

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 30 September 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	1ST QTR	1ST QTR	CUM 1 QTR	CUM 1 QTR
	FY2017	FY2016	FY2017	FY2016
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	38,741	49,525	38,741	49,525
Operating expenses	(36,354)	(37,353)	(36,354)	(37,353)
Other operating income	10,949	2,331	10,949	2,331
Profit from operations	13,336	14,503	13,336	14,503
Finance cost	(938)	(948)	(938)	(948)
Investing results	1,483	1,256	1,483	1,256
Share of loss of a joint venture	(211)	(617)	(211)	(617)
Profit before tax from continuing operations	13,670	14,194	13,670	14,194
Taxation	(2,374)	(4,363)	(2,374)	(4,363)
Net profit for the period from continuing operation	11,296	9,831	11,296	9,831
Total comprehensive income for the year	11,296	9,831	11,296	9,831
Profit attributable to: Owners of the parent	11,296	9,831	11,296	9,831
Total comprehensive income attributable to: Owners of the parent	11,296	9,831	11,296	9,831
Earning per share (sen)				
Basic	5.36	4.67	5.36	4.67
Diluted	5.36	4.67	5.36	4.67

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As At 30 September 2016

	AS AT END OF CURRENT QUARTER 30/Sep/2016	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2016
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	322,453	324,790
Investment properties	353,050	359,291
Land held for property development	589,229	587,556
Other investments	31,862	31,805
Investment in joint venture	35,922	36,133
Deferred tax assets	3	2
	1,332,519	1,339,577
CURRENT ASSETS		
Property development costs	55,020	49,671
Inventories	42,944	49,238
Trade receivables	37,563	22,201
Other receivables	3,822	3,755
Prepayment	2,553	2,187
Tax recoverable	4,443	4,532
Other investments	70,152	98,132
Fixed deposits	15,403	13,550
Cash and bank balances	43,150	14,541
	275,050	257,807
TOTAL ASSETS	1,607,569	1,597,384
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	212,192	212,192
Reserves		
- Treasury shares	(2,490)	(2,490)
- Capital redemption reserve	23,064	23,064
- Revaluation reserve	159,599	159,855
- Fair value adjustment reserve	(2,327)	(2,327)
- Retained earnings	755,949	744,397
TOTAL EQUITY	1,145,987	1,134,691
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	250,811	250,811
Deferred tax liabilities	39,155	39,223
Borrowings	54,810	58,796
Retirement benefit obligations	977	959
	345,753	349,789
CURRENT LIABILITIES		
Trade payables	16,706	16,528
Other payables	17,142	17,250
Borrowings	42,500	40,024
Tax payable	39,481	39,102
	115,829	112,904
TOTAL LIABILITIES	461,582	462,693
TOTAL EQUITY AND LIABILITIES	1,607,569	1,597,384
Net assets per share		
Net assets	1,145,987	1,134,691
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,615)	(1,615)
	210,577	210,577
Net assets per share (RM)	5.44	5.39

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 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 2016

	Share Capital RM'000	Treasury Shares RM'000	Capital Redemption Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Fair Value Adjustment Reserve RM'000	Total RM'000
At 1 July 2016	212,192	(2,490)	23,064	159,855	744,397	(2,327)	1,134,691
Realisation of revaluation surplus due to sales of property	-	-	-	(74)	74	-	-
Transfer to retained earnings	-	-	-	(182)	182	-	-
Net income/(expense) not recognised in the income statement	-	-	-	(256)	256	-	-
Net profit for the Period	-	-	-	-	11,296	-	11,296
Total comprehensive income	-	-	-	(256)	11,552	-	11,296
At 30 September 2016	212,192	(2,490)	23,064	159,599	755,949	(2,327)	1,145,987

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 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 2016

	30 September 2016	30 September 2015
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	13,670	14,194
Adjustments for non-cash flow:		
Non-cash items	(4,068)	4,948
Non-operating items	682	548
Operating profit before changes in working capital	<u>10,284</u>	<u>19,690</u>
Changes in working capital:		
Net change in current assets	(15,598)	(1,591)
Net change in current liabilities	69	(2,168)
Cash generated from/(used in) operations	<u>(5,245)</u>	<u>15,931</u>
Payment of retirement benefits	-	(11)
Tax paid	(1,975)	(3,730)
Tax refund	-	196
Interest paid	(948)	(919)
Interest received	7	80
Net cash flows from/(used in) operating activities	<u>(8,161)</u>	<u>11,547</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(2,483)	116
Disposal of property, plant and equipment	419	48
Addition of Investment Properties	-	(832)
Disposal of Investment Properties	14,452	319
Acquisition of investments	(19,763)	(49,504)
Disposal of investments	48,955	18,650
Interest received	215	284
Other investing activities	(1,672)	(516)
Net cash generated from/(used in) investing activities	<u>40,123</u>	<u>(31,435)</u>
<u>Cash Flows from Financing Activities</u>		
Borrowings	(1,500)	2,000
Net cash generated from/(used in) financing activities	<u>(1,500)</u>	<u>2,000</u>
Net change in Cash & Cash Equivalents	30,462	(17,888)
Cash & Cash Equivalents at beginning of year	28,091	46,164
Cash & Cash Equivalents at end of year	<u><u>58,553</u></u>	<u><u>28,276</u></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 2016. 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 2016.

2. Significant Accounting Policies

2.1 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 107: Disclosure Initiative	1 January 2017
• Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
• Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
• FRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
• Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

3. Nature and Amount of Unusual Items

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

6. Dividends Paid

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

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 2016 :-

	Revenue RM'000	Profit Before Taxation RM'000
Analysis by industry :		
Property development	17,168	13,548
Property investment	3,149	1,302
Trading	3,333	439
Leisure and recreation	1,939	346
Hospitality	12,813	(1,997)
Others	339	32
	<u>38,741</u>	<u>13,670</u>

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

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 2016.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 30 September 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 RM38,741,000 compared to RM49,525,000 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 but partially offset by higher revenue contributed by hospitality and trading division.

The Group's profit before tax for the current financial quarter under review was RM13,670,000 compared to RM14,194,000 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 gains on disposal of investment properties and 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 RM13,670,000 compared to RM14,788,000 in the immediate preceding financial quarter.

The decrease in the Group's profit before tax was mainly due to lower fair value gains on investment properties but partially offset by higher gains on disposal of investment properties and higher property development profit.

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 2017, 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

	FY2017	
	1ST QTR	CUM 1 QTR
	RM'000	RM'000
(a) Interest income	222	222
(b) Other income including investment income	1,419	1,419
(c) Interest expense	(938)	(938)
(d) Depreciation and amortization	(4,518)	(4,518)
(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	8,212	8,212
(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

	FY2017	
	1ST QTR	CUM 1 QTR
	RM'000	RM'000
Current year income tax provision	1,753	1,753
Real property gain tax	690	690
Deferred taxation	(69)	(69)
	<u>2,374</u>	<u>2,374</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 the effect of the lower real property gains tax rate applied to the gains arising from disposal of certain investment properties.

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	12,500	30,000	42,500
Medium term borrowings	<u>54,810</u>	<u>-</u>	<u>54,810</u>
	<u>67,310</u>	<u>30,000</u>	<u>97,310</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 30 September 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>11,296</u>
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,577</u>
Basic earnings per share (sen)	<u>5.36</u>
Diluted earnings per share (sen)	<u>5.36</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 30/9/2016 RM'000	As at 30/6/2016 RM'000
Total retained profits of the Group		
- Realised	647,528	632,632
- Unrealised	194,860	198,723
	<u>842,388</u>	<u>831,355</u>
Consolidation adjustments	<u>(86,439)</u>	<u>(86,958)</u>
Total Group retained profits as per consolidated accounts	<u><u>755,949</u></u>	<u><u>744,397</u></u>

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