

DAIMAN DEVELOPMENT BERHAD

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	1ST QTR	1ST QTR	CUM 1 QTR	CUM 1 QTR
	FY2018	FY2017	FY2018	FY2017
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	54,514	38,741	54,514	38,741
Operating expenses	(46,523)	(36,354)	(46,523)	(36,354)
Other operating income	2,978	10,949	2,978	10,949
Profit from operations	10,969	13,336	10,969	13,336
Finance cost	(765)	(938)	(765)	(938)
Investing results	2,054	1,483	2,054	1,483
Share of loss of a joint venture	(193)	(211)	(193)	(211)
Profit before tax from continuing operations	12,065	13,670	12,065	13,670
Taxation	(3,324)	(2,374)	(3,324)	(2,374)
Net profit for the period from continuing operation	8,741	11,296	8,741	11,296
Total comprehensive income for the year	8,741	11,296	8,741	11,296
Profit attributable to: Owners of the parent	8,741	11,296	8,741	11,296
Total comprehensive income attributable to: Owners of the parent	8,741	11,296	8,741	11,296
Earning per share (sen)				
Basic	4.15	5.36	4.15	5.36
Diluted	4.15	5.36	4.15	5.36

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements)

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
As At 30 September 2017

	AS AT END OF CURRENT QUARTER 30/Sep/2017	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2017
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	309,785	312,862
Investment properties	362,963	359,168
Land held for property development	604,043	598,647
Other investments	34,702	34,622
Investment in joint venture	34,960	35,153
Deferred tax assets	264	99
	<u>1,346,717</u>	<u>1,340,551</u>
<b>CURRENT ASSETS</b>		
Property development costs	64,431	75,631
Inventories	34,619	28,214
Trade receivables	41,776	38,123
Other receivables	3,436	3,027
Prepayment	2,395	2,042
Tax recoverable	1,623	3,517
Other investments	89,548	90,118
Fixed deposits	10,995	14,540
Cash and bank balances	55,832	49,846
	<u>304,655</u>	<u>305,058</u>
<b>TOTAL ASSETS</b>	<b><u>1,651,372</u></b>	<b><u>1,645,609</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	235,256	235,256
Reserves		
- Treasury shares	(2,495)	(2,495)
- Revaluation reserve	156,255	156,505
- Fair value adjustment reserve	5,976	5,976
- Retained earnings	771,131	762,140
<b>TOTAL EQUITY</b>	<b><u>1,166,123</u></b>	<b><u>1,157,382</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Provision for foreseeable losses for affordable housing	254,049	254,049
Deferred tax liabilities	43,163	43,239
Borrowings	28,429	36,425
Retirement benefit obligations	921	901
	<u>326,562</u>	<u>334,614</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	23,874	23,081
Other payables	15,242	15,773
Borrowings	66,505	62,500
Tax payable	38,894	38,087
Provision for foreseeable losses for affordable housing	14,172	14,172
	<u>158,687</u>	<u>153,613</u>
<b>TOTAL LIABILITIES</b>	<b><u>485,249</u></b>	<b><u>488,227</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,651,372</u></b>	<b><u>1,645,609</u></b>
<b>Net assets per share</b>		
Net assets	1,166,123	1,157,382
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,617)	(1,617)
	<u>210,575</u>	<u>210,575</u>
Net assets per share (RM)	5.54	5.50

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 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 2017**

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Fair Value Adjustment Reserve RM'000	Total RM'000
At 1 July 2017	235,256	(2,495)	156,505	762,140	5,976	1,157,382
Realisation of revaluation surplus due to sales of property	-	-	478	(478)	-	-
Transfer to retained earnings	-	-	(728)	728	-	-
Net income/(expense) not recognised in the income statement	-	-	(250)	250	-	-
Net profit for the Period	-	-	-	8,741	-	8,741
Total comprehensive income	-	-	(250)	8,991	-	8,741
At 30 September 2017	235,256	(2,495)	156,255	771,131	5,976	1,166,123

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 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 2017**

	<b>30 September 2017</b>	<b>30 September 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Cash Flows from Operating Activities</u>		
Profit before tax	12,065	13,670
Adjustments for non-cash flow:		
Non-cash items	4,487	(4,068)
Non-operating items	470	682
Operating profit before changes in working capital	<u>17,022</u>	<u>10,284</u>
Changes in working capital:		
Net change in current assets	(5,645)	(15,598)
Net change in current liabilities	262	69
Cash generated from/(used in) operations	<u>11,639</u>	<u>(5,245)</u>
Tax paid	(1,112)	(1,975)
Tax refund	247	-
Interest paid	(756)	(948)
Interest received	17	7
Net cash flows from/(used in) operating activities	<u>10,035</u>	<u>(8,161)</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(1,536)	(2,483)
Disposal of property, plant and equipment	-	419
Addition of Investment Properties	(3,795)	-
Disposal of Investment Properties	-	14,452
Acquisition of investments	(13,500)	(19,763)
Disposal of investments	15,765	48,955
Interest received	279	215
Other investing activities	(808)	(1,672)
Net cash generated from/(used in) investing activities	<u>(3,595)</u>	<u>40,123</u>
<u>Cash Flows from Financing Activities</u>		
Borrowings	(4,000)	(1,500)
Net cash generated from/(used in) financing activities	<u>(4,000)</u>	<u>(1,500)</u>
Net change in Cash & Cash Equivalents	2,440	30,462
Cash & Cash Equivalents at beginning of year	64,387	28,091
Cash & Cash Equivalents at end of year	<u>66,827</u>	<u>58,553</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 2017. 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 2017.

#### 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 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 period ended 30 September 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 September 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 30 September 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.

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

Analysis by industry :

	1st Qtr	FY2018 Cum 1 Qtr
	RM'000	RM'000
<b>Segment Revenue</b>		
Property development	31,058	31,058
Property investment	3,030	3,030
Trading	3,589	3,589
Leisure and recreation	2,443	2,443
Hospitality	13,989	13,989
Others	405	405
	<u>54,514</u>	<u>54,514</u>
<b>Segment Results</b>		
Property development	12,236	12,236
Property investment	1,196	1,196
Trading	246	246
Leisure and recreation	39	39
Hospitality	(1,689)	(1,689)
Others	37	37
	<u>12,065</u>	<u>12,065</u>

**DAIMAN DEVELOPMENT BERHAD**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**PART A : EXPLANATORY NOTES PURSUANT TO FRS 134**

**8. Segmental Reporting (cont'd)**

	As at End of Current Quarter 30/Sep/2017 RM'000
<b>Segment Assets</b>	
Property development	1,302,362
Property investment	176,519
Trading	6,380
Leisure and recreation	5,495
Hospitality	160,070
Others	546
	<u>1,651,372</u>
<b>Segment Liabilities</b>	
Property development	408,078
Property investment	10,743
Trading	1,940
Leisure and recreation	2,174
Hospitality	62,103
Others	211
	<u>485,249</u>

**9. Valuation of Investment Properties**

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 2017.

**12. Contingent Liabilities and Contingent Assets**

The Group does not have any material contingent liabilities and contingent assets as at 30 September 2017.

**DAIMAN DEVELOPMENT BERHAD**

**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**

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year 1st Qtr FY2018 RM'000	Preceding Year Corresponding 1st Qtr FY2017 RM'000		Current Year Cum 1 Qtr FY2018 RM'000	Preceding Year Corresponding Cum 1 Qtr FY2017 RM'000	
Revenue	54,514	38,741	41%	54,514	38,741	41%
Profit from operations	10,969	13,336	-18%	10,969	13,336	-18%
Profit before interest and tax	12,830	14,608	-12%	12,830	14,608	-12%
Profit before tax	12,065	13,670	-12%	12,065	13,670	-12%
Net profit for the period	8,741	11,296	-23%	8,741	11,296	-23%
Profit attributable to: Owners of the parent	8,741	11,296	-23%	8,741	11,296	-23%

The Group's revenue for the current financial quarter under review was RM54,514,000 compared to RM38,741,000 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 development revenue in Taman Gaya and Taman Daiman Jaya and higher revenue contributed by hospitality division.

The Group's profit before tax for the current financial quarter under review was RM12,065,000 compared to RM13,670,000 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 the gain on disposal investment properties in the preceding year.



**DAIMAN DEVELOPMENT BERHAD****NOTES TO THE INTERIM FINANCIAL STATEMENTS****PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB****2. Comparison with Immediate Preceding Quarter's Profit Before Tax**

	Current Year 1st Qtr FY2018 RM'000	Preceding Year 4th Qtr FY2017 RM'000	Change %
Revenue	54,514	53,671	2%
Profit from operations	10,969	7,827	40%
Profit before interest and tax	12,830	9,071	41%
Profit before tax	12,065	8,303	45%
Net profit for the period	8,741	2,096	317%
Profit attributable to: Owners of the parent	8,741	2,096	317%

The Group's profit before tax for the current financial quarter under review was RM12,065,000 compared to RM8,303,000 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 and lower loss from leisure and recreation and 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.

**5. Notes to the Statement of Comprehensive Income**

	1st Qtr RM'000	FY2018 Cum 1 Qtr RM'000
(a) Interest income	295	295
(b) Other income including investment income	1,793	1,793
(c) Interest expense	(765)	(765)
(d) Depreciation and amortization	(4,612)	(4,612)
(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	(1)	(1)
(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

# DAIMAN DEVELOPMENT BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

#### 6. Taxation

	FY2018	
	1st Qtr	Cum 1 Qtr
	RM'000	RM'000
Current year income tax provision	3,565	3,565
Deferred taxation	(241)	(241)
	<u>3,324</u>	<u>3,324</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 income tax rate for the current financial quarter is mainly due to 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.

#### 8. Group Borrowings and Debt Securities

The details of the Group borrowings are as follows:

	Short term	Medium term	Total
	RM'000	RM'000	borrowings
			RM'000
Term loan (secured)	26,500	28,429	54,929
Revolving credit (unsecured)	40,005	-	40,005
	<u>66,505</u>	<u>28,429</u>	<u>94,934</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.

**DAIMAN DEVELOPMENT BERHAD**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

**11. Dividend**

No dividend has been declared for the current financial quarter ended 30 September 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 8,741
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,575</u>
Basic earnings per share (sen)	<u>4.15</u>
Diluted earnings per share (sen)	<u>4.15</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 30/9/2017 RM'000	As at 30/6/2017 RM'000
Total retained profits of the Group		
- Realised	659,134	651,010
- Unrealised	193,246	192,998
	<u>852,380</u>	<u>844,008</u>
Consolidation adjustments	(81,249)	(81,868)
Total Group retained profits as per consolidated accounts	<u><u>771,131</u></u>	<u><u>762,140</u></u>

**By Order of the Board**  
**WONG CHEE YIN (MS)**  
**Company Secretary**  
**Johor Bahru**  
**23 November 2017**