parent	1,171	4,613	13,061	12,546
Minority Interest	-	-	-	-
	1,171	4,613	13,061	12,546
Earning per share (sen)				
Basic	0.56	2.19	6.20	5.96
Diluted	0.56	2.19	6.20	5.96

(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 March 2016

	AS AT END OF CURRENT QUARTER 31/Mar/2016	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2015
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	284,976	297,676
Investment properties	332,587	331,535
Land held for property development	602,121	602,835
Other investments	30,325	29,618
Investment in joint venture	36,465	37,736
Deferred tax assets	7,486	7,527
	<u>1,293,960</u>	<u>1,306,927</u>
CURRENT ASSETS		
Property development costs	43,033	85,962
Inventories	55,982	25,514
Trade receivables	26,756	42,074
Other receivables	3,477	3,541
Prepayment	2,971	2,308
Tax recoverable	4,147	2,172
Other investments	96,689	8,734
Fixed deposits	14,110	21,590
Cash and bank balances	12,952	24,574
	<u>260,117</u>	<u>216,469</u>
TOTAL ASSETS	<u>1,554,077</u>	<u>1,523,396</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	212,192	212,192
Reserves		
- Treasury shares	(2,488)	(2,486)
- Capital redemption reserve	23,064	23,064
- Revaluation reserve	125,929	126,029
- Fair value adjustment reserve	(3,539)	(3,539)
- Retained earnings	738,551	735,919
TOTAL EQUITY	<u>1,093,709</u>	<u>1,091,179</u>
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	235,966	235,966
Deferred tax liabilities	41,878	41,808
Borrowings	62,279	68,689
Retirement benefit obligations	946	865
	<u>341,069</u>	<u>347,328</u>
CURRENT LIABILITIES		
Trade payables	10,837	13,139
Other payables	17,902	23,386
Borrowings	51,552	9,011
Tax payable	39,008	39,353
	<u>119,299</u>	<u>84,889</u>
TOTAL LIABILITIES	<u>460,368</u>	<u>432,217</u>
TOTAL EQUITY AND LIABILITIES	<u>1,554,077</u>	<u>1,523,396</u>
Net assets per share		
Net assets	1,093,709	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)
	<u>210,578</u>	<u>210,579</u>
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 9 Months Period Ended 31 March 2016

	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	-	-	-	(100)	-	100	-	-
Net income/(expense) not recognised in the income statement	-	-	-	(100)	-	100	-	-
Net profit for the Period	-	-	-	-	-	13,061	-	13,061
Total comprehensive income	-	-	-	(100)	-	13,161	-	13,061
Dividends on ordinary shares	-	-	-	-	-	(10,529)	-	(10,529)
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
At 31 March 2016	212,192	(2,488)	23,064	125,929	-	738,551	(3,539)	1,093,709

(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 9-Month Period Ended 31 March 2016

	31 March 2016	31/Mar/2015
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	19,582	25,659
Adjustments for non-cash flow:		
Non-cash items	13,319	16,290
Non-operating items	2,179	1,661
Operating profit before changes in working capital	<u>35,080</u>	<u>43,610</u>
Changes in working capital:		
Net change in current assets	25,400	6,989
Net change in current liabilities	(7,786)	(21,887)
Cash generated from/(used in) operations	<u>52,694</u>	<u>28,712</u>
Payment of retirement benefits	(58)	(248)
Tax paid	(9,912)	(11,647)
Tax refund	1,182	58
Interest paid	(3,148)	(2,880)
Interest received	336	84
Net cash flows from/(used in) operating activities	<u>41,094</u>	<u>14,079</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(1,219)	(6,969)
Disposal of property, plant and equipment	493	112
Addition of Investment Properties	(1,179)	(1,146)
Disposal of Investment Properties	319	-
Acquisition of investments	(208,833)	(48,243)
Disposal of investments	123,383	25,132
Interest received	657	905
Other investing activities	714	(3,477)
Net cash generated from/(used in) investing activities	<u>(85,665)</u>	<u>(33,686)</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(2)	(3)
Borrowings	36,000	40,000
Dividends paid	(10,529)	(16,846)
Net cash generated from/(used in) financing activities	<u>25,469</u>	<u>23,151</u>
Net change in Cash & Cash Equivalents	(19,102)	3,544
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>27,062</u>	<u>57,051</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.

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
• Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
• Amendments to FRS 101: Disclosure Initiative	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
• Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
• FRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 107: Disclosure Initiative	1 January 2017
• Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
• 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 March 2016.

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

No dividend was paid in the current financial quarter ended 31 March 2016.

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 March 2016 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.

1,000 ordinary shares were bought-back from the open market at an average price of RM2.41 per share during the 9-month financial period ended 31 March 2016. 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 9-month financial period ended 31 March 2016 :-

	Profit/(Loss)	
	Revenue	Before Taxation
	RM'000	RM'000
Analysis by industry :		
Property development	54,714	22,548
Property investment	9,281	4,549
Trading	7,863	(75)
Leisure and recreation	6,935	(284)
Hospitality	37,434	(7,200)
Others	884	44
	<u>117,111</u>	<u>19,582</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 March 2016.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 31 March 2016.

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 RM31,514,000 compared to RM57,467,000 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 RM1,372,000 compared to RM11,764,000 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 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 9-month financial period ended 31 March 2016 was RM117,111,000 compared to RM159,438,000 for the 9-month ended 31 March 2015.

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 9-months financial period ended 31 March 2016 was RM19,582,000 compared to RM25,659,000 for the 9-months ended 31 March 2015.

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

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

The Group's profit before tax for the current financial quarter under review was RM1,372,000 compared to RM4,016,000 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, 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

	3RD QTR	FY2016 CUM 3 QTR
	RM'000	RM'000
(a) Interest income	332	994
(b) Other income including investment income	868	2,880
(c) Interest expense	(1,257)	(3,279)
(d) Depreciation and amortization	(4,438)	(13,418)
(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	12	264
(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

	3RD QTR	FY2016 CUM 3 QTR
	RM'000	RM'000
Current year income tax provision	1,218	6,999
Overprovision in prior years	(621)	(619)
Real property gain tax	1	30
Deferred taxation	(397)	111
	<u>201</u>	<u>6,521</u>

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

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

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	7,500	44,052	51,552
Medium term borrowings	62,279	-	62,279
	<u>69,779</u>	<u>44,052</u>	<u>113,831</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 March 2016.

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>13,061</u>
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,578</u>
Basic earnings per share (sen)	<u>6.20</u>
Diluted earnings per share (sen)	<u>6.20</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 31/3/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of the Group		
- Realised	639,129	639,124
- Unrealised	<u>191,057</u>	<u>190,436</u>
	830,186	829,560
Consolidation adjustments	<u>(91,635)</u>	<u>(92,217)</u>
Total Group retained profits as per consolidated accounts	<u><u>738,551</u></u>	<u><u>737,343</u></u>

By Order of the Board
WOO MIN FONG (MS)
Company Secretary
Johor Bahru
24 May 2016