

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 30 June 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	CORRESPONDING
	4TH QTR FY2017	4TH QTR FY2016	CUM 4 QTR FY2017	CUM 4 QTR FY2016
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	53,671	39,717	179,317	156,828
Operating expenses	(49,918)	(41,834)	(167,868)	(147,318)
Other operating income	4,074	16,430	21,676	25,028
Profit from operations	7,827	14,313	33,125	34,538
Finance cost	(768)	(1,138)	(3,326)	(4,416)
Investing results	1,496	1,945	6,436	5,851
Share of loss of a joint venture	(252)	(332)	(980)	(1,603)
Profit before tax from continuing operations	8,303	14,788	35,255	34,370
Taxation	(6,207)	(8,926)	(11,549)	(15,447)
Net profit for the period from continuing operation	2,096	5,862	23,706	18,923
Profit on fair value changes in available-for-sale financial assets	8,303	1,212	8,303	1,212
Revaluation of land & buildings	-	33,910	-	33,910
Reversal of impairment losses	1,216	-	1,216	-
Other comprehensive income for the year	9,519	35,122	9,519	35,122
Total comprehensive income for the year	11,615	40,984	33,225	54,045
Profit attributable to: Owners of the parent	2,096	5,862	23,706	18,923
Total comprehensive income attributable to: Owners of the parent	11,615	40,984	33,225	54,045
Earning per share (sen)				
Basic	1.00	2.78	11.26	8.99
Diluted	1.00	2.78	11.26	8.99

(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 June 2017

	AS AT END OF CURRENT QUARTER 30/Jun/2017	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2016
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	312,862	324,790
Investment properties	359,168	359,291
Land held for property development	598,647	587,556
Other investments	34,622	31,805
Investment in joint venture	35,153	36,133
Deferred tax assets	99	2
	<u>1,340,551</u>	<u>1,339,577</u>
CURRENT ASSETS		
Property development costs	75,631	49,671
Inventories	28,214	49,238
Trade receivables	38,123	22,201
Other receivables	3,027	3,755
Prepayment	2,042	2,187
Tax recoverable	3,517	4,532
Other investments	90,118	98,132
Fixed deposits	14,540	13,550
Cash and bank balances	49,846	14,541
	<u>305,058</u>	<u>257,807</u>
TOTAL ASSETS	<u>1,645,609</u>	<u>1,597,384</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	235,256	212,192
Reserves		
- Treasury shares	(2,495)	(2,490)
- Capital redemption reserve	-	23,064
- Revaluation reserve	156,505	159,855
- Fair value adjustment reserve	5,976	(2,327)
- Retained earnings	762,140	744,397
TOTAL EQUITY	<u>1,157,382</u>	<u>1,134,691</u>
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	254,049	250,811
Deferred tax liabilities	43,239	39,223
Borrowings	36,425	58,796
Retirement benefit obligations	901	959
	<u>334,614</u>	<u>349,789</u>
CURRENT LIABILITIES		
Trade payables	23,081	16,528
Other payables	15,773	17,250
Borrowings	62,500	40,024
Tax payable	38,087	39,102
Provision for foreseeable losses for affordable housing	14,172	-
	<u>153,613</u>	<u>112,904</u>
TOTAL LIABILITIES	<u>488,227</u>	<u>462,693</u>
TOTAL EQUITY AND LIABILITIES	<u>1,645,609</u>	<u>1,597,384</u>
Net assets per share		
Net assets	1,157,382	1,134,691
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,617)	(1,615)
	<u>210,575</u>	<u>210,577</u>
Net assets per share (RM)	5.50	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 12 Months Period Ended 30 June 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
Reversal of impairment losses	-	-	-	1,216	-	-	1,216
Realisation of revaluation surplus due to sales of property	-	-	-	(3,838)	3,838	-	-
Transfer to retained earnings	-	-	-	(728)	728	-	-
Profit on fair value changes in available-for-sale financial assets	-	-	-	-	-	8,303	8,303
Net income/(expense) not recognised in the income statement	-	-	-	(3,350)	4,566	8,303	9,519
Net profit for the Year	-	-	-	-	23,706	-	23,706
Total comprehensive income	-	-	-	(3,350)	28,272	8,303	33,225
Dividends on ordinary shares	-	-	-	-	(10,529)	-	(10,529)
Acquisition of treasury shares	-	(5)	-	-	-	-	(5)
Transition to no-par value regime*	23,064	-	(23,064)	-	-	-	-
At 30 June 2017	235,256	(2,495)	-	156,505	762,140	5,976	1,157,382

* Effective from 31 January 2017, the Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit balance of capital redemption reserve became a part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purpose as set out in Section 618(4) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of the member as a result of this transition.

(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 12-Month Period Ended 30 June 2017

	30 June 2017	30 June 2016
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	35,255	34,370
Adjustments for non-cash flow:		
Non-cash items	8,136	6,470
Non-operating items	2,415	2,840
Operating profit before changes in working capital	<u>45,806</u>	<u>43,680</u>
Changes in working capital:		
Net change in current assets	(15,509)	32,821
Net change in current liabilities	5,074	(2,746)
Cash generated from/(used in) operations	<u>35,371</u>	<u>73,755</u>
Payment of retirement benefits	(166)	(168)
Tax paid	(8,239)	(12,175)
Tax refund	223	2,473
Interest paid	(3,220)	(4,299)
Interest received	52	396
Net cash flows from/(used in) operating activities	<u>24,021</u>	<u>59,982</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(6,701)	(3,782)
Disposal of property, plant and equipment	517	1,026
Addition of Investment Properties	(4,489)	(1,363)
Disposal of Investment Properties	14,452	319
Acquisition of investments	(106,279)	(258,820)
Disposal of investments	125,356	173,223
Interest received	859	1,040
Other investing activities	(907)	(165)
Net cash generated from/(used in) investing activities	<u>22,808</u>	<u>(88,522)</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(5)	(4)
Borrowings	-	21,000
Dividends paid	(10,529)	(10,529)
Net cash generated from/(used in) financing activities	<u>(10,534)</u>	<u>10,467</u>
Net change in Cash & Cash Equivalents	36,295	(18,073)
Cash & Cash Equivalents at beginning of year	28,091	46,164
Cash & Cash Equivalents at end of year	<u>64,386</u>	<u>28,091</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 12: Disclosure of Interest in Other Entities	1 January 2017
● Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2017
● Amendments to FRS 140: Transfers of Investment Property	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 year ended 30 June 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 30 June 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 year ended 30 June 2017 except for the following:

Shares Buy-back

1,000 ordinary shares were bought-back from the open market at an average price of RM2.31 per share during the current financial quarter under review.

The total consideration paid for the purchase including transaction costs was RM2,306 and this was financed by internally generated funds.

2,000 ordinary shares were bought-back from the open market at an average price of RM2.34 per share during the 12-month financial year ended 30 June 2017. The total consideration paid for the purchase including transaction costs was RM4,672 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 12-month financial year ended 30 June 2017 :-

	Revenue	Profit/(Loss) Before Taxation
	RM'000	RM'000
Analysis by industry :		
Property development	86,523	35,520
Property investment	12,519	5,668
Trading	15,128	1,491
Leisure and recreation	9,451	(94)
Hospitality	54,150	(7,463)
Others	1,546	133
	<u>179,317</u>	<u>35,255</u>

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

9. Valuation of Investment Properties

Investment properties have been revalued in the current financial year by an independent valuer on an open market value basis.

The fair value gains arising therefrom during the financial year amounted to RM1,628,000.

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 June 2017.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 30 June 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 RM53,671,000 compared to RM39,717,000 in the corresponding financial quarter of the preceding year.

The higher revenue in the current financial quarter under review was mainly due to stronger property sales in Taman Gaya and higher revenue contributed by hospitality and trading divisions.

The Group's profit before tax for the current financial quarter under review was RM8,303,000 compared to RM14,788,000 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 fair value gains on investment properties, but partially offset by higher profit from the property development business arising from stronger property sales in Taman Gaya.

Current Financial Year vs. Preceding Financial Year

The Group's revenue for the 12-month financial year ended 30 June 2017 was RM179,317,000 compared to RM156,828,000 for the 12-month ended 30 June 2016.

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

The Group's profit before tax for the 12-months financial year ended 30 June 2017 was RM35,255,000 compared to RM34,370,000 for the 12-months ended 30 June 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, partially offset by lower fair value gains on investment properties.

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

The Group's profit before tax for the current financial quarter under review was RM8,303,000 compared to RM4,186,000 in the immediate preceding financial quarter.

The increase in the Group's profit before tax was mainly due to higher profit from the property development business arising from stronger property sales in Taman Gaya, and 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 2018, 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	
	4TH QTR	CUM 4 QTR
	RM'000	RM'000
(a) Interest income	194	911
(b) Other income including investment income	1,349	5,850
(c) Interest expense	(768)	(3,326)
(d) Depreciation and amortization	(4,668)	(18,169)
(e) Provision for and write off of receivables	(407)	(411)
(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)	8,180
(h) Impairment of assets	N/A	N/A
(i) Foreign exchange loss	(3)	46
(j) Gain or loss on derivatives	N/A	N/A
(k) Exceptional items	N/A	N/A

N/A - Not applicable

6. Taxation

	FY2017	
	4TH QTR	CUM 4 QTR
	RM'000	RM'000
Current year income tax provision	2,642	8,382
Overprovision in prior year	-	(835)
Real property gain tax	-	468
Deferred taxation	<u>3,565</u>	<u>3,534</u>
	<u>6,207</u>	<u>11,549</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.

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	22,500	40,000	62,500
Medium term borrowings	<u>36,425</u>	<u>-</u>	<u>36,425</u>
	<u>58,925</u>	<u>40,000</u>	<u>98,925</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

- (1) A first and final single tier ordinary dividend has been recommended by the Board on 24 August 2017 for approval at the forthcoming Annual General Meeting.
- (2) First and Final Single Tier Ordinary Dividend : 5.5 sen
- (3) Financial Year 2016's first and final single tier ordinary dividend was 5 sen.
- (4) Date of payment of the first and final single tier ordinary dividend will be on 29 December 2017.
- (5) In respect of deposited securities, entitlement to dividends will be determined and announced at a later date.
- (6) The total proposed dividend for the Financial Year 2017 is 5.5 sen.

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 year by using the weighted average number of ordinary shares in issue during the financial year.

Net profit after tax	RM'000 <u>23,706</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>11.26</u>
Diluted earnings per share (sen)	<u>11.26</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 30/6/2017 RM'000	As at 31/3/2017 RM'000
Total retained profits of the Group		
- Realised	651,010	645,994
- Unrealised	192,998	195,320
	<u>844,008</u>	<u>841,314</u>
Consolidation adjustments	<u>(81,868)</u>	<u>(85,077)</u>
Total Group retained profits as per consolidated accounts	<u><u>762,140</u></u>	<u><u>756,237</u></u>

By Order of the Board
CHAI SIOW CHEN (MS)
Company Secretary
Johor Bahru
24 August 2017