

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	As at 30-Jun-16 RM'000 (Unaudited)	As at 30-Jun-15 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	432,319	433,842
Biological assets	261,542	260,000
Land held for property development	239,859	239,514
	933,720	933,356
Current assets		
Property development costs	11,855	66,527
Inventories	11,890	12,890
Receivables	36,192	34,737
Tax recoverable	2,074	1,542
Short term deposits	542	527
Cash and bank balances	11,586	10,457
	74,139	126,680
Non-current assets held for sale	56,148	3,684
	130,287	130,364
TOTAL ASSETS	1,064,007	1,063,720
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	846,118	846,118
Reserves	125,883	125,883
Accumulated losses	(45,736)	(42,018)
	926,265	929,983
Non-controlling interests	54,710	53,975
Total equity	980,975	983,958
Non-current liabilities		
Borrowings	1,525	827
Deferred tax liabilities	42,733	42,733
	44,258	43,560
Current liabilities		
Borrowings	646	600
Payables	36,805	31,023
Tax payable	1,323	4,579
	38,774	36,202
Total liabilities	83,032	79,762
TOTAL EQUITY AND LIABILITIES	1,064,007	1,063,720
Net assets per share (RM)	1.09	1.10

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-16 RM'000	Preceding year corresponding quarter 30-Jun-15 RM'000	Current financial year-to-date 30-Jun-16 RM'000	Preceding year corresponding period 30-Jun-15 RM'000
Revenue	10,717	12,931	37,788	46,652
Expenses	(18,478)	(10,108)	(56,125)	(62,816)
Other income	4,187	25,758	20,754	87,421
Depreciation / amortisation	(728)	(808)	(2,985)	(3,240)
(Loss)/profit from operations	(4,302)	27,773	(568)	68,017
Interest income	11	(23,681)	54	386
Interest expense	(35)	475	(107)	(5,078)
(Loss)/profit before taxation	(4,326)	4,567	(621)	63,325
Income tax expense, net	(908)	(1,726)	(2,365)	(10,959)
(Loss)/profit for the period/year	(5,234)	2,841	(2,986)	52,366
Attributable to:				
Owners of the parent	(5,108)	2,810	(3,718)	48,692
Non-controlling interests	(126)	31	732	3,674
	(5,234)	2,841	(2,986)	52,366
Earnings per share attributable to owners of the parent (sen):				
Basic	(0.60)	0.33	(0.44)	5.75
Diluted	(0.60)	0.33	(0.44)	5.75

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-16 RM'000	Preceding year corresponding quarter 30-Jun-15 RM'000	Current financial year-to-date 30-Jun-16 RM'000	Preceding year corresponding period 30-Jun-15 RM'000
(Loss)/profit for the period/year	(5,234)	2,841	(2,986)	52,366
Other comprehensive income:				
Revaluation of biological assets	-	34,722	-	34,722
Deferred tax liabilities recognised on the revaluation surplus of biological assets and landed properties	-	(1,738)	-	(1,738)
Reversal of deferred tax liabilities upon disposal of land held for property development	-	(78)	-	-
Other comprehensive income for the period/year	-	32,906	-	32,984
Total comprehensive income for the period/year	(5,234)	35,747	(2,986)	85,350
Total comprehensive income attributable to:				
Owners of the parent	(5,108)	35,716	(3,718)	81,676
Non-controlling interests	(126)	31	732	3,674
	(5,234)	35,747	(2,986)	85,350

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(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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>12 months ended 30 June 2016</u>						
At 1 July 2015	846,118	125,883	(42,018)	929,983	53,975	983,958
Loss for the year	-	-	(3,718)	(3,718)	732	(2,986)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(3,718)	(3,718)	732	(2,986)
Striking off of a subsidiary	-	-	-	-	3	3
At 30 June 2016	846,118	125,883	(45,736)	926,265	54,710	980,975
<u>12 months ended 30 June 2015</u>						
At 1 July 2014	846,118	92,899	(90,788)	848,229	50,301	898,530
Profit for the year	-	-	48,692	48,692	3,674	52,366
Other comprehensive income for the year:						
Revaluation of biological assets	-	34,722	-	34,722	-	34,722
Deferred tax liabilities recognised on the revaluation surplus of biological asset and landed properties	-	(1,738)	-	(1,738)	-	(1,738)
Total comprehensive income for the year	-	32,984	48,692	81,676	3,674	85,350
Reversal of deferred tax liabilities upon disposal of land held for property development	-	-	78	78	-	78
At 30 June 2015	846,118	125,883	(42,018)	929,983	53,975	983,958

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(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Year-to-date 30-Jun-16 RM'000	Year-to-date 30-Jun-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(621)	63,325
Adjustments for :		
Depreciation / amortisation	2,985	3,240
Gain on disposal of property, plant and equipment	(4,695)	(10)
Gain from settlement of a litigation claim	-	(85,000)
Compensation from termination of land lease	(14,850)	-
Loss on striking off a subsidiary	3	-
Interest expense	107	5,078
Interest income	(54)	(386)
Allowance for impairment on receivables, net	130	1,692
Write back of short term accumulating compensated absences, net	(14)	(19)
Reversal of impairment loss for land held for property development	-	(1,079)
Unrealised foreign exchange loss, net	167	280
Write back of provision for property development costs	(288)	(407)
Bad debts written off	-	859
Property, plant and equipment written off	3,688	148
Operating loss before working capital changes	(13,442)	(12,279)
Changes in working capital	3,844	7,920
Cash used in operations	(9,598)	(4,359)
Tax paid	(6,153)	(7,856)
Interest paid	-	(222)
Litigation claim received	-	85,000
Compensation received from termination of land lease	14,850	-
Net cash (used in)/generated from operating activities	(901)	72,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(1,542)	(968)
Addition in land held for property development	(345)	(161)
Purchase of property, plant and equipment	(1,696)	(2,341)
Interest received	54	386
Proceeds from disposal of land held for property development	-	4,081
Proceeds from disposal of property, plant and equipment	6,687	10
Net cash generated from investing activities	3,158	1,007
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(62,600)
Repayment of hire purchase and lease payables, net	(1,018)	(807)
Interest paid	(107)	(4,843)
(Addition)/withdrawal of fixed deposits pledged with licensed banks	(8)	17
Net cash used in financing activities	(1,133)	(68,233)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,124	5,337
EFFECTS OF EXCHANGE RATE CHANGES	12	24
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	10,552	5,191
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11,688	10,552

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/year 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/year.

A5) Debt and equity securities

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

A6) Dividends paid

No dividends have been paid for the current financial period/year.

A7) Segmental reporting

Segmental analysis for the current financial year 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
12 months ended 30 June 2016					
Revenue					
External revenue	143	37,645	-	-	37,788
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>143</u>	<u>37,645</u>	<u>-</u>	<u>-</u>	<u>37,788</u>
Results					
Segment results	(7,209)	2,332	4,309	-	(568)
Finance costs, net					(53)
Income tax expense, net					<u>(2,365)</u>
Loss for the year					<u>(2,986)</u>
12 months ended 30 June 2015					
Revenue					
External revenue	4,449	42,203	-	-	46,652
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>4,449</u>	<u>42,203</u>	<u>-</u>	<u>-</u>	<u>46,652</u>
Results					
Segment results	(8,072)	4,766	71,323	-	68,017
Finance expense, net					(4,692)
Income tax expense, net					<u>(10,959)</u>
Profit for the year					<u>52,366</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/year.

A9) Effect of changes in the composition of the Group

Following the application made to the Companies Commission of Malaysia for striking off Bakti Jati Sdn Bhd ("Bakti Jati"), a sub-subsidiary of the Company, the name of Bakti Jati was struck off from the register and dissolved on 3 June 2016 pursuant to Section 308(2) of the Companies Act, 1965. The striking-off of Bakti Jati had no material impact to the financial statements of the Group for the financial year ended 30 June 2016.

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, except for the litigation claims disclosed in paragraph B9 of this report.

A11) Capital commitments

There were no material capital commitments which have not been provided for in the financial statements as at 30 June 2016.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (4Q FY2016), the Group recorded revenue of RM10.7 million, RM2.2 million lower as compared to the preceding year quarter (4Q FY2015) of RM12.9 million. The variance of RM2.2 million was due to lower contribution from the plantation division (4Q FY2016: RM10.7 million vs 4Q FY2015: RM12.9 million) with the FFB production volume decreased by 32% to 21,016 MT (4Q FY2015: 30,978 MT). The fall in the production volume was mitigated by higher average FFB price at RM510 / MT (4Q FY2015: RM417 / MT, +22%). No contribution from the property division for both 4QFY2016 and 4QFY2015 due to lack of development activities.

For the financial year ended 30 June 2016 (YTD FY2016), the Group recorded revenue of RM37.8 million which was lower by RM8.8 million as compared to RM46.6 million recorded in the preceding year (YTD FY2015). The plantation division contributed lower revenue at RM37.7 million (YTD 2015: RM42.2 million, - RM4.5 million) mainly due to lower production volume (YTD 2016: 87,294 MT vs YTD 2015: 101,587 MT, - 14%). Average FFB price for YTD FY2016 was higher at RM431 / MT (YTD 2015: RM415 / MT, +4%). Meanwhile, the property division contributed RM0.1 million as compared to previous year of RM4.4 million. The shortfall of RM4.3 million was due to land sales amounted to RM4.4 million recorded in YTD 2015.

Loss before tax for 4Q FY2016 was at RM4.3 million as compared to profit of RM4.6 million for 4Q FY2015. The variance of RM8.9 million was mainly due to reversal of provision of RM7.1 million recorded in 4Q FY2015. The property division and plantation division recorded loss of RM2.0 million (4Q FY2015: loss of RM3.1 million) and profit of RM1.4 million (4Q FY2015: profit of RM3.0 million) respectively.

The Group recorded loss before tax for YTD FY2016 of RM0.6 million as compared to profit of RM63.3 million in the preceding year. The variance of RM63.9 million was mainly due to the RM85.0 million settlement sum received in YTD FY2015 compared against the gains from disposal of properties and compensation for early termination of land lease of RM15.9 million recorded in the current year. The interest expense was lower by RM5.0 million. For the property division, it recorded loss of RM7.2 million (YTD FY2015: loss of RM10.9 million) due to lack of development activities whereas the plantation division registered lower profit at RM2.2 million (YTD FY2015: profit of RM4.7 million) as a result of lower revenue by RM4.5 million.

B2) Material changes in quarterly results

Loss before tax for the current quarter (4Q FY2016) was at RM4.3 million as compared to profit of RM0.7 million for the previous quarter (3Q FY2016). The variance of RM5.0 million was mainly due to gain on disposal of properties amounted to RM4.4 million recorded in the previous quarter. The plantation division recorded profit of RM1.4 million (3Q FY2016: loss of RM0.5 million) mainly due to increase in revenue by RM4.3 million as production increased by 7,539 MT / +56% (4Q FY2016: 21,016 MT vs 3Q FY2016: 13,477 MT) and FFB price was higher at RM510 / MT / +8% (3Q FY2016: RM473 / MT).

B3) Commentary on:

(a) Current year prospects

The Plantation Division is expected to perform better in FYE 30 June 2017. The palm oil selling price has been holding firm, while the production is set to increase with the subsiding of the El Nino effect.

The Property Division has launched Phase 4F of the Oakland Commercial Centre. The development, comprises 182 units of shops / offices, with a Gross Development Value (GDV) of approximately RM95 million, is expected to contribute positively to the Property Division's performance.

(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 30-Jun-16 RM'000	Current Financial Year-To-Date 30-Jun-16 RM'000
Income tax expense, net	908	2,365

The disproportionate tax charge is due principally to certain expenses being disallowed for taxation purposes during the financial period/year.

B7) Status of corporate proposals announced but not completed

On 22 April 2016, the Company announced that its wholly-owned subsidiary, KH Estates Sdn Bhd, together with Olympia Properties Sdn Bhd, the joint venture partner of Kenny Heights Joint Venture, have agreed to dispose of a piece of land located at Mukim Batu, Daerah Kuala Lumpur to Semanja Hartamas Sdn Bhd for a cash consideration of RM150.0 million. The terms and conditions of the disposal are set out in the sale and purchase agreement dated 22 April 2016 and the disposal is pending completion as at the date of this report.

Other than the above, 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 30-Jun-16 RM'000
Short-term borrowings:	
Secured	646
Long-term borrowings:	
Secured	1,525
Total borrowings	<u>2,171</u>

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/year.

B11) Earnings per share

	3 months ended		12 months ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
(a) Basic				
(Loss)/profit attributable to owners of the parent (RM'000)	(5,108)	2,810	(3,718)	48,692
Weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Basic earnings per ordinary share for the period (sen)	(0.60)	0.33	(0.44)	5.75
(b) Diluted				
(Loss)/profit attributable to owners of the parent (RM'000)	(5,108)	2,810	(3,718)	48,692
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)	(0.60)	0.33	(0.44)	5.75

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) (Loss)/profit before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-16 RM'000	Preceding year corresponding quarter 30-Jun-15 RM'000	Current financial year-to-date 30-Jun-16 RM'000	Preceding year corresponding period 30-Jun-15 RM'000
(Loss)/profit before taxation is arrived at after (charging)/crediting:				
(1) Provision for and write-off of receivables, net	(130)	(1,070)	(130)	(2,551)
(2) Provision for and write-off of inventories	-	-	-	-
(3) (Loss)/gain on disposal of quoted or unquoted investments or properties, net	(11,182)	10	4,695	10
(4) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange (loss)/gain, net:				
- Realised	(7)	122	(7)	122
- Unrealised	(167)	(280)	(167)	(280)
(6) Gain/(loss) on derivatives	-	-	-	-
(7) Compensation from termination of land lease	14,850	-	14,850	-
(8) Gain from settlement of a litigation claim	-	-	-	85,000

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-16 RM'000	Preceding year corresponding quarter 30-Jun-15 RM'000	Current financial year-to-date 30-Jun-16 RM'000	Preceding year corresponding period 30-Jun-15 RM'000
(Loss)/profit before taxation is arrived at after (charging)/crediting:				
(9) Write back of provision for short term accumulating compensated absences, net	14	19	14	19
(10) Write back of provision for property development costs	288	407	288	407
(11) Reversal of impairment loss for land held for property development	-	1,079	-	1,079
(12) Loss on striking off a subsidiary	(3)	-	(3)	-
(13) Write-off of property, plant and equipment	(3,643)	(147)	(3,688)	(148)

B14) Realised and unrealised accumulated losses

	As at 30-Jun-16 RM'000	As at 30-Jun-15 RM'000
Total accumulated losses of DutaLand Berhad and its subsidiaries:		
- Realised	(659,150)	(655,006)
- Unrealised	(26,121)	(25,977)
	<u>(685,271)</u>	<u>(680,983)</u>
Consolidation adjustments	639,535	638,965
Total Group's accumulated losses	<u>(45,736)</u>	<u>(42,018)</u>

On behalf of the Board
DUTALAND BERHAD

Kwan Wai Sin
Chartered Secretary

Kuala Lumpur
29 August 2016