

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	As at 31-Dec-11 RM'000 (Unaudited)	As at 30-Jun-11 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	455,359	457,313
Biological assets	219,443	218,413
Land held for property development	49,862	49,386
Long term receivable	9,233	9,233
Deferred tax assets	4,530	4,517
	738,427	738,862
Current assets		
Property development costs	291,135	290,828
Inventories	11,530	10,828
Receivables	50,816	55,943
Tax recoverable	4,978	5,099
Short term deposits	681	676
Cash and bank balances	14,404	11,611
	373,544	374,985
Non-current asset classified as held for sale	-	31,360
	373,544	406,345
TOTAL ASSETS	1,111,971	1,145,207
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	602,271	593,100
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	268,330	277,761
Irredeemable Convertible Bonds ("ICB")	9,213	9,226
Irredeemable Exchangeable Bonds ("IEB")	2,847	2,847
Reserves	104,403	104,126
Accumulated losses	(135,371)	(136,172)
	851,693	850,888
Non-controlling interest	54,795	55,199
Total equity	906,488	906,087
Non-current liabilities		
Borrowings	53,445	52,160
Deferred tax liabilities	25,709	25,709
	79,154	77,869
Current liabilities		
Provisions for liabilities	97	97
Borrowings	70,216	97,482
Payables	50,379	56,731
Current tax payable	5,637	6,941
	126,329	161,251
Total liabilities	205,483	239,120
TOTAL EQUITY AND LIABILITIES	1,111,971	1,145,207
Net assets per share (RM)	1.41	1.43

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-11 RM'000	Preceding year corresponding quarter 31-Dec-10 RM'000	Current financial year-to-date 31-Dec-11 RM'000	Preceding year corresponding period 31-Dec-10 RM'000
Revenue	15,629	19,033	63,360	34,189
Expenses	(13,434)	(13,110)	(57,354)	(25,221)
Other income	80	99	366	3,591
Depreciation/amortisation	(972)	(1,558)	(2,317)	(3,152)
Profit from operations	1,303	4,464	4,055	9,407
Interest income	59	346	74	713
Interest expense	(2,165)	(3,706)	(4,380)	(7,460)
(Loss)/profit before taxation	(803)	1,104	(251)	2,660
Income tax reversal, net	146	1,760	224	1,843
(Loss)/profit for the period	(657)	2,864	(27)	4,503
Attributable to:				
Owners of the parent	(511)	3,071	377	4,977
Non-controlling interest	(146)	(207)	(404)	(474)
	(657)	2,864	(27)	4,503
Earnings per share attributable to owners of the parent (sen):				
Basic	(0.09)	0.52	0.06	0.84
Diluted	(0.09)	0.39	0.06	0.64

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-11 RM'000	Preceding year corresponding quarter 31-Dec-10 RM'000	Current financial year-to-date 31-Dec-11 RM'000	Preceding year corresponding period 31-Dec-10 RM'000
(Loss)/profit for the period	(657)	2,864	(27)	4,503
Other comprehensive income for the period	-	-	-	-
Total comprehensive (expense)/income for the period	(657)	2,864	(27)	4,503
Total comprehensive (expense)/income attributable to:				
Owners of the parent	(511)	3,071	377	4,977
Non-controlling interest	(146)	(207)	(404)	(474)
	(657)	2,864	(27)	4,503

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	← Attributable to owners of the parent →								
	← Non-distributable →								
	Share capital RM'000	Equity component of ICULS RM'000	Equity component of ICB RM'000	Equity component of IEB RM'000	Reserves RM'000	Accumulated losses RM'000	Total shareholders' equity RM'000	Non- controlling interest RM'000	Total equity RM'000
<u>6 months ended 31 December 2011</u>									
At 1 July 2011	593,100	277,761	9,226	2,847	104,126	(136,172)	850,888	55,199	906,087
Profit/(loss) for the period	-	-	-	-	-	377	377	(404)	(27)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	377	377	(404)	(27)
Conversion of ICULS and ICB	9,171	(9,431)	(13)	-	277	424	428	-	428
At 31 December 2011	<u>602,271</u>	<u>268,330</u>	<u>9,213</u>	<u>2,847</u>	<u>104,403</u>	<u>(135,371)</u>	<u>851,693</u>	<u>54,795</u>	<u>906,488</u>
<u>6 months ended 31 December 2010</u>									
At 1 July 2010	592,710	279,834	9,484	4,062	104,113	(134,055)	856,148	56,173	912,321
Effects of adopting FRS 139	-	-	-	-	-	(2,762)	(2,762)	-	(2,762)
	592,710	279,834	9,484	4,062	104,113	(136,817)	853,386	56,173	909,559
Profit for the period	-	-	-	-	-	4,977	4,977	(474)	4,503
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	4,977	4,977	(474)	4,503
Cancellation of ICB	-	-	(109)	-	-	(39)	(148)	-	(148)
Conversion of ICULS	165	(141)	-	-	6	(19)	11	-	11
At 31 December 2010	<u>592,875</u>	<u>279,693</u>	<u>9,375</u>	<u>4,062</u>	<u>104,119</u>	<u>(131,898)</u>	<u>858,226</u>	<u>55,699</u>	<u>913,925</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	Year-to-date 31-Dec-11 RM'000	Year-to-date 31-Dec-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(251)	2,660
Adjustments for :		
Depreciation / amortisation	2,317	3,152
(Gain)/loss on disposal of property, plant and equipment, net	(10)	189
Gain on cancellation of financial instruments	-	(1)
Unrealised foreign exchange loss/(gain), net	27	(3,502)
Interest expense	4,380	7,460
Interest income	(74)	(713)
Property, plant and equipment written off	16	1
Write back of allowance for impairment on receivables	(215)	-
Operating profit before working capital changes	6,190	9,246
Disposal of land held for property development	31,360	-
Other changes in working capital	(2,018)	(911)
Cash generated from operations	35,532	8,335
Tax paid, net	(1,114)	(1,081)
Interest paid	(83)	(62)
Net cash generated from operating activities	34,335	7,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(1,030)	(844)
Additions in land held for property development	(476)	(11)
Purchase of property, plant and equipment	(427)	(274)
Interest received	74	42
Proceeds from disposal of property, plant and equipment	58	145
Net cash used in investing activities	(1,801)	(942)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings, net	(28,000)	(8,643)
Repayment of hire purchase and lease payables	(202)	(250)
Repayment of financial instruments	-	(1,181)
Term loan interest paid	(1,534)	(1,512)
Placement of fixed deposit pledged with licensed banks	(1)	(28)
Net cash used in financing activities	(29,737)	(11,614)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,797	(5,364)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	11,794	13,248
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	14,591	7,884

PART A : Notes Required by FRS 134

A1) Accounting policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report should be read in conjunction with the audited financial statements for the year ended 30 June 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2011, except for the adoption of new FRSS, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2011. The adoption of these FRSS, amendments and IC Interpretations do not have material impact on the interim financial report of the Group.

A2) Seasonal or cyclical factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A3) Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence for the current financial period, other than as disclosed in the financial statements.

A4) Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, which give a material effect in the current interim period

There were no changes in the estimates of amounts, which give a material effect in the current financial period.

A5) Debt and equity securities

During the 6 months period under review, the following financial instruments have been converted:

Financial instruments	Nominal value converted	Outstanding nominal value as at 31-Dec-11
Irredeemable Convertible Bonds of nominal value RM1.00 each (“ICB”)	20,000	13,334,372
Irredeemable Convertible Unsecured Loan Stocks of nominal value RM1.00 each (“ICULS”)	10,802,091	307,335,229
Restructured Term Loan (“RTL”)	-	39,519,372
Redeemable Unsecured Loan Stocks of nominal value RM1.00 each (“RULS”)	-	20,649,024
Irredeemable Exchangeable Bonds of nominal value USD1.00 each (“IEB”)	-	1,320,000

A6) Dividends paid

No dividends have been paid for the current financial period.

A7) Segmental reporting

Segmental analysis for the current financial period by business segments is as follows:

	Property Development	Plantation	Manufacturing	Investment Holding and Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 December 2011						
Revenue						
External revenue	35,370	27,990	-	-	-	63,360
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>35,370</u>	<u>27,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,360</u>
Results						
Segment results	(1,841)	10,484	(808)	(3,780)	-	4,055
Finance costs, net						(4,306)
Income tax reversal, net						224
Loss for the period						<u>(27)</u>
6 months ended 31 December 2010						
Revenue						
External revenue	9,179	25,010	-	-	-	34,189
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>9,179</u>	<u>25,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,189</u>
Results						
Segment results	(1,202)	12,877	(1,173)	(1,095)	-	9,407
Finance costs, net						(6,747)
Income tax reversal, net						1,843
Profit for the period						<u>4,503</u>

A8) Significant event occurring after the reporting date

There were no material transactions or events subsequent to the end of the current quarter.

A9) Effect of changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period.

A10) Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets since the last annual statement of financial position as at 30 June 2011 to the date of this report.

A11) Capital commitments

There were no material capital commitments which have not been provided for in the financial statements as at 31 December 2011.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (2Q FY2012), the Group registered revenue of RM15.6 million and loss before tax of RM0.8 million as compared to revenue of RM19.0 million and Profit before tax ("PBT") of RM1.1 million in the preceding year corresponding quarter (2Q FY2011).

The plantation division contributed RM12.5 million to the revenue (2Q FY2011 : RM14.1 million). The lower contribution was mainly due to lower FFB price of RM557/mt recorded for the quarter, which was 16% lower than the corresponding quarter. For the property division, revenue declined to RM3.1 million (2Q FY 2011: RM4.9 million) mainly due to lower development activities.

As a result of lower revenue registered by the Group and coupled with higher operation cost incurred by the plantation division, the Group registered a loss before tax of RM0.8 million for the quarter under review (2Q FY2011: PBT of RM1.1 million).

For the financial year-to-date (1H FY2012), the Group registered revenue of RM63.4 million and loss before tax of RM0.3 million as compared to revenue of RM34.2 million and PBT of RM2.7 million in the preceding year corresponding period (1H FY2011).

The Group posted higher revenue mainly due to higher revenue from the plantation division of RM28.0 million (1H FY2011 : RM25.0 million) and sale of land amounting to RM32.0 million. The FFB price was sustained at RM575/mt while FFB production volume increased by 14% for the period.

The group posted a loss before tax of RM0.3 million for the 1st half of FY2012 (1H FY2011 : PBT of RM2.7 million) as the higher revenue was offset by higher operation cost of the plantation division and losses from other segments.

B2) Material changes in quarterly results

For the quarter under review, the group registered a loss before tax of RM0.8 million as compared to PBT of RM0.5 million recorded in the preceding quarter. The decline was mainly due to lower profit contribution of RM4.0 million from the plantation division (1Q FY2012: RM6.4 million) as the FFB production decreased by 15% for the quarter under review mainly as a result of heavy rainfall.

B3) Commentary on:

(a) Current year prospects

The Group's results for the financial year ending 30 June 2012 is dependent on the economic conditions.

(b) Progress to achieve the revenue or profit estimate, forecast, projection or internal targets which was previously announced or disclosed in public document

There were no revenue or profit estimate, forecast, projection or internal targets, which were previously announced or disclosed in public document.

B4) Statement of the board of directors' opinion whether the revenue or profit estimate, forecast, projection or internal targets which was previously announced or disclosed in public document are likely to be achieved

Not applicable.

B5) Variance from profit forecast and shortfall in profit guarantee

Not applicable.

B6) Taxation

Tax charge comprises of the following:

	Current Quarter 31-Dec-11 RM'000	Current Financial Year-To-Date 31-Dec-11 RM'000
Income tax reversal, net	(69)	(69)
Transfer from deferred taxation	(77)	(155)
	<u>(146)</u>	<u>(224)</u>

The disproportionate tax charge is due principally to certain expenses being disallowed for taxation purposes and tax credit recognised during the period.

B7) Status of corporate proposals announced but not completed

There was no corporate proposal announced but not completed as at the date of this report.

B8) Group borrowings

The Group borrowings are as follows:

	As at 31-Dec-11 RM'000
Short-term borrowings:	
Secured	63,107
Unsecured	7,109
	<u>70,216</u>
 Long-term borrowings:	
Secured	46,793
Unsecured	6,652
	<u>53,445</u>
 Total borrowings	 <u>123,661</u>

Included in the unsecured borrowings is foreign currency borrowing of USD174,000 (RM552,000 equivalent).

B9) Changes in material litigation (including status of any pending material litigation) since the last annual reporting date

The list of material litigation is attached as Annexure 1.

B10) Dividend declared

No dividend has been declared/recommended for the current financial period.

B11) Earnings per share

	3 months ended		6 months ended	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
(a) Basic				
(Loss)/profit attributable to owners of the parent (RM'000)	(511)	3,071	377	4,977
Weighted average number of ordinary shares ('000)	598,704	592,814	597,402	592,762
Basic earnings per ordinary share for the period (sen)	(0.09)	0.52	0.06	0.84
(b) Diluted				
(Loss)/profit attributable to owners of the parent including assumed conversions (RM'000)	(511)	3,431	377	5,637
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	598,704	878,891	597,402	879,133
Diluted earnings per ordinary share for the period (sen)	*(0.09)	0.39	*0.06	0.64

* The diluted EPS is the same as the basic EPS. This is because the computations of diluted EPS produced anti-dilution effects and were therefore disregarded.

B12) Declaration of audit qualification

The audit report of the Company's preceding annual financial statements was not subject to qualification.

B13) (Loss)/profit before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year corresponding quarter	Current financial year-to-date	Preceding year corresponding quarter
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before taxation is arrived at after (charging)/crediting:				
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (loss)/gain, net:				
- Realised	(2)	(18)	(2)	(18)
- Unrealised	2	87	(27)	3,502
Gain/(loss) on derivatives	-	-	-	-

B14) Realised and unrealised accumulated losses

	As at 31-Dec-11 RM'000	As at 30-Jun-11 RM'000
Total accumulated losses of DutaLand Berhad and its subsidiaries:		
- Realised	(444,607)	(442,453)
- Unrealised	(38,792)	(38,822)
	<u>(483,399)</u>	<u>(481,275)</u>
Consolidation adjustments	348,028	345,103
Total Group's accumulated losses	<u>(135,371)</u>	<u>(136,172)</u>

On behalf of the Board
DUTALAND BERHAD

Pang Siok Tieng
Company Secretary

Kuala Lumpur
28 February 2012