

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	As at 31-Mar-16 RM'000 (Unaudited)	As at 30-Jun-15 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	432,380	433,842
Biological assets	261,046	260,000
Land held for property development	239,839	239,514
	<u>933,265</u>	<u>933,356</u>
Current assets		
Property development costs	67,461	66,527
Inventories	13,018	12,890
Receivables	31,837	34,737
Tax recoverable	2,661	1,542
Short term deposits	528	527
Cash and bank balances	11,016	10,457
	<u>126,521</u>	<u>126,680</u>
Non-current assets held for sale	-	3,684
	126,521	130,364
TOTAL ASSETS	<u>1,059,786</u>	<u>1,063,720</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	846,118	846,118
Reserves	125,883	125,883
Accumulated losses	(40,628)	(42,018)
	931,373	929,983
Non-controlling interests	54,833	53,975
Total equity	<u>986,206</u>	<u>983,958</u>
Non-current liabilities		
Borrowings	1,280	827
Deferred tax liabilities	42,733	42,733
	<u>44,013</u>	<u>43,560</u>
Current liabilities		
Borrowings	541	600
Payables	27,777	31,023
Current tax payable	1,249	4,579
	<u>29,567</u>	<u>36,202</u>
Total liabilities	73,580	79,762
TOTAL EQUITY AND LIABILITIES	<u>1,059,786</u>	<u>1,063,720</u>
Net assets per share (RM)	1.10	1.10

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Mar-16 RM'000	Preceding year corresponding quarter 31-Mar-15 RM'000	Current financial year-to-date 31-Mar-16 RM'000	Preceding year corresponding period 31-Mar-15 RM'000
Revenue	6,424	12,376	27,071	33,721
Expenses	(9,728)	(25,207)	(37,647)	(52,708)
Other income	4,613	61,377	16,567	61,663
Depreciation / amortisation	(567)	(750)	(2,257)	(2,432)
Profit from operations	742	47,796	3,734	40,244
Interest income	3	23,995	43	24,067
Interest expense	(23)	(1,464)	(72)	(5,553)
Profit before taxation	722	70,327	3,705	58,758
Income tax credit/(expense), net	1,818	(8,813)	(1,457)	(9,233)
Profit for the period	2,540	61,514	2,248	49,525
Attributable to:				
Owners of the parent	1,209	56,829	1,390	45,882
Non-controlling interests	1,331	4,685	858	3,643
	2,540	61,514	2,248	49,525
Earnings per share attributable to owners of the parent (sen):				
Basic	0.14	6.72	0.16	5.42
Diluted	0.14	6.72	0.16	5.42

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Mar-16 RM'000	Preceding year corresponding quarter 31-Mar-15 RM'000	Current financial year-to-date 31-Mar-16 RM'000	Preceding year corresponding period 31-Mar-15 RM'000
Profit for the period	2,540	61,514	2,248	49,525
Other comprehensive income:				
Reversal of deferred tax liabilities upon disposal of land held for property development	-	78	-	78
Other comprehensive income for the period	-	78	-	78
Total comprehensive income for the period	2,540	61,592	2,248	49,603
Total comprehensive income attributable to:				
Owners of the parent	1,209	56,907	1,390	45,960
Non-controlling interests	1,331	4,685	858	3,643
	2,540	61,592	2,248	49,603

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016**

← Attributable to owners of the parent →

	Share capital RM'000	-- Non- distributable -- Reserves RM'000	Accumulated losses RM'000	Total shareholders' equity RM'000	Non- controlling interests RM'000	Total equity RM'000
<u>9 months ended 31 March 2016</u>						
At 1 July 2015	846,118	125,883	(42,018)	929,983	53,975	983,958
Profit for the period	-	-	1,390	1,390	858	2,248
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	1,390	1,390	858	2,248
At 31 March 2016	<u>846,118</u>	<u>125,883</u>	<u>(40,628)</u>	<u>931,373</u>	<u>54,833</u>	<u>986,206</u>
<u>9 months ended 31 March 2015</u>						
At 1 July 2014	846,118	92,899	(90,788)	848,229	50,301	898,530
Profit for the period	-	-	45,882	45,882	3,643	49,525
Other comprehensive income for the period:						
Reversal of deferred tax liabilities upon disposal of land held for property development	-	-	78	78	-	78
Total comprehensive income for the period	-	-	45,960	45,960	3,643	49,603
At 31 March 2015	<u>846,118</u>	<u>92,899</u>	<u>(44,828)</u>	<u>894,189</u>	<u>53,944</u>	<u>948,133</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016**

	Year-to-date 31-Mar-16 RM'000	Year-to-date 31-Mar-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,705	58,758
Adjustments for :		
Depreciation / amortisation	2,257	2,432
Gain on disposal of property, plant and equipment	(15,877)	-
Interest expense	72	5,553
Interest income	(43)	(24,067)
Allowance for impairment on receivables	-	1,481
Property, plant and equipment written off	45	1
Operating (loss)/profit before working capital changes	(9,841)	44,158
Changes in working capital	(1,406)	22,799
Cash (used in)/generated from operations	(11,247)	66,957
Tax paid	(5,906)	(2,916)
Net cash (used in)/generated from operating activities	(17,153)	64,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(1,046)	(681)
(Increase)/decrease in land held for property development	(325)	3,993
Purchase of property, plant and equipment	(1,662)	(1,000)
Interest received	43	24,067
Proceeds from disposal of property, plant and equipment	21,512	-
Net cash generated from investing activities	18,522	26,379
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(57,600)
Repayment of hire purchase and lease payables, net	(737)	(581)
Interest paid	(72)	(5,553)
Withdrawal of fixed deposits pledged with licensed banks	-	17
Net cash used in financing activities	(809)	(63,717)
NET INCREASE IN CASH AND CASH EQUIVALENTS	560	26,703
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	10,552	5,191
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	11,112	31,894

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 2015.

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 2015, except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2015. 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

There were no issuance and repayments of debt and equity securities during the financial period.

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	Investment Holding and Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 March 2016					
Revenue					
External revenue	137	26,934	-	-	27,071
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>137</u>	<u>26,934</u>	<u>-</u>	<u>-</u>	<u>27,071</u>
Results					
Segment results	(5,137)	817	8,054	-	3,734
Finance costs, net					(29)
Income tax expense					(1,457)
Profit for the period					<u>2,248</u>
9 months ended 31 March 2015					
Revenue					
External revenue	4,445	29,276	-	-	33,721
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>4,445</u>	<u>29,276</u>	<u>-</u>	<u>-</u>	<u>33,721</u>
Results					
Segment results	(6,213)	1,693	44,764	-	40,244
Finance income, net					18,514
Income tax expense, net					(9,233)
Profit for the period					<u>49,525</u>

A8) Significant event occurring after the reporting date

There were no material transactions or events occurred subsequent to the end of the current financial period.

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 2015 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 March 2016.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (3Q FY2016), the Group recorded revenue of RM6.4 million, RM6.0 million lower as compared to the preceding year quarter (3Q FY2015) of RM12.4 million. The property division's revenue was lower by RM4.4 million (RM0.1 million vs RM4.5 million) mainly due to land sales amounted to RM4.4 million were recorded in the previous year quarter. Meanwhile, the plantation division's 3Q FY2016 revenue was also decreased by RM1.6 million (RM6.3 million vs RM7.9 million) compared to 3Q FY2015 as the division recorded lower production volume but mitigated by higher average FFB price. The production volume was decreased by 25% (13,477 MT vs 18,070 MT) while the average FFB price was marginally higher at RM473 / MT (3Q FY2015: RM435 / MT, +9%).

For the 9 months period ended 31 March 2016 (YTD FY2016), the Group recorded revenue of RM27.1 million which was lower by RM6.6 million as compared to RM33.7 million recorded in the preceding year corresponding period (YTD FY2015). The variance of RM6.6 million was mainly due to lower contribution from property division (YTD 2016: RM0.1 million vs YTD 2015: RM4.4 million, - RM4.3 million) as land sales amounted to RM4.4 million was recorded in YTD 2015. The plantation division contributed lower revenue at RM27.0 million (YTD 2015: RM29.3 million, - RM2.3 million) mainly due to lower production volume (YTD 2016: 66,277 MT vs YTD 2015: 70,609 MT, - 6%). Average FFB price for YTD FY2016 was RM406 / MT which approximate YTD FY2015 price of RM415 / MT.

Profit before tax for 3Q FY2016 was at RM0.7 million as compared to profit of RM70.3 million for 3Q FY2015. The variance of RM69.6 million was mainly due to RM85.0 million settlement sum received in the previous year quarter offset against gain on disposal of properties amounted to RM4.4 million recorded in the current quarter. The property division and plantation division recorded loss of RM1.3 million (3Q FY2015: loss of RM2.5 million) and loss of RM0.5 million (3Q FY2015: profit of RM0.3 million) respectively. The interest expense was lower by RM1.4 million in the current quarter.

The Group recorded profit before tax for YTD FY2016 of RM3.7 million as compared to profit of RM58.8 million in the preceding year period. The variance of RM55.1 million was mainly due to the RM85.0 million legal settlement sum received in YTD FY2015 offset against the gain on disposal of properties of RM15.6 million recorded in the current year period. The property division recorded loss of RM5.1 million (YTD FY2015: loss of RM8.8 million) due to lack of development activities whereas the plantation division registered lower profit at RM0.8 million (YTD FY2015: profit of RM1.6 million) as a result of lower revenue. The interest expense was lower by RM5.5 million.

B2) Material changes in quarterly results

Profit before tax for the current quarter (3Q FY2016) was at RM0.7 million as compared to loss of RM3.3 million for the previous quarter (2Q FY2016). The favorable variance of RM4.0 million was mainly due to gain on disposal of properties amounted to RM4.4 million recorded in the current quarter. The plantation division recorded loss of RM0.5 million (2Q FY2016: profit of RM0.5 million) mainly due to the shortfall of revenue by RM4.2 million as production dropped by 12,632 MT (3Q FY2016: 13,477 MT vs 2Q FY2016: 26,109 MT) but mitigated by higher FFB price of RM473 / MT (2Q FY2016: RM405 / MT).

B3) Commentary on:

(a) Current year prospects

The Group's revenue is mainly derived from the plantation division. The plantation division contributed RM42.2 million of revenue in FYE 30 June 2015, on the back of 101,587 MT of FFB at an average selling price of RM415 / MT.

The FFB production for the current quarter ended 31 March 2016 was adversely affected by the El Nino phenomenon. The FFB production for the FYE 30 June 2016 is expected to be lower than the previous FYE 30 June 2015 of 101,587 MT.

The Group's property division plans to commence Phase 4F of the Oakland Commercial Development Project in Seremban. Phase 4F comprises 182 units of shop offices, is expected to generate a Gross Development Value of RM95.0 million. The contribution is expected to be recognized commencing from next financial year.

The Group's performance for the FYE 30 June 2016 is expected to be less favourable than the previous FYE 30 June 2015.

(b) Progress to achieve the revenue or profit estimate, forecast, projection or internal targets which were 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 were 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 charges comprise of the following:

	Current Quarter 31-Mar-16 RM'000	Current Financial Year-To-Date 31-Mar-16 RM'000
Income tax (credit)/expense, net	<u>(1,818)</u>	<u>1,457</u>

The disproportionate tax charge is due principally to certain expenses being disallowed for taxation purposes during the financial 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-Mar-16 RM'000
Short-term borrowings:	
Secured	541
Long-term borrowings:	
Secured	1,280
Total borrowings	<u><u>1,821</u></u>

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

There were no changes in material litigation since the last annual reporting date of 30 June 2015 to the date of this report.

B10) Dividend declared

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

B11) Earnings per share

	3 months ended		9 months ended	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
(a) Basic				
Profit attributable to owners of the parent (RM'000)	1,209	56,829	1,390	45,882
Weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Basic earnings per ordinary share for the period (sen)	0.14	6.72	0.16	5.42
(b) Diluted				
Profit attributable to owners of the parent (RM'000)	1,209	56,829	1,390	45,882
Adjusted weighted average number of ordinary shares in issue ('000)	846,118	846,118	846,118	846,118
Diluted earnings per ordinary share for the period (sen)	0.14	6.72	0.16	5.42

The diluted EPS is the same as the basic EPS because the Group has no convertible financial instrument.

B12) Declaration of audit qualification

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

B13) Profit before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Mar-16 RM'000	Preceding year corresponding quarter 31-Mar-15 RM'000	Current financial year-to-date 31-Mar-16 RM'000	Preceding year corresponding period 31-Mar-15 RM'000
Profit before taxation is arrived at after (charging) / crediting:				
(1) Provision for and write-off of receivables	-	-	-	(1,481)
(2) Provision for and write-off of inventories	-	-	-	-
(3) Gain on disposal of quoted or unquoted investments or properties, net	4,408	-	15,877	-
(4) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange gain/(loss), net:				
- Realised	-	-	-	-
- Unrealised	-	-	-	-
(6) Gain / (loss) on derivatives	-	-	-	-
(7) Write-off of property, plant and equipment	(2)	(1)	(45)	(1)

B14) Realised and unrealised accumulated losses

	As at 31-Mar-16 RM'000	As at 30-Jun-15 RM'000
Total accumulated losses of DutaLand Berhad and its subsidiaries:		
- Realised	(655,930)	(655,006)
- Unrealised	(25,977)	(25,977)
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	(681,907)	(680,983)
Consolidation adjustments	641,279	638,965
Total Group's accumulated losses	<hr/>	<hr/>
	(40,628)	(42,018)

On behalf of the Board
DUTALAND BERHAD

Kwan Wai Sin
Chartered Secretary

Kuala Lumpur
26 May 2016