

**DutaLand Berhad**

(Company No: 7296-V)

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

	<b>As at 30-Sep-16 RM'000 (Unaudited)</b>	<b>As at 30-Jun-16 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	431,758	432,319
Biological assets	261,689	261,542
Land held for property development	240,074	239,859
	<u>933,521</u>	<u>933,720</u>
<b>Current assets</b>		
Property development costs	12,096	11,857
Inventories	11,658	11,890
Receivables	39,038	36,193
Tax recoverable	1,634	2,074
Short term deposits	443	542
Cash and bank balances	11,954	11,586
	<u>76,823</u>	<u>74,142</u>
Non-current assets held for sale	56,152	56,148
	132,975	130,290
<b>TOTAL ASSETS</b>	<u>1,066,496</u>	<u>1,064,010</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	846,118	846,118
Share premium	18,495	18,495
Revaluation reserve	107,388	107,388
Accumulated losses	(44,805)	(45,737)
	927,196	926,264
<b>Non-controlling interests</b>	54,393	54,710
<b>Total equity</b>	<u>981,589</u>	<u>980,974</u>
<b>Non-current liabilities</b>		
Borrowings	4,358	1,525
Deferred tax liabilities	42,733	42,733
	<u>47,091</u>	<u>44,258</u>
<b>Current liabilities</b>		
Borrowings	645	646
Payables	36,925	36,808
Tax payable	246	1,324
	<u>37,816</u>	<u>38,778</u>
<b>Total liabilities</b>	84,907	83,036
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,066,496</u>	<u>1,064,010</u>
Net assets per share (RM)	1.10	1.09

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Sep-16 RM'000	Preceding year corresponding quarter 30-Sep-15 RM'000	Current financial year-to-date 30-Sep-16 RM'000	Preceding year corresponding period 30-Sep-15 RM'000
<b>Revenue</b>	13,440	10,057	13,440	10,057
Expenses	(11,888)	(14,455)	(11,888)	(14,455)
Other income	329	11,404	329	11,404
Depreciation / amortisation	(816)	(734)	(816)	(734)
<b>Profit from operations</b>	1,065	6,272	1,065	6,272
Interest income	3	4	3	4
Interest expense	(29)	(25)	(29)	(25)
<b>Profit before taxation</b>	1,039	6,251	1,039	6,251
Income tax expense	(424)	(3,766)	(424)	(3,766)
<b>Profit for the period</b>	615	2,485	615	2,485
Attributable to:				
Owners of the parent	932	2,530	932	2,530
Non-controlling interests	(317)	(45)	(317)	(45)
	615	2,485	615	2,485
Earnings per share attributable to owners of the parent (sen):				
Basic	0.11	0.30	0.11	0.30
Diluted	0.11	0.30	0.11	0.30

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Sep-16 RM'000	Preceding year corresponding quarter 30-Sep-15 RM'000	Current financial year-to-date 30-Sep-16 RM'000	Preceding year corresponding period 30-Sep-15 RM'000
Profit for the period	615	2,485	615	2,485
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>615</b>	<b>2,485</b>	<b>615</b>	<b>2,485</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	932	2,530	932	2,530
Non-controlling interests	(317)	(45)	(317)	(45)
	<b>615</b>	<b>2,485</b>	<b>615</b>	<b>2,485</b>

**DutaLand Berhad**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	← Attributable to owners of the parent →				Total shareholders' equity RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	--- Non-distributable --- Share premium RM'000	Revaluation reserve RM'000	Accumulated losses RM'000			
<b><u>3 months ended 30 September 2016</u></b>							
<b>At 1 July 2016</b>	846,118	18,495	107,388	(45,737)	926,264	54,710	980,974
Profit for the period	-	-	-	932	932	(317)	615
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	932	932	(317)	615
<b>At 30 September 2016</b>	<b>846,118</b>	<b>18,495</b>	<b>107,388</b>	<b>(44,805)</b>	<b>927,196</b>	<b>54,393</b>	<b>981,589</b>
<b><u>3 months ended 30 September 2015</u></b>							
<b>At 1 July 2015</b>	846,118	18,495	107,388	(42,018)	929,983	53,975	983,958
Profit for the period	-	-	-	2,530	2,530	(45)	2,485
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,530	2,530	(45)	2,485
<b>At 30 September 2015</b>	<b>846,118</b>	<b>18,495</b>	<b>107,388</b>	<b>(39,488)</b>	<b>932,513</b>	<b>53,930</b>	<b>986,443</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	<b>Year-to-date 30-Sep-16 RM'000</b>	<b>Year-to-date 30-Sep-15 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,039	6,251
Adjustments for :		
Depreciation / amortisation	816	734
Gain on disposal of property, plant and equipment	-	(11,170)
Interest expense	29	25
Interest income	(3)	(4)
Property, plant and equipment written off	-	1
Operating profit/(loss) before working capital changes	1,881	(4,163)
Changes in working capital	(2,739)	496
Cash used in operations	(858)	(3,667)
Tax paid	(1,062)	(1,926)
<b>Net cash used in operating activities</b>	<b>(1,920)</b>	<b>(5,593)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditure incurred on biological assets	(147)	(215)
Addition in land held for property development	(215)	-
Purchase of property, plant and equipment	(255)	(1,917)
Interest received	3	4
Proceeds from disposal of property, plant and equipment	-	14,854
<b>Net cash (used in)/generated from investing activities</b>	<b>(614)</b>	<b>12,726</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	3,000	-
Repayment of hire purchase and lease payables, net	(168)	(172)
Interest paid	(29)	(25)
<b>Net cash generated from/(used in) financing activities</b>	<b>2,803</b>	<b>(197)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>269</b>	<b>6,936</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>11,688</b>	<b>10,552</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>11,957</b>	<b>17,488</b>

**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 2016.

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 2016, except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2016. 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.

**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
<b>3 months ended 30 September 2016</b>					
<b>Revenue</b>					
External revenue	6	13,434	-	-	13,440
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>6</u>	<u>13,434</u>	<u>-</u>	<u>-</u>	<u>13,440</u>
<b>Results</b>					
Segment results	(1,212)	4,177	(1,900)	-	1,065
Interest expense, net					(26)
Income tax expense					(424)
Profit for the period					<u>615</u>
<b>3 months ended 30 September 2015</b>					
<b>Revenue</b>					
External revenue	84	9,973	-	-	10,057
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>84</u>	<u>9,973</u>	<u>-</u>	<u>-</u>	<u>10,057</u>
<b>Results</b>					
Segment results	(2,084)	755	7,601	-	6,272
Interest expense, net					(21)
Income tax expense					(3,766)
Profit for the period					<u>2,485</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 2016 to the date of this report, except for the litigation claims disclosed in Note 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 September 2016.

## **PART B : Notes Required by Bursa Malaysia Listing Requirements**

### **B1) Review of performance**

For the quarter under review (1Q FY2017), the Group recorded revenue of RM13.4 million, RM3.4 million higher as compared to the preceding year quarter of RM10.0 million. The favorable variance of RM3.4 million was due to higher contribution from the plantation division. There is no contribution from property division for both 1QFY2017 and 1QFY2016 due to lack of development activities. The improvement in the plantation division's result was mainly due to higher average FFB price at RM528/MT (1Q FY2016: RM374/MT, +41%), offset against lower FFB production volume at 25,440 MT (1Q FY2016: 26,691 MT, -5%).

Profit before tax for 1Q FY2017 was RM1.0 million as compared to profit of RM6.2 million for 1Q FY2016. The variance of RM5.2 million was mainly due to gain on disposal of properties of RM11.2 million recorded in 1Q FY2016. The plantation division recorded higher profit at RM4.1 million (1Q FY2016: profit of RM0.7 million, +RM3.4 million) mainly due to higher revenue of RM3.4 million. The property division recorded loss of RM1.2 million in the current quarter (1Q FY2016: -RM2.1 million) due to lack of development activities.

### **B2) Material changes in quarterly results**

Profit before tax for the current quarter (1Q FY2017) was RM1.0 million as compared to loss of RM3.6 million for the previous quarter (4Q FY2016). The positive variance of RM4.6 million was mainly due to higher contribution from the plantation division. The plantation division recorded profit of RM4.1 million (4Q FY2016: profit of RM1.5 million, +RM2.6 million) mainly due to increase in revenue by RM2.7 million as production increased by 4,424 MT / +21% (1Q FY2017: 25,440 MT vs 4Q FY2016: 21,016 MT). FFB price was stable at RM528 / MT / +4% (4Q FY2016: RM510 / MT). The property division recorded loss of RM1.2 million in the current quarter (4Q FY2016: RM2.1 million) due to lack of development activities.

### **B3) Commentary on:**

#### **(a) Current year prospects**

The plantation division has reported revenue of RM13.4 million and operating profit (EBITDA) of RM4.9 million for 1<sup>st</sup> quarter of FY2017. The results are favorable as compared to last year corresponding quarter, which recorded revenue of RM10.0 million and operating profit of RM1.5 million.

The CPO price has been on an upward trend since July 2016. The CPO price has increased from RM2,302/MT to RM2,995/MT in November 2016.

Based on the above factors, the plantation division should perform better than FY2016.

The property development division is developing Phase 4F of the Oakland Commercial Centre in Seremban, which has a Gross Development Value of approximately RM95.0 million. The division is expected to perform better than the previous financial year as the division was not active in FY2016.

Barring any unforeseen circumstances, the group should perform better in the current financial year.

#### **(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:

	<b>Current Quarter 30-Sep-16 RM'000</b>	<b>Current Financial Year-To-Date 30-Sep-16 RM'000</b>
Income tax expense	424	424

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**

- (a) 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.
- (b) On 29 August 2016, the Company announced that it intends to undertake a capital re-organisation exercise that entails the following proposals:
- (i) reduction of the entire share premium account of the Company pursuant to Sections 60(2) and 64(1) of the Companies Act, 1965 (“Act”);
  - (ii) reduction of the issued and paid-up share capital of the Company involving the cancellation of RM0.50 of the par value of each existing ordinary share of RM1.00 in DutaLand pursuant to Section 64(1) of the Act (“Proposed Par Value Reduction”); and
  - (iii) amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction.

The Company is currently in the midst of obtaining court approval for the above proposals.

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:

	<b>As at 30-Sep-16 RM'000</b>
<b>Short-term borrowings:</b>	
Secured	645
<b>Long-term borrowings:</b>	
Secured	4,358
<b>Total borrowings</b>	<u>5,003</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.

**B11) Earnings per share**

	3 months ended		3 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
<b>(a) Basic</b>				
Profit attributable to owners of the parent (RM'000)	932	2,530	932	2,530
Weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Basic earnings per ordinary share for the period (sen)	0.11	0.30	0.11	0.30
<b>(b) Diluted</b>				
Profit attributable to owners of the parent (RM'000)	932	2,530	932	2,530
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)	0.11	0.30	0.11	0.30

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 30-Sep-16 RM'000	Preceding year corresponding quarter 30-Sep-15 RM'000	Current financial year-to-date 30-Sep-16 RM'000	Preceding year corresponding period 30-Sep-15 RM'000
Profit before taxation is arrived at after crediting/(charging):				
(1) Provision for and write-off of receivables	-	-	-	-
(2) Provision for and write-off of inventories	-	-	-	-
(3) Gain on disposal of quoted or unquoted investments or properties	-	11,170	-	11,170
(4) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange (loss)/gain, net:				
- Realised	-	-	-	-
- Unrealised	-	-	-	-
(6) Gain/(loss) on derivatives	-	-	-	-
(7) Write-off of property, plant and equipment	-	(1)	-	(1)

**B14) Realised and unrealised accumulated losses**

	<b>As at 30-Sep-16 RM'000</b>	<b>As at 30-Jun-16 RM'000</b>
Total accumulated losses of DutaLand Berhad and its subsidiaries:		
- Realised	(664,044)	(663,004)
- Unrealised	(26,125)	(26,121)
	<hr/>	<hr/>
	(690,169)	(689,125)
Consolidation adjustments	645,364	643,388
Total Group's accumulated losses	<hr/> <hr/>	<hr/> <hr/>
	(44,805)	(45,737)

On behalf of the Board  
**DUTALAND BERHAD**

Kwan Wai Sin  
Chartered Secretary

Kuala Lumpur  
29 November 2016