

DAIMAN DEVELOPMENT BERHAD

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	CORRESPONDING
	2ND QTR	2ND QTR	CUM 2 QTRS	CUM 2 QTRS
	FY2018	FY2017	FY2018	FY2017
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	41,400	48,048	95,914	86,789
Operating expenses	(37,558)	(43,198)	(84,081)	(79,552)
Other operating income	3,227	3,275	6,205	14,224
Profit from operations	7,069	8,125	18,038	21,461
Finance cost	(721)	(832)	(1,486)	(1,770)
Investing results	12,263	2,051	14,317	3,534
Share of profit/(loss) of a joint venture	216	(248)	23	(459)
Profit before tax from continuing operations	18,827	9,096	30,892	22,766
Taxation	(1,861)	(2,125)	(5,185)	(4,499)
Net profit for the period from continuing operation	16,966	6,971	25,707	18,267
Other Comprehensive Income:				
Transfer to profit or loss upon disposal of available-for-sale financial assets	(5,976)	-	(5,976)	-
Other comprehensive income for the year	(5,976)	-	(5,976)	-
Total comprehensive income for the year	10,990	6,971	19,731	18,267
Profit attributable to:				
Owners of the parent	16,966	6,971	25,707	18,267
Total comprehensive income attributable to:				
Owners of the parent	10,990	6,971	19,731	18,267
Earning per share (sen)				
Basic	8.06	3.31	12.21	8.67
Diluted	8.06	3.31	12.21	8.67

(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 31 December 2017

	AS AT END OF CURRENT QUARTER 31/Dec/2017	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2017
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	305,917	312,862
Investment properties	363,667	359,168
Land held for property development	608,380	598,647
Other investments	-	34,622
Investment in joint venture	35,176	35,153
Deferred tax assets	361	99
	<u>1,313,501</u>	<u>1,340,551</u>
CURRENT ASSETS		
Property development costs	62,986	75,631
Inventories	31,605	28,214
Trade receivables	35,708	38,123
Other receivables	3,974	3,027
Prepayment	866	2,042
Tax recoverable	1,742	3,517
Other investments	72,217	90,118
Fixed deposits	54,592	14,540
Cash and bank balances	59,214	49,846
	<u>322,904</u>	<u>305,058</u>
TOTAL ASSETS	<u>1,636,405</u>	<u>1,645,609</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	235,256	235,256
Reserves		
- Treasury shares	(2,497)	(2,495)
- Revaluation reserve	156,053	156,505
- Fair value adjustment reserve	-	5,976
- Retained earnings	776,717	762,140
TOTAL EQUITY	<u>1,165,529</u>	<u>1,157,382</u>
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	254,049	254,049
Deferred tax liabilities	42,910	43,239
Borrowings	19,985	36,425
Retirement benefit obligations	941	901
	<u>317,885</u>	<u>334,614</u>
CURRENT LIABILITIES		
Trade payables	15,211	23,081
Other payables	13,506	15,773
Borrowings	70,010	62,500
Tax payable	40,092	38,087
Provision for foreseeable losses for affordable housing	14,172	14,172
	<u>152,991</u>	<u>153,613</u>
TOTAL LIABILITIES	<u>470,876</u>	<u>488,227</u>
TOTAL EQUITY AND LIABILITIES	<u>1,636,405</u>	<u>1,645,609</u>
Net assets per share		
Net assets	1,165,529	1,157,382
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,618)	(1,617)
	<u>210,574</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 6 Months Period Ended 31 December 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	-	-	276	(276)	-	-
Transfer to retained earnings	-	-	(728)	728	-	-
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	-	-	(5,976)	(5,976)
Net income/(expense) not recognised in the income statement	-	-	(452)	452	(5,976)	(5,976)
Net profit for the Period	-	-	-	25,707	-	25,707
Total comprehensive income	-	-	(452)	26,159	(5,976)	19,731
Dividends on ordinary shares	-	-	-	(11,582)	-	(11,582)
Acquisition of treasury shares	-	(2)	-	-	-	(2)
At 31 December 2017	235,256	(2,497)	156,053	776,717	-	1,165,529

(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 6-Month Period Ended 31 December 2017

	31 December 2017	31 December 2016
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	30,892	22,766
Adjustments for non-cash flow:		
Non-cash items	(1,890)	(69)
Non-operating items	757	1,195
Operating profit before changes in working capital	<u>29,759</u>	<u>23,892</u>
Changes in working capital:		
Net change in current assets	3,008	(11,981)
Net change in current liabilities	(10,136)	(1,790)
Cash generated from/(used in) operations	<u>22,631</u>	<u>10,121</u>
Tax paid	(2,243)	(3,639)
Tax refund	247	-
Interest paid	(1,416)	(1,710)
Interest received	28	17
Net cash flows from/(used in) operating activities	<u>19,247</u>	<u>4,777</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(2,302)	(3,650)
Disposal of property, plant and equipment	-	424
Addition of Investment Properties	(4,499)	(265)
Disposal of Investment Properties	-	14,452
Acquisition of investments	(34,695)	(52,432)
Disposal of investments	94,567	90,812
Interest received	701	491
Other investing activities	(3,016)	(4,184)
Net cash generated from/(used in) investing activities	<u>50,756</u>	<u>45,648</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(2)	(3)
Borrowings	(9,000)	(3,500)
Dividends paid	(11,582)	(10,529)
Net cash generated from/(used in) financing activities	<u>(20,584)</u>	<u>(14,032)</u>
Net change in Cash & Cash Equivalents	49,419	36,393
Cash & Cash Equivalents at beginning of year	64,387	28,091
Cash & Cash Equivalents at end of year	<u>113,806</u>	<u>64,484</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:

	Effective for annual periods beginning on or after
• Annual Improvements to FRSs 2014-2016 Cycle	
• Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2018
• Amendments to FRS 128: Investments in Associates and Joint Venture	1 January 2018
• FRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
• Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
• Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
• Amendments to FRS 140: Transfers of Investment Property	1 January 2018
• IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
• IC Interpretation 23: Uncertainty over Income Tax Treatments	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 December 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

Dividend Number	Dividend Type	Dividend Rate	Financial Year	Date Paid	Dividend Amount (RM)
No. 26	Final	5.50 sen	30/6/2017	29/12/2017	<u>11,581,559</u>

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 December 2017 except for the following:

Shares Buy-back

1,000 ordinary shares were bought-back from the open market at an average price of RM2.29 per share during the current financial quarter under review.

The total consideration paid for the purchase including transaction costs was RM2,294 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 127 of the Companies Act 2016.

8. Segmental Reporting

Analysis by industry :

	2nd Qtr RM'000	FY2018 Cum 2 Qtrs RM'000
Segment Revenue		
Property development	16,880	47,938
Property investment	3,062	6,092
Trading	2,080	5,669
Leisure and recreation	2,599	5,042
Hospitality	16,381	30,370
Others	398	803
	<u>41,400</u>	<u>95,914</u>
Segment Results		
Property development	17,697	29,933
Property investment	1,196	2,392
Trading	34	280
Leisure and recreation	43	82
Hospitality	(176)	(1,865)
Others	33	70
	<u>18,827</u>	<u>30,892</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 31/Dec/2017 RM'000
Segment Assets	
Property development	1,287,549
Property investment	177,628
Trading	5,956
Leisure and recreation	5,393
Hospitality	159,394
Others	485
	<u>1,636,405</u>
Segment Liabilities	
Property development	398,195
Property investment	10,926
Trading	1,482
Leisure and recreation	2,120
Hospitality	58,029
Others	124
	<u>470,876</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 31 December 2017.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 31 December 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 2nd Qtr FY2018 RM'000	Preceding Year Corresponding 2nd Qtr FY2017 RM'000		Current Year Cum 2 Qtrs FY2018 RM'000	Preceding Year Corresponding Cum 2 Qtrs FY2017 RM'000	
Revenue	41,400	48,048	-14%	95,914	86,789	11%
Profit from operations	7,069	8,125	-13%	18,038	21,461	-16%
Profit before interest and tax	19,548	9,928	97%	32,378	24,536	32%
Profit before tax	18,827	9,096	107%	30,892	22,766	36%
Net profit for the period	16,966	6,971	143%	25,707	18,267	41%
Profit attributable to: Owners of the parent	16,966	6,971	143%	25,707	18,267	41%

The Group's total revenue decreased from RM48.05 million in second quarter of the preceding year to RM41.40 million for the current quarter under review, representing a 14% decrease.

However, the profit before tax increased from RM9.1 million in Q2 FY2017 to RM18.8 million in Q2 FY2018. This represents a 107% increase.

Property Development

For the financial quarter under review, Property Development's revenue decreased from RM24.0 million to RM16.9 million. However, the profit before tax increased from RM8.3 million to RM17.7 million. This was mainly due to the one time gain of RM9.5 million from the CIMB TrustCapital Advisors Australian Office Fund No. 1 LP ("CIMB AOF1") disposal.

Property Investment

Property Investment revenues remain stable. Revenue decreased from RM3.2 million to RM3.1 million. The profit before tax also decreased slightly from RM1.24 million to RM1.20 million.

Hospitality

The hospitality division revenue increased from RM14.2 million to RM16.4 million. Revenue for financial quarter under review grew 15%. Our pre-tax losses have decreased from RM1.3 million to RM0.2 million. This was a decrease of 85% in losses.

Current Financial Year vs. Preceding Financial Year

The Group's revenue for six-month period ended 31st December 2017 was RM95.9 million as compared to RM86.8 million in the preceding cumulative two quarters. The profit before tax for the two quarters under review was RM30.9 million as compared to RM22.8 million for the preceding cumulative two quarters.

The revenue increased was from Property Development and Hospitality Divisions. Higher profit before tax was due to development profit, one time gain from CIMB AOF1 and lower loss from Hospitality Division.

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 2nd Qtr FY2018 RM'000	Preceding Year 1st Qtr FY2018 RM'000	Change %
Revenue	41,400	54,514	-24%
Profit from operations	7,069	10,969	-36%
Profit before interest and tax	19,548	12,830	52%
Profit before tax	18,827	12,065	56%
Net profit for the period	16,966	8,741	94%
Profit attributable to: Owners of the parent	16,966	8,741	94%

The Group's revenue for the current quarter under review was RM41.4 million as compared to RM54.5 million in immediate preceding quarter. The decrease in revenue was due to lower property sales. Other segments continue to contribute positively.

The Group's profit before tax increased from RM12.1 million to RM18.8 million. This was due to the one time gain from the CIMB AOF1(RM9.5m) which offsets the lower development profits. Lower loss from the Hospitality Division also helped to increase profit before tax figures.

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

	2nd Qtr RM'000	FY2018 Cum 2 Qtrs RM'000
(a) Interest income	434	729
(b) Other income including investment income	2,009	3,803
(c) Interest expense	(721)	(1,486)
(d) Depreciation and amortization	(4,633)	(9,245)
(e) Provision for and write off of receivables	(10)	(10)
(f) Provision for and write off of inventories	N/A	N/A
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	3,495	3,494
(h) Net gain/(loss) on investment securities held for trading	6,045	6,028
(i) Impairment of assets	N/A	N/A
(j) Foreign exchange gain/(loss)	292	292
(k) Gain or loss on derivatives	N/A	N/A
(l) 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	
	2nd Qtr	Cum 2 Qtrs
	RM'000	RM'000
Current year income tax provision	2,211	5,776
Deferred taxation	(350)	(591)
	<u>1,861</u>	<u>5,185</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 income tax rate for the current financial quarter is mainly due to certain gains not subject to 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.

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)	30,000	19,985	49,985
Revolving credit (unsecured)	40,010	-	40,010
	<u>70,010</u>	<u>19,985</u>	<u>89,995</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 31 December 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>25,707</u>
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>12.21</u>
Diluted earnings per share (sen)	<u>12.21</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 31/12/2017 RM'000	As at 30/9/2017 RM'000
Total retained profits of the Group		
- Realised	662,997	659,134
- Unrealised	193,633	193,246
	<u>856,630</u>	<u>852,380</u>
Consolidation adjustments	(79,913)	(81,249)
Total Group retained profits as per consolidated accounts	<u><u>776,717</u></u>	<u><u>771,131</u></u>

By Order of the Board
WONG CHEE YIN (MS)
Company Secretary
Johor Bahru
22 February 2018