

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

| | As at 31-Dec-12 RM'000 (Unaudited) | As at 30-Jun-12 RM'000 (Audited) |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 450,998 | 452,898 |
| Biological assets | 222,562 | 220,858 |
| Land held for property development | 48,850 | 48,850 |
| Deferred tax assets | 1,861 | 2,083 |
| | <u>724,271</u> | <u>724,689</u> |
| Current assets | | |
| Property development costs | 284,798 | 283,588 |
| Inventories | 15,956 | 15,780 |
| Receivables | 22,210 | 27,653 |
| Tax recoverable | 9,339 | 6,907 |
| Short term deposits | 521 | 544 |
| Cash and bank balances | 4,441 | 5,808 |
| | <u>337,265</u> | <u>340,280</u> |
| TOTAL ASSETS | <u>1,061,536</u> | <u>1,064,969</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 630,063 | 602,355 |
| Irredeemable Convertible Unsecured Loan Stocks ("ICULS") | 218,421 | 246,804 |
| Irredeemable Convertible Bonds ("ICB") | 5,186 | 7,961 |
| Irredeemable Exchangeable Bonds ("IEB") | 2,847 | 2,847 |
| Reserves | 105,081 | 104,406 |
| Accumulated losses | (154,402) | (143,678) |
| | 807,196 | 820,695 |
| Non-controlling interest | 53,708 | 54,237 |
| Total equity | <u>860,904</u> | <u>874,932</u> |
| Non-current liabilities | | |
| Borrowings | 1,635 | 1,786 |
| Deferred tax liabilities | 25,214 | 25,265 |
| | <u>26,849</u> | <u>27,051</u> |
| Current liabilities | | |
| Borrowings | 120,514 | 119,847 |
| Payables | 50,473 | 40,542 |
| Current tax payable | 2,796 | 2,597 |
| | <u>173,783</u> | <u>162,986</u> |
| Total liabilities | 200,632 | 190,037 |
| TOTAL EQUITY AND LIABILITIES | <u>1,061,536</u> | <u>1,064,969</u> |
| Net assets per share (RM) | 1.28 | 1.36 |

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2012**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|--|--|
| | Current quarter 31-Dec-12 RM'000 | Preceding year corresponding quarter 31-Dec-11 RM'000 | Current financial year-to-date 31-Dec-12 RM'000 | Preceding year corresponding period 31-Dec-11 RM'000 |
| Revenue | 13,365 | 15,629 | 30,052 | 63,360 |
| Expenses | (16,061) | (13,434) | (31,562) | (57,354) |
| Other income | 387 | 80 | 657 | 366 |
| Depreciation/amortisation | (1,255) | (972) | (2,598) | (2,317) |
| (Loss)/profit from operations | (3,564) | 1,303 | (3,451) | 4,055 |
| Interest income | 10 | 59 | 13 | 74 |
| Interest expense | (2,819) | (2,165) | (5,564) | (4,380) |
| Loss before taxation | (6,373) | (803) | (9,002) | (251) |
| Income tax (expense)/reversal, net | (327) | 146 | (1,688) | 224 |
| Loss for the period | (6,700) | (657) | (10,690) | (27) |
| Attributable to: | | | | |
| Owners of the parent | (6,471) | (511) | (10,161) | 377 |
| Non-controlling interest | (229) | (146) | (529) | (404) |
| | (6,700) | (657) | (10,690) | (27) |
| Earnings per share attributable to owners of the parent (sen): | | | | |
| Basic | (1.04) | (0.09) | (1.66) | 0.06 |
| Diluted | (1.04) | (0.09) | (1.66) | 0.06 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2012**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|--|--|
| | Current quarter 31-Dec-12 RM'000 | Preceding year corresponding quarter 31-Dec-11 RM'000 | Current financial year-to-date 31-Dec-12 RM'000 | Preceding year corresponding period 31-Dec-11 RM'000 |
| Loss for the period | (6,700) | (657) | (10,690) | (27) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive expense for the period | (6,700) | (657) | (10,690) | (27) |
| Total comprehensive (expense)/income attributable to: | | | | |
| Owners of the parent | (6,471) | (511) | (10,161) | 377 |
| Non-controlling interest | (229) | (146) | (529) | (404) |
| | (6,700) | (657) | (10,690) | (27) |

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012**

| | ← Attributable to owners of the parent → | | | | | Accumulated losses RM'000 | Total shareholders' equity RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
|---|--|---|---|---|--------------------|---------------------------------|--|---|---------------------------|
| | 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 | | | | |
| <u>6 months ended 31 December 2012</u> | | | | | | | | | |
| At 1 July 2012 | 602,355 | 246,804 | 7,961 | 2,847 | 104,406 | (143,678) | 820,695 | 54,237 | 874,932 |
| Loss for the period | - | - | - | - | - | (10,161) | (10,161) | (529) | (10,690) |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive expense for the period | - | - | - | - | - | (10,161) | (10,161) | (529) | (10,690) |
| Conversion of ICULS | 27,708 | (28,383) | - | - | 675 | 667 | 667 | - | 667 |
| Cancellation of ICB | - | - | (2,775) | - | - | (1,230) | (4,005) | - | (4,005) |
| At 31 December 2012 | 630,063 | 218,421 | 5,186 | 2,847 | 105,081 | (154,402) | 807,196 | 53,708 | 860,904 |
| <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/(expense) 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 | 602,271 | 268,330 | 9,213 | 2,847 | 104,403 | (135,371) | 851,693 | 54,795 | 906,488 |

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012**

| | Year-to-date 31-Dec-12 RM'000 | Year-to-date 31-Dec-11 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (9,002) | (251) |
| Adjustments for : | | |
| Depreciation / amortisation | 2,598 | 2,317 |
| Gain on disposal of property, plant and equipment, net | (119) | (10) |
| Unrealised foreign exchange (gain)/loss, net | (10) | 27 |
| Interest expense | 5,564 | 4,380 |
| Interest income | (13) | (74) |
| Property, plant and equipment written off | 2 | 16 |
| Write-back of allowance for impairment on receivables | - | (215) |
| Operating (loss)/profit before working capital changes | (980) | 6,190 |
| Disposal of land held for property development | - | 31,360 |
| Other changes in working capital | 13,931 | (2,018) |
| Cash generated from operations | 12,951 | 35,532 |
| Tax paid, net | (4,020) | (1,114) |
| Net cash generated from operating activities | 8,931 | 34,418 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Expenditure incurred on biological assets | (1,704) | (1,030) |
| Additions in land held for property development | - | (476) |
| Purchase of property, plant and equipment | (521) | (427) |
| Interest received | 8 | 74 |
| Proceeds from disposal of property, plant and equipment | 210 | 58 |
| Net cash used in investing activities | (2,007) | (1,801) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | - | (28,000) |
| Cancellation of financial instruments | (4,233) | - |
| Repayment of hire purchase and lease payables | (280) | (202) |
| Interest paid | (3,801) | (1,617) |
| Withdrawal/(placement) of fixed deposit pledged with licensed banks | 24 | (1) |
| Net cash used in financing activities | (8,290) | (29,820) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (1,366) | 2,797 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 5,887 | 11,794 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 4,521 | 14,591 |

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 2012.

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 2012, except for the adoption of new FRSS, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2012. 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/cancelled:

| Financial instruments | Nominal value converted/ cancelled | Outstanding nominal value as at 31-Dec-12 |
|---|---------------------------------------|--|
| Irredeemable Convertible Bonds of nominal value RM1.00 each (“ICB”) | (4,090,581) | 7,644,000 |
| Irredeemable Convertible Unsecured Loan Stocks of nominal value RM1.00 each (“ICULS”) | (32,695,484) | 251,610,510 |
| Restructured Term Loan (RM) (“RTL”) | - | 27,040,688 |
| Redeemable Unsecured Loan Stocks of nominal value RM1.00 each (“RULS”) | - | 13,121,392 |
| 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 2012 | | | | | | |
| Revenue | | | | | | |
| External revenue | 8,117 | 21,935 | - | - | - | 30,052 |
| Inter-segment revenue | - | - | - | - | - | - |
| Total revenue | <u>8,117</u> | <u>21,935</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,052</u> |
| Results | | | | | | |
| Segment results | (395) | 1,636 | (802) | (3,890) | - | (3,451) |
| Finance costs, net | | | | | | (5,551) |
| Income tax expense, net | | | | | | <u>(1,688)</u> |
| Loss for the period | | | | | | <u><u>(10,690)</u></u> |
| 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 | | | | | | <u>224</u> |
| Loss for the period | | | | | | <u><u>(27)</u></u> |

A8) Significant event occurring after the reporting date

There were no material transactions or events occurred 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 2012 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 2012.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (2Q FY2013), the group recorded revenue of RM13.4 million, RM2.2 million lower as compared to the preceding year quarter (2Q FY2012) of RM15.6 million. The plantation division's revenue was lower by RM3.7 million (RM8.8 million vs RM12.5 million), mainly due to the sharp decline of the FFB price by 41% (RM329 / MT vs RM557 / MT). The improvement of 19% in FFB production (26,762 MT vs 22,439 MT) helped to mitigate the impact of the drop in FFB price. For the property division, the revenue increased by RM1.5 mil (RM4.6 million vs RM3.1 million) mainly due to higher contribution from the commercial development project in Seremban.

Loss before tax for the quarter under review was at RM6.4 million as compared to RM0.8 million for 2Q FY2012. The plantation division registered loss of RM1.7 million (2Q FY2012 : profit before tax of RM4.0 million) as revenue reduced by RM3.7 million and operation cost increased by RM2.0 million. For property division, the loss before tax of RM1.6 million was marginally higher by RM0.2 million due to higher operation cost.

For the 6 months period under review (YTD FY2013), the group recorded revenue of RM30.0 million, RM33.4 million lower than the preceding year corresponding period (YTD FY2012) of RM63.4 million. Revenue from the plantation division stood at RM21.9 million as compared to RM28.0 million recorded in YTD FY2012. The variance of RM6.1 million was mainly due to the significant drop in the FFB price despite the increase in FFB production. The average FFB price for YTD FY2013 was at RM413 / MT (YTD FY2012 : RM575 / MT, -28%) and production volume of FFB was 53,158 MT (YTD FY2012 : 48,686 MT, +9%). The property division recorded revenue of RM8.1 million (YTD FY2012 : RM35.4 million). Included in the YTD FY2012's revenue was land sales amounted to RM32.0 million.

Loss before tax for YTD FY2013 was at RM9.0 million as compared to RM0.3 million for YTD FY2012. The plantation division recorded profit before tax of RM1.5 million as compared to RM10.4 million of YTD FY2012. The shortfall of RM8.9 million was mainly due to lower revenue (-RM6.1 million), coupled with higher operation cost (-RM2.8 million) in the current year period. The property division registered loss before tax of RM4.0 million as compared to RM3.3 million in YTD FY2012. The higher loss of RM0.7 million was mainly due to higher operation cost.

B2) Material changes in quarterly results

For the quarter under review (2Q FY2013), the group registered a loss before tax of RM6.4 million, which was RM3.8 million higher than the loss of RM2.6 million reported for the previous quarter. The plantation division's result fell by RM4.9 million to -RM1.7 million as revenue dropped by RM4.3 million, corresponding to the fall of the FFB price, which had slipped 34% to RM329 / MT (1Q FY2013 : RM498 / MT). Meanwhile the property division reported lower loss at RM1.6 million, an improvement of RM0.9 million over the previous quarter. This was mainly due to higher revenue recognised for the commercial development project in Seremban.

B3) Commentary on:

(a) Current year prospects

The selling price of crude palm oil ("CPO") has weakened significantly in recent months. The price movement of the CPO will affect the performance of the Group for the financial year ending 30 June 2013.

(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-12 RM'000 | Current Financial Year-To-Date 31-Dec-12 RM'000 |
|---------------------------------|---|--|
| Income tax expense, net | 339 | 1,787 |
| Transfer from deferred taxation | (12) | (99) |
| | <u>327</u> | <u>1,688</u> |

The disproportionate tax charge is due principally to certain expenses being disallowed for taxation purposes 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-12 RM'000 |
|-------------------------------|---------------------------------------|
| Short-term borrowings: | |
| Secured | 113,020 |
| Unsecured | 7,494 |
| | <u>120,514</u> |
| Long-term borrowings: | |
| Secured | 1,635 |
| Unsecured | - |
| | <u>1,635</u> |
| Total borrowings | <u>122,149</u> |

Included in the unsecured short-term borrowings is foreign currency borrowing of USD90,000 (RM276,000 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-12 | 31-Dec-11 | 31-Dec-12 | 31-Dec-11 |
| (a) Basic | | | | |
| (Loss)/profit attributable to owners of the parent (RM'000) | (6,471) | (511) | (10,161) | 377 |
| Weighted average number of ordinary shares ('000) | 620,518 | 598,704 | 611,567 | 597,402 |
| Basic earnings per ordinary share for the period (sen) | <u>(1.04)</u> | <u>(0.09)</u> | <u>(1.66)</u> | <u>0.06</u> |
| (b) Diluted | | | | |
| (Loss)/profit attributable to owners of the parent including assumed conversions (RM'000) | (6,471) | (511) | (10,161) | 377 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 620,518 | 598,704 | 611,567 | 597,402 |
| Diluted earnings per ordinary share for the period (sen) | <u>*(1.04)</u> | <u>*(0.09)</u> | <u>*(1.66)</u> | <u>*0.06</u> |

* The diluted EPS is the same as the basic EPS. This is because the computations of diluted EPS produce anti-dilution effects and are 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 before taxation

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|---|---|
| | Current quarter 31-Dec-12 RM'000 | Preceding year corresponding quarter 31-Dec-11 RM'000 | Current financial year-to-date 31-Dec-12 RM'000 | Preceding year corresponding period 31-Dec -11 RM'000 |
| Loss before taxation is arrived at after crediting/(charging): | | | | |
| Provision for and write-off of receivables | - | - | - | - |
| Provision for and write-off of inventories | - | - | - | - |
| Gain on disposal of quoted or unquoted investments or properties, net | 10 | 7 | 119 | 10 |
| Impairment of assets | - | - | - | - |
| Foreign exchange gain/(loss), net: | | | | |
| - Realised | 21 | (2) | 21 | (2) |
| - Unrealised | - | 2 | 10 | (27) |
| Gain/(loss) on derivatives | - | - | - | - |
| Write-off of property, plant and equipment | (1) | (14) | (2) | (16) |
| Write-back of allowance for impairment on receivables | - | - | - | 215 |

B14) Realised and unrealised accumulated losses

| | As at 31-Dec-12 RM'000 | As at 30-Jun-12 RM'000 |
|--|------------------------------|------------------------------|
| Total accumulated losses of DutaLand Berhad and its subsidiaries: | | |
| - Realised | (792,163) | (779,438) |
| - Unrealised | (30,458) | (30,437) |
| | <u>(822,621)</u> | <u>(809,875)</u> |
| Consolidation adjustments | 668,219 | 666,197 |
| Total Group's accumulated losses | <u>(154,402)</u> | <u>(143,678)</u> |

On behalf of the Board
DUTALAND BERHAD

Pang Siok Tieng
Company Secretary

Kuala Lumpur
28 February 2013