

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the Quarter Ended 31 March 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	3RD QTR	3RD QTR	CUM 3 QTR	CUM 3 QTR
	FY2017	FY2016	FY2017	FY2016
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	38,857	31,514	125,646	117,111
Operating expenses	(38,398)	(32,909)	(117,950)	(105,484)
Other operating income	3,378	3,009	17,602	8,598
Profit from operations	3,837	1,614	25,298	20,225
Finance cost	(788)	(1,257)	(2,558)	(3,278)
Investing results	1,406	1,262	4,940	3,906
Share of loss of a joint venture	(269)	(247)	(728)	(1,271)
Profit before tax from continuing operations	4,186	1,372	26,952	19,582
Taxation	(843)	(201)	(5,342)	(6,521)
Net profit for the period from continuing operation	3,343	1,171	21,610	13,061
Total comprehensive income for the year	3,343	1,171	21,610	13,061
Profit attributable to: Owners of the parent	3,343	1,171	21,610	13,061
Total comprehensive income attributable to: Owners of the parent	3,343	1,171	21,610	13,061
Earning per share (sen)				
Basic	1.59	0.56	10.26	6.20
Diluted	1.59	0.56	10.26	6.20

(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 31 March 2017

	AS AT END OF CURRENT QUARTER 31/Mar/2017	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2016
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	315,553	324,790
Investment properties	355,026	359,291
Land held for property development	590,176	587,556
Other investments	32,183	31,805
Investment in joint venture	35,404	36,133
Deferred tax assets	3	2
	1,328,345	1,339,577
<b>CURRENT ASSETS</b>		
Property development costs	61,297	49,671
Inventories	32,468	49,238
Trade receivables	28,112	22,201
Other receivables	3,642	3,755
Prepayment	2,565	2,187
Tax recoverable	5,272	4,532
Other investments	79,414	98,132
Fixed deposits	14,500	13,550
Cash and bank balances	13,537	14,541
	240,807	257,807
<b>TOTAL ASSETS</b>	<b>1,569,152</b>	<b>1,597,384</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	(2,493)	(2,490)
- Capital redemption reserve	23,064	23,064
- Revaluation reserve	159,096	159,855
- Fair value adjustment reserve	(2,327)	(2,327)
- Retained earnings	756,237	744,397
<b>TOTAL EQUITY</b>	<b>1,145,769</b>	<b>1,134,691</b>
<b>NON-CURRENT LIABILITIES</b>		
Provision for foreseeable losses for affordable housing	250,811	250,811
Deferred tax liabilities	39,193	39,223
Borrowings	43,397	58,796
Retirement benefit obligations	849	959
	334,250	349,789
<b>CURRENT LIABILITIES</b>		
Trade payables	17,506	16,528
Other payables	13,256	17,250
Borrowings	19,000	40,024
Tax payable	39,371	39,102
	89,133	112,904
<b>TOTAL LIABILITIES</b>	<b>423,383</b>	<b>462,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,569,152</b>	<b>1,597,384</b>
<b>Net assets per share</b>		
Net assets	1,145,769	1,134,691
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,616)	(1,615)
	210,576	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 9 Months Period Ended 31 March 2017**

	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	-	-	-	(213)	213	-	-
Transfer to retained earnings	-	-	-	(546)	546	-	-
Net income/(expense) not recognised in the income statement	-	-	-	(759)	759	-	-
Net profit for the Period	-	-	-	-	21,610	-	21,610
Total comprehensive income	-	-	-	(759)	22,369	-	21,610
Dividends on ordinary shares	-	-	-	-	(10,529)	-	(10,529)
Acquisition of treasury shares	-	(3)	-	-	-	-	(3)
At 31 March 2017	212,192	(2,493)	23,064	159,096	756,237	(2,327)	1,145,769

(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 9-Month Period Ended 31 March 2017**

	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Cash Flows from Operating Activities</u>		
Profit before tax	26,952	19,582
Adjustments for non-cash flow:		
Non-cash items	4,302	13,319
Non-operating items	1,740	2,179
Operating profit before changes in working capital	<u>32,994</u>	<u>35,080</u>
Changes in working capital:		
Net change in current assets	322	25,400
Net change in current liabilities	(3,017)	(7,786)
Cash generated from/(used in) operations	<u>30,299</u>	<u>52,694</u>
Payment of retirement benefits	(167)	(58)
Tax paid	(5,851)	(9,912)
Tax refund	7	1,182
Interest paid	(2,480)	(3,148)
Interest received	39	336
Net cash flows from/(used in) operating activities	<u>21,847</u>	<u>41,094</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(4,655)	(1,219)
Disposal of property, plant and equipment	466	493
Addition of Investment Properties	(1,976)	(1,179)
Disposal of Investment Properties	14,452	319
Acquisition of investments	(78,378)	(208,833)
Disposal of investments	100,982	123,383
Interest received	678	657
Other investing activities	(6,438)	714
Net cash generated from/(used in) investing activities	<u>25,131</u>	<u>(85,665)</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(3)	(2)
Borrowings	(36,500)	36,000
Dividends paid	(10,529)	(10,529)
Net cash generated from/(used in) financing activities	<u>(47,032)</u>	<u>25,469</u>
Net change in Cash & Cash Equivalents	(54)	(19,102)
Cash & Cash Equivalents at beginning of year	28,091	46,164
Cash & Cash Equivalents at end of year	<u>28,037</u>	<u>27,062</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:

	<b>Effective for annual periods beginning on or after</b>
● Amendments to FRS 107: Disclosure Initiative	1 January 2017
● Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
● Annual Improvements to FRSs 2014-2016 Cycle	
(i) Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2018
(ii) Amendments to FRS 12: Disclosure of Interest in Other Entities	1 January 2017
(iii) Amendments to FRS 128: Investments in Associates and Joint Venture	1 January 2018
● 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
● IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	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 31 March 2017.

#### 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 31 March 2017.

#### 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 2017 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 RM2.37 per share during the 9-month financial period ended 31 March 2017. The total consideration paid for the purchase including transaction costs was RM2,366 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 2017 :-

	Profit/(Loss)	
	Revenue	Before Taxation
	RM'000	RM'000
Analysis by industry :		
Property development	58,241	26,463
Property investment	9,448	3,753
Trading	10,870	1,197
Leisure and recreation	5,888	1,079
Hospitality	40,086	(5,647)
Others	1,113	107
	<u>125,646</u>	<u>26,952</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 31 March 2017.

**12. Contingent Liabilities and Contingent Assets**

The Group does not have any material contingent liabilities and contingent assets as at 31 March 2017.

**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 RM38,857,000 compared to RM31,514,000 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 Daiman Jaya, higher revenue contributed by trading and hospitality divisions.

The Group's profit before tax for the current financial quarter under review was RM4,186,000 compared to RM1,372,000 in the corresponding financial quarter of the preceding year.

The increase in the Group's profit before tax compared to the corresponding financial quarter of the preceding year was mainly due to higher profit from the property development business arising from stronger property sales in Taman Daiman Jaya and higher plantation and trading profit.

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

The Group's revenue for the 9-month financial period ended 31 March 2017 was RM125,646,000 compared to RM117,111,000 for the 9-month ended 31 March 2016.

The increase was mainly due to higher property sales in Taman Daiman Jaya, higher revenue contributed by trading and hospitality divisions.

The Group's profit before tax for the 9-months financial period ended 31 March 2017 was RM26,952,000 compared to RM19,582,000 for the 9-months ended 31 March 2016.

The increase in the Group's profit before tax was mainly due to the larger gains on disposal of investment properties, higher plantation income from stronger CPO prices, higher trading profit 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 RM4,186,000 compared to RM9,096,000 in the immediate preceding financial quarter.

The decrease in the Group's profit before tax was mainly due to reduction in property development profit from lower property sales in Taman Daiman Jaya and Taman Gaya, and higher 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 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	
	3RD QTR	CUM 3 QTR
	RM'000	RM'000
(a) Interest income	210	717
(b) Other income including investment income	1,273	4,501
(c) Interest expense	(788)	(2,558)
(d) Depreciation and amortization	(4,505)	(13,501)
(e) Provision for and write off of receivables	(4)	(4)
(f) Provision for and write off of inventories	N/A	N/A
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	(2)	8,209
(h) Impairment of assets	N/A	N/A
(i) Foreign exchange loss	48	49
(j) Gain or loss on derivatives	N/A	N/A
(k) Exceptional items	N/A	N/A

N/A - Not applicable

#### 6. Taxation

	FY2017	
	3RD QTR	CUM 3 QTR
	RM'000	RM'000
Current year income tax provision	1,518	5,740
Overprovision in prior year	(835)	(835)
Real property gain tax	(222)	468
Deferred taxation	<u>382</u>	<u>(31)</u>
	<u>843</u>	<u>5,342</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 adjustment for over provision of tax in prior year.

#### 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
Short term borrowings	19,000
Medium term borrowings	<u>43,397</u>
	<u>62,397</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 2017.

**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>21,610</u>
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,576</u>
Basic earnings per share (sen)	<u>10.26</u>
Diluted earnings per share (sen)	<u>10.26</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 31/3/2017 RM'000	As at 31/12/2016 RM'000
Total retained profits of the Group		
- Realised	645,994	642,381
- Unrealised	195,320	195,704
	<u>841,314</u>	<u>838,085</u>
Consolidation adjustments	<u>(85,077)</u>	<u>(85,612)</u>
Total Group retained profits as per consolidated accounts	<u><u>756,237</u></u>	<u><u>752,473</u></u>

**By Order of the Board**  
**CHAI SIOW CHEN (MS)**  
**Company Secretary**  
**Johor Bahru**  
**25 May 2017**