

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 31 March 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	CORRESPONDING
	3RD QTR	3RD QTR	CUM 3 QTRS	CUM 3 QTRS
	FY2018	FY2017	FY2018	FY2017
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	41,605	38,857	137,519	125,646
Operating expenses	(39,739)	(38,398)	(123,820)	(117,950)
Other operating income	3,626	3,378	9,831	17,602
Profit from operations	5,492	3,837	23,530	25,298
Finance cost	(638)	(788)	(2,124)	(2,558)
Investing results	(1,376)	1,406	12,941	4,940
Share of profit/(loss) of a joint venture	186	(269)	209	(728)
Profit before tax from continuing operations	3,664	4,186	34,556	26,952
Taxation	(2,196)	(843)	(7,381)	(5,342)
Net profit for the period from continuing operation	1,468	3,343	27,175	21,610
Other Comprehensive Income:				
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(5,976)	-
Other comprehensive income for the year	-	-	(5,976)	-
Total comprehensive income for the year	1,468	3,343	21,199	21,610
Profit attributable to:				
Owners of the parent	1,468	3,343	27,175	21,610
Total comprehensive income attributable to:				
Owners of the parent	1,468	3,343	21,199	21,610
Earning per share (sen)				
Basic	0.70	1.59	12.91	10.26
Diluted	0.70	1.59	12.91	10.26

(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 March 2018

	AS AT END OF CURRENT QUARTER 31/Mar/2018	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2017
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	301,370	312,862
Investment properties	364,921	359,168
Land held for property development	610,391	598,647
Other investments	-	34,622
Investment in joint venture	35,361	35,153
Deferred tax assets	448	99
	<u>1,312,491</u>	<u>1,340,551</u>
CURRENT ASSETS		
Property development costs	44,822	75,631
Inventories	47,085	28,214
Trade receivables	28,476	38,123
Other receivables	3,456	3,027
Prepayment	1,970	2,042
Tax recoverable	1,835	3,517
Other investments	83,222	90,118
Fixed deposits	52,288	14,540
Cash and bank balances	34,732	49,846
	<u>297,886</u>	<u>305,058</u>
TOTAL ASSETS	<u>1,610,377</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	155,819	156,505
- Fair value adjustment reserve	-	5,976
- Retained earnings	778,419	762,140
TOTAL EQUITY	<u>1,166,997</u>	<u>1,157,382</u>
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	254,049	254,049
Deferred tax liabilities	42,951	43,239
Borrowings	-	36,425
Retirement benefit obligations	961	901
	<u>297,961</u>	<u>334,614</u>
CURRENT LIABILITIES		
Trade payables	17,045	23,081
Other payables	14,837	15,773
Borrowings	58,505	62,500
Tax payable	40,860	38,087
Provision for foreseeable losses for affordable housing	14,172	14,172
	<u>145,419</u>	<u>153,613</u>
TOTAL LIABILITIES	<u>443,380</u>	<u>488,227</u>
TOTAL EQUITY AND LIABILITIES	<u>1,610,377</u>	<u>1,645,609</u>
Net assets per share		
Net assets	1,166,997	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 9 Months Period Ended 31 March 2018

	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	-	-	(140)	140	-	-
Transfer to retained earnings	-	-	(546)	546	-	-
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	-	-	(686)	686	(5,976)	(5,976)
Net profit for the Period	-	-	-	27,175	-	27,175
Total comprehensive income	-	-	(686)	27,861	(5,976)	21,199
Dividends on ordinary shares	-	-	-	(11,582)	-	(11,582)
Acquisition of treasury shares	-	(2)	-	-	-	(2)
At 31 March 2018	235,256	(2,497)	155,819	778,419	-	1,166,997

(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 9-Month Period Ended 31 March 2018

	31 March 2018	31 March 2017
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	34,556	26,952
Adjustments for non-cash flow:		
Non-cash items	3,118	4,302
Non-operating items	1,093	1,740
Operating profit before changes in working capital	<u>38,767</u>	<u>32,994</u>
Changes in working capital:		
Net change in current assets	11,324	322
Net change in current liabilities	(6,971)	(3,017)
Cash generated from/(used in) operations	<u>43,120</u>	<u>30,299</u>
Payment of retirement benefits	-	(167)
Tax paid	(3,811)	(5,851)
Tax refund	247	7
Interest paid	(2,043)	(2,480)
Interest received	17	39
Net cash flows from/(used in) operating activities	<u>37,530</u>	<u>21,847</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(2,604)	(4,655)
Disposal of property, plant and equipment	28	466
Addition of Investment Properties	(5,753)	(1,976)
Disposal of Investment Properties	-	14,452
Acquisition of investments	(56,245)	(78,378)
Disposal of investments	105,775	100,982
Interest received	1,013	678
Other investing activities	(5,027)	(6,438)
Net cash generated from/(used in) investing activities	<u>37,187</u>	<u>25,131</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(2)	(3)
Borrowings	(40,500)	(36,500)
Dividends paid	(11,582)	(10,529)
Net cash generated from/(used in) financing activities	<u>(52,084)</u>	<u>(47,032)</u>
Net change in Cash & Cash Equivalents	22,633	(54)
Cash & Cash Equivalents at beginning of year	64,387	28,091
Cash & Cash Equivalents at end of year	<u>87,020</u>	<u>28,037</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 March 2018.

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 2018.

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 2018 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 RM2.29 per share during the 9-month financial period ended 31 March 2018. 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 :

		FY2018
	3rd Qtr	Cum 3 Qtrs
	RM'000	RM'000
Segment Revenue		
Property development	20,777	68,715
Property investment	3,094	9,186
Trading	1,671	7,340
Leisure and recreation	2,360	7,402
Hospitality	13,330	43,700
Others	373	1,176
	<u>41,605</u>	<u>137,519</u>
Segment Results		
Property development	4,282	34,215
Property investment	1,292	3,684
Trading	29	309
Leisure and recreation	27	109
Hospitality	(1,998)	(3,863)
Others	32	102
	<u>3,664</u>	<u>34,556</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/Mar/2018 RM'000
Segment Assets	
Property development	1,265,829
Property investment	179,205
Trading	5,695
Leisure and recreation	4,649
Hospitality	154,464
Others	535
	<u>1,610,377</u>
Segment Liabilities	
Property development	378,090
Property investment	11,412
Trading	1,136
Leisure and recreation	1,996
Hospitality	50,594
Others	152
	<u>443,380</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 March 2018.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 31 March 2018.

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 3rd Qtr FY2018 RM'000	Preceding Year Corresponding 3rd Qtr FY2017 RM'000		Current Year Cum 3 Qtrs FY2018 RM'000	Preceding Year Corresponding Cum 3 Qtrs FY2017 RM'000	
Revenue	41,605	38,857	7%	137,519	125,646	9%
Profit from operations	5,492	3,837	43%	23,530	25,298	-7%
Profit before interest and tax	4,302	4,974	-14%	36,680	29,510	24%
Profit before tax	3,664	4,186	-12%	34,556	26,952	28%
Net profit for the period	1,468	3,343	-56%	27,175	21,610	26%
Profit attributable to: Owners of the parent	1,468	3,343	-56%	27,175	21,610	26%

The Group's total revenue increased from RM38.9 million in third quarter of the preceding year to RM41.6 million for the current quarter under review, representing a 7% increase.

The Group's profit before tax decreased from RM4.2 million in Q3 FY2017 to RM3.7 million in Q3 FY2018. This represents a 12% decrease.

Property Development

For the financial quarter under review, Property Development's revenue increased by 22% from RM17.1 million to RM20.8 million. However, the profit before tax decreased from RM4.7 million to RM4.3 million. This is mainly due to the higher foreign exchange loss incurred in the current quarter under review partially offset by the higher profit derived from the completion of the double storey cluster houses in Taman Gaya ("ARISTA") and Taman Daiman Jaya ("PRECINT NILAM").

Property Investment

Property Investment revenues remain stable at RM3.1 million. The profit before tax increased slightly from RM1.2 million to RM1.3 million.

Hospitality

The hospitality division revenue increased slightly from RM13.0 million to RM13.3 million. Pre-tax losses decreased by about RM2.3 million to RM2.0 million on the back of lower interest charge and sundry income.

Current Financial Year vs. Preceding Financial Year

The Group's revenue for the nine-month period ended 31st March 2018 was RM137.5 million compared to RM125.6 million in the preceding cumulative three quarters. The profit before tax for the three quarters under review was RM34.6 million compared to RM27.0 million for the preceding cumulative three quarters.

The revenue increase was from Property Development and Hospitality Divisions. The higher profit before tax was due to higher development profit, a one time gain from the realization of an investment in a fund and lower loss from the 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 3rd Qtr FY2018 RM'000	Current Year 2nd Qtr FY2018 RM'000	Change %
Revenue	41,605	41,400	0%
Profit from operations	5,492	7,069	-22%
Profit before interest and tax	4,302	19,548	-78%
Profit before tax	3,664	18,827	-81%
Net profit for the period	1,468	16,966	-91%
Profit attributable to: Owners of the parent	1,468	16,966	-91%

The Group's revenue for the current quarter under review was RM41.6 million as compared to RM41.4 million in the immediate preceding quarter.

The Group's profit before tax decreased by 81% from RM18.8 million in the immediate preceding quarter to RM3.7 million in the current quarter under review. This is due to the effect of a one time gain from the realization of an investment in a fund in the immediate preceding quarter, and the higher foreign exchange loss, lower dividend income and higher loss in the Hospitality Division in the current quarter under review.

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

	3rd Qtr RM'000	FY2018 Cum 3 Qtrs RM'000
(a) Interest income	301	1,030
(b) Other income including investment income	532	4,335
(c) Interest expense	(638)	(2,124)
(d) Depreciation and amortization	(4,800)	(14,045)
(e) Provision for and write off of receivables	(5)	(15)
(f) Provision for and write off of inventories	N/A	N/A
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	(19)	3,475
(h) Net gain/(loss) on investment securities held for trading	150	6,178
(i) Impairment of assets	N/A	N/A
(j) Foreign exchange gain/(loss)	(2,351)	(2,059)
(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
	3rd Qtr	Cum 3 Qtrs
	RM'000	RM'000
Current year income tax provision	2,310	8,086
Overprovision in prior year	(67)	(67)
Deferred taxation	(47)	(638)
	<u>2,196</u>	<u>7,381</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% on the estimated assessable profit for the year.

The high effective income tax rate in the current financial quarter is mainly due to higher non tax deductible expenses.

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)	43,503	-	43,503
Revolving credit (unsecured)	15,002	-	15,002
	<u>58,505</u>	<u>-</u>	<u>58,505</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 March 2018.

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>27,175</u>
Weighted average number of ordinary shares: Number used in calculation of basic & diluted earnings per share	<u>210,574</u>
Basic earnings per share (sen)	<u>12.91</u>
Diluted earnings per share (sen)	<u>12.91</u>

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