

DAIMAN DEVELOPMENT BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 30 June 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	4TH QTR	4TH QTR	CUM 4 QTRS	CUM 4 QTRS
	FY2018	FY2017	FY2018	FY2017
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	34,376	53,671	171,895	179,317
Operating expenses	(30,834)	(49,918)	(154,654)	(167,868)
Other operating income	7,163	4,074	16,994	21,676
Profit from operations	10,705	7,827	34,235	33,125
Finance cost	(560)	(768)	(2,684)	(3,326)
Investing results	1,197	1,496	14,138	6,436
Share of profit/(loss) of a joint venture	(257)	(252)	(48)	(980)
Profit before tax from continuing operations	11,085	8,303	45,641	35,255
Taxation	2,812	(6,207)	(4,569)	(11,549)
Net profit for the period from continuing operation	13,897	2,096	41,072	23,706
Other Comprehensive Income:				
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(5,976)	-
Profit on fair value changes in available-for-sale financial assets	-	8,303	-	8,303
Reversal of impairment losses	-	1,216	-	1,216
Deferred taxation on revaluation reserve	3,249	-	3,249	-
Other comprehensive income for the year	3,249	9,519	(2,727)	9,519
Total comprehensive income for the year	17,146	11,615	38,345	33,225
Profit attributable to:				
Owners of the parent	13,897	2,096	41,072	23,706
Total comprehensive income attributable to:				
Owners of the parent	17,146	11,615	38,345	33,225
Earning per share (sen)				
Basic	6.60	1.00	19.50	11.26
Diluted	6.60	1.00	19.50	11.26

(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 30 June 2018

	AS AT END OF CURRENT QUARTER 30/Jun/2018	AS AT PRECEDING FINANCIAL YEAR END 30/Jun/2017
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	297,881	312,862
Investment properties	362,802	359,168
Land held for property development	572,314	598,647
Other investments	-	34,622
Investment in joint venture	35,141	35,153
Deferred tax assets	6,457	99
	1,274,595	1,340,551
CURRENT ASSETS		
Property development costs	44,567	75,631
Inventories	43,423	28,214
Trade receivables	24,537	38,123
Other receivables	3,412	3,027
Prepayment	2,041	2,042
Tax recoverable	1,462	3,517
Other investments	86,400	90,118
Fixed deposits	51,821	14,540
Cash and bank balances	30,761	49,846
	288,424	305,058
TOTAL ASSETS	1,563,019	1,645,609
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	235,256	235,256
Reserves		
- Treasury shares	(2,499)	(2,495)
- Revaluation reserve	158,802	156,505
- Fair value adjustment reserve	-	5,976
- Retained earnings	792,582	762,140
TOTAL EQUITY	1,184,141	1,157,382
NON-CURRENT LIABILITIES		
Provision for foreseeable losses for affordable housing	201,112	254,049
Deferred tax liabilities	40,742	43,239
Borrowings	-	36,425
Retirement benefit obligations	1,000	901
	242,854	334,614
CURRENT LIABILITIES		
Trade payables	17,377	23,081
Other payables	21,182	15,773
Borrowings	46,512	62,500
Tax payable	38,047	38,087
Provision for foreseeable losses for affordable housing	12,906	14,172
	136,024	153,613
TOTAL LIABILITIES	378,878	488,227
TOTAL EQUITY AND LIABILITIES	1,563,019	1,645,609
Net assets per share		
Net assets	1,184,141	1,157,382
Share capital (unit)		
Number of ordinary shares in issue	212,192	212,192
Less: Cumulative number of treasury shares	(1,619)	(1,617)
	210,573	210,575
Net assets per share (RM)	5.62	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 12 Months Period Ended 30 June 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
Deferred tax on revaluation reserve	-	-	3,249	-	-	3,249
Realisation of revaluation surplus due to sales of property	-	-	(224)	224	-	-
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	-	-	2,297	952	(5,976)	(2,727)
Net profit for the Year	-	-	-	41,072	-	41,072
Total comprehensive income	-	-	2,297	42,024	(5,976)	38,345
Dividends on ordinary shares	-	-	-	(11,582)	-	(11,582)
Acquisition of treasury shares	-	(4)	-	-	-	(4)
At 30 June 2018	235,256	(2,499)	158,802	792,582	-	1,184,141

(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 12-Month Period Ended 30 June 2018

	30 June 2018	30 June 2017
	RM'000	RM'000
<u>Cash Flows from Operating Activities</u>		
Profit before tax	45,641	35,255
Adjustments for non-cash flow:		
Non-cash items	(994)	8,136
Non-operating items	1,270	2,415
Operating profit before changes in working capital	<u>45,917</u>	<u>45,806</u>
Changes in working capital:		
Net change in current assets	12,030	(15,509)
Net change in current liabilities	(293)	5,074
Cash generated from/(used in) operations	<u>57,654</u>	<u>35,371</u>
Payment of retirement benefits	-	(166)
Tax paid	(8,913)	(8,239)
Tax refund	751	223
Interest paid	(2,598)	(3,220)
Interest received	71	52
Net cash flows from/(used in) operating activities	<u>46,965</u>	<u>24,021</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(2,767)	(6,701)
Disposal of property, plant and equipment	31	517
Addition of Investment Properties	(7,047)	(4,489)
Disposal of Investment Properties	5,802	14,452
Acquisition of investments	(75,474)	(106,279)
Disposal of investments	122,580	125,356
Interest received	1,343	859
Other investing activities	(9,152)	(907)
Net cash generated from/(used in) investing activities	<u>35,316</u>	<u>22,808</u>
<u>Cash Flows from Financing Activities</u>		
Acquisition of treasury shares	(4)	(5)
Borrowings	(52,500)	-
Dividends paid	(11,582)	(10,529)
Net cash generated from/(used in) financing activities	<u>(64,086)</u>	<u>(10,534)</u>
Net change in Cash & Cash Equivalents	18,195	36,295
Cash & Cash Equivalents at beginning of year	64,387	28,091
Cash & Cash Equivalents at end of year	<u>82,582</u>	<u>64,386</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 Changes in accounting policy

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2017 except as follows:

On 1 July 2017, the Group and the Company adopted the following Amendments and Annual Improvements mandatory for annual financial periods beginning on or after 1 January 2017:

- Amendments to FRS 107 : Statement of Cash Flow - Disclosure Initiative
- Amendments to FRS 112 : Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 12 : Disclosure of Interest in Other Entities (Annual Improvements 2014 - 2016 Cycle)

The adoption of the above Amendments and Annual Improvements did not have any effect on the financial performance or position of the Group and the Company.

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.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2018 could be different if prepared under the MFRS Framework.

3. Nature and Amount of Unusual Items

There were no unusual item or transaction reported for the financial year ended 30 June 2018.

DAIMAN DEVELOPMENT BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

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 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 year ended 30 June 2018 except for the following:

Shares Buy-back

1,000 ordinary shares were bought-back from the open market at an average price of RM2.12 per share during the current financial quarter under review.

The total consideration paid for the purchase including transaction costs was RM2,123 and this was financed by internally generated funds.

2,000 ordinary shares were bought-back from the open market at an average price of RM2.21 per share during the 12-month financial year ended 30 June 2018. The total consideration paid for the purchase including transaction costs was RM4,417 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 :

	4th Qtr	FY2018
	RM'000	Cum 4 Qtrs
		RM'000
Segment Revenue		
Property development	12,318	81,033
Property investment	3,161	12,347
Trading	2,534	9,874
Leisure and recreation	2,226	9,628
Hospitality	13,738	57,438
Others	399	1,575
	<u>34,376</u>	<u>171,895</u>
Segment Results		
Property development	10,152	44,367
Property investment	1,515	5,199
Trading	297	606
Leisure and recreation	805	914
Hospitality	(1,719)	(5,582)
Others	35	137
	<u>11,085</u>	<u>45,641</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/Jun/2018 RM'000
Segment Assets	
Property development	1,212,853
Property investment	180,278
Trading	6,264
Leisure and recreation	5,165
Hospitality	157,855
Others	604
	<u>1,563,019</u>
Segment Liabilities	
Property development	320,658
Property investment	11,194
Trading	1,510
Leisure and recreation	1,825
Hospitality	43,498
Others	193
	<u>378,878</u>

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 RM2,030,000.

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 2018.

12. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets as at 30 June 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 4th Qtr FY2018 RM'000	Preceding Year Corresponding 4th Qtr FY2017 RM'000		Current Year Cum 4 Qtrs FY2018 RM'000	Preceding Year Corresponding Cum 4 Qtrs FY2017 RM'000	
Revenue	34,376	53,671	-36%	171,895	179,317	-4%
Profit from operations	10,705	7,827	37%	34,235	33,125	3%
Profit before interest and tax	11,645	9,071	28%	48,325	38,581	25%
Profit before tax	11,085	8,303	34%	45,641	35,255	29%
Net profit for the period	13,897	2,096	563%	41,072	23,706	73%
Profit attributable to: Owners of the parent	13,897	2,096	563%	41,072	23,706	73%

The Group's total revenue decreased from RM53.7 million in forth quarter of the preceding year to RM34.4 million for the current quarter under review, representing a 36% decrease.

The Group's profit before tax increased from RM8.3 million in Q4 FY2017 to RM11.1 million in Q4 FY2018. This represents a 34% increase.

Property Development

For the financial quarter under review, Property Development's revenue decreased by 56% from RM28.3 million to RM12.3 million. However, the profit before tax increased from RM9.1 million to RM10.2 million. This was mainly due to higher fair value gains on investment properties and gains on disposal of investment property.

Property Investment

Property Investment revenues remain stable at RM3.2 million. The profit before tax decreased slightly from RM1.9 million to RM1.5 million.

Hospitality

The hospitality division revenue decreased slightly from RM14.1 million to RM13.7 million. Pre-tax losses decreased from RM1.8 million to RM1.7 million on the back of lower interest charge.

Current Financial Year vs. Preceding Financial Year

The Group's revenue for the twelve-month period ended 30th June 2018 was RM171.9 million compared to RM179.3 million in the preceding cummulative four quarters. The profit before tax for the four quarters under review was RM45.6 million compared to RM35.3 million for the preceding cummulative four quarters.

The revenue decrease was from Property Development and Trading 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 4th Qtr FY2018 RM'000	Current Year 3rd Qtr FY2018 RM'000	Change %
Revenue	34,376	41,605	-17%
Profit from operations	10,705	5,492	95%
Profit before interest and tax	11,645	4,302	171%
Profit before tax	11,085	3,664	203%
Net profit for the period	13,897	1,468	847%
Profit attributable to: Owners of the parent	13,897	1,468	847%

The Group's revenue for the current quarter under review was RM34.4 million as compared to RM41.6 million in the immediate preceding quarter.

The Group's profit before tax increased by 203% from RM3.7 million in the immediate preceding quarter to RM11.1 million in the current quarter under review. This is due to higher development profit, fair value gains on investment properties, gains on disposal of investment property and the lower foreign exchange loss 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

	4th Qtr RM'000	FY2018 Cum 4 Qtrs RM'000
(a) Interest income	384	1,414
(b) Other income including investment income	830	5,165
(c) Interest expense	(560)	(2,684)
(d) Depreciation and amortization	(4,447)	(18,492)
(e) Provision for and write off of receivables	-	(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	1,298	4,773
(h) Net gain/(loss) on investment securities held for trading	(72)	6,106
(i) Impairment of assets	N/A	N/A
(j) Foreign exchange gain/(loss)	112	(1,947)
(k) Gain or loss on derivatives	N/A	N/A
(l) Fair value gain on investment properties	2,030	2,030
(m) 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	
	4th Qtr	Cum 4 Qtrs
	RM'000	RM'000
Current year income tax provision	2,157	10,242
Overprovision in prior year	-	(67)
Deferred taxation	(4,969)	(5,606)
	<u>(2,812)</u>	<u>4,569</u>

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

The low effective income tax rate in the current financial quarter is mainly due to recognition of deferred tax assets on unutilised capital allowances.

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:

	RM'000
Short term borrowings	
Term loan (secured)	36,511
Revolving credit (unsecured)	10,001
	<u>46,512</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

- (1) A first and final single tier ordinary dividend has been recommended by the Board on 23 August 2018 for approval at the forthcoming Annual General Meeting.
- (2) First and Final Single Tier Ordinary Dividend : 5 sen
- (3) Financial Year 2017's first and final single tier ordinary dividend was 5.5 sen.
- (4) Date of payment of the first and final single tier ordinary dividend will be determined and announced at a later date.
- (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 2018 is 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>41,072</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>19.50</u>
Diluted earnings per share (sen)	<u>19.50</u>

By Order of the Board
LEE WEE HEE
Company Secretary
Johor Bahru
23 August 2018