

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	As at 31-Mar-17 RM'000 (Unaudited)	As at 30-Jun-16 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	430,401	432,319
Biological assets	261,848	261,542
Land held for property development	240,266	239,859
	932,515	933,720
Current assets		
Property development costs	12,429	11,857
Inventories	12,231	11,890
Receivables	99,283	36,193
Tax recoverable	1,479	2,074
Short term deposits	444	542
Cash and bank balances	14,271	11,586
	140,137	74,142
Non-current assets held for sale	56,173	56,148
	196,310	130,290
TOTAL ASSETS	1,128,825	1,064,010
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	423,059	846,118
Share premium	-	18,495
Capital reserve	53,109	-
Revaluation reserve	107,388	107,388
Retained earnings / (Accumulated losses)	340,658	(45,737)
	924,214	926,264
Non-controlling interests	53,742	54,710
Total equity	977,956	980,974
Non-current liabilities		
Borrowings	4,082	1,525
Deferred tax liabilities	42,686	42,733
	46,768	44,258
Current liabilities		
Borrowings	597	646
Payables	103,130	36,808
Tax payable	374	1,324
	104,101	38,778
Total liabilities	150,869	83,036
TOTAL EQUITY AND LIABILITIES	1,128,825	1,064,010
Net assets per share (RM)	1.09	1.09

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Mar-17 RM'000	Preceding year corresponding quarter 31-Mar-16 RM'000	Current financial year-to-date 31-Mar-17 RM'000	Preceding year corresponding period 31-Mar-16 RM'000
Revenue	10,746	6,424	39,120	27,071
Expenses	(14,500)	(9,728)	(38,761)	(37,647)
Other income	438	4,613	1,183	16,567
Depreciation / amortisation	(649)	(567)	(2,275)	(2,257)
(Loss)/profit from operations	(3,965)	742	(733)	3,734
Interest income	3	3	10	43
Interest expense	(89)	(23)	(232)	(72)
(Loss)/profit before taxation	(4,051)	722	(955)	3,705
Income tax credit/(expense), net	2	1,818	(1,878)	(1,457)
(Loss)/profit for the period	(4,049)	2,540	(2,833)	2,248
Attributable to:				
Owners of the parent	(3,698)	1,209	(1,865)	1,390
Non-controlling interests	(351)	1,331	(968)	858
	(4,049)	2,540	(2,833)	2,248
Earnings per share attributable to owners of the parent (sen):				
Basic	(0.44)	0.14	(0.22)	0.16
Diluted	(0.44)	0.14	(0.22)	0.16

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Mar-17 RM'000	Preceding year corresponding quarter 31-Mar-16 RM'000	Current financial year-to-date 31-Mar-17 RM'000	Preceding year corresponding period 31-Mar-16 RM'000
(Loss)/profit for the period	(4,049)	2,540	(2,833)	2,248
Other comprehensive income / (loss) :				
Par value & share premium reduction expense	(185)	-	(185)	-
Other comprehensive income/(loss) for the period	(185)	-	(185)	-
Total comprehensive income/(loss) for the period	(4,234)	2,540	(3,018)	2,248
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(3,883)	1,209	(2,050)	1,390
Non-controlling interests	(351)	1,331	(968)	858
	(4,234)	2,540	(3,018)	2,248

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017**

	← Attributable to owners of the parent →				Retained earnings / (Accumulated losses) RM'000	Total shareholders' equity RM'000	Non- controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----							
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Capital reserve RM'000				
9 months ended 31 March 2017								
At 1 July 2016	846,118	18,495	107,388	-	(45,737)	926,264	54,710	980,974
Loss for the period	-	-	-	-	(1,865)	(1,865)	(968)	(2,833)
Other comprehensive income / (loss) for the period	-	-	-	-	(185)	(185)	-	(185)
Total comprehensive income / (loss) for the period	-	-	-	-	(2,050)	(2,050)	(968)	(3,018)
Par value & share premium reduction	(423,059)	(18,495)	-	53,109	388,445	-	-	-
At 31 March 2017	423,059	-	107,388	53,109	340,658	924,214	53,742	977,956
9 months ended 31 March 2016								
At 1 July 2015	846,118	18,495	107,388	-	(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	846,118	18,495	107,388	-	(40,628)	931,373	54,833	986,206

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017**

	Year-to-date 31-Mar-17 RM'000	Year-to-date 31-Mar-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(955)	3,705
Adjustments for :		
Depreciation / amortisation	2,275	2,257
Gain on disposal of property, plant and equipment	(28)	(15,877)
Interest expense	232	72
Interest income	(10)	(43)
Property, plant and equipment written off	8	45
Operating profit/(loss) before working capital changes	1,522	(9,841)
Changes in working capital	2,293	(1,406)
Cash generated from/(used in) operations	3,815	(11,247)
Tax paid	(2,279)	(5,906)
Net cash generated from/(used in) operating activities	1,536	(17,153)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(306)	(1,046)
Addition in land held for property development	(407)	(325)
Purchase of property, plant and equipment	(365)	(1,662)
Interest received	10	43
Proceeds from disposal of property, plant and equipment	28	21,512
Net cash (used in)/generated from investing activities	(1,040)	18,522
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	3,000	-
Payment of Par value & share premium reduction expenses	(185)	-
Repayment of hire purchase and lease payables, net	(492)	(737)
Interest paid	(232)	(72)
Net cash generated from/(used in) financing activities	2,091	(809)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,587	560
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	11,688	10,552
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	14,275	11,112

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 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 2017					
Revenue					
External revenue	983	38,137	-	-	39,120
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>983</u>	<u>38,137</u>	<u>-</u>	<u>-</u>	<u>39,120</u>
Results					
Segment results	(4,108)	9,108	(5,733)	-	(733)
Interest expense, net					(222)
Income tax expense					<u>(1,878)</u>
Loss for the period					<u>(2,833)</u>
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
Interest expense, net					(29)
Income tax expense					<u>(1,457)</u>
Profit for the period					<u>2,248</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 31 March 2017.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (3Q FY2017), the Group recorded revenue of RM10.7 million, RM4.3 million higher as compared to the preceding year quarter (3Q FY2016) of RM6.4 million. The favorable variance was mainly due to higher contribution from the plantation division (3Q FY2017: RM10.3 million vs 3Q FY2016: RM6.4 million, +RM3.9 million). The improvement in the plantation division's result was mainly due to higher average FFB price at RM632/MT (3Q FY2016: RM473/MT, +34%), coupled with higher FFB production volume at 16,218 MT (3Q FY2016: 13,477 MT, +20%). The property division recorded revenue of RM0.4 million in the current year quarter from the disposal of inventories.

For the 9 months period under review (YTD FY2017), the Group recorded revenue of RM39.1 million as compared to RM27.1 million for the same period in previous year (YTD FY2016). The favorable variance of RM12.0 million was mainly due to higher contribution from the plantation division (YTD FY2017: RM38.1 million vs YTD FY2016: RM27.0 million, +RM11.1 million). The plantation division recorded higher average FFB price at RM584 / MT (YTD FY2016: RM406 / MT, +44%), production volume stood at 65,275 MT (YTD FY2016: 66,277 MT, -1%). The property division recorded revenue of RM1.0 million in the current year period (YTD FY2016: RM0.1 million) from the sales of inventories.

Loss before tax for 3Q FY2017 was RM4.0 million as compared to profit of RM0.7 million for 3Q FY2016. The variance of RM4.7 million was mainly due to gain on disposal of a factory land of RM4.4 million recorded in the previous year quarter. The plantation division recorded loss of RM1.0 million for both current year and previous year quarters and the property division's loss remained at RM1.2 million for both quarters due to lack of development activities.

Loss before tax for YTD FY2017 was RM1.0 million as compared to profit for YTD FY2016 of RM3.7 million. The plantation division recorded higher profit at RM9.0 million in the current year period (YTD FY2016: profit of RM0.8 million, +RM8.2 million) as revenue was higher by RM11.1 million. The property division recorded loss of RM4.3 million in the current year period (YTD FY2016: loss of RM5.1 million) due to lack of development activities. YTD FY2016's result has also included gain on disposal of factory land amounted to RM15.6 million.

B2) Material changes in quarterly results

Loss before tax for the current quarter (3Q FY2017) was RM4.0 million as compared to profit of RM2.1 million for the previous quarter (2Q FY2017). The variance of RM6.1 million was mainly due to lower contribution from the plantation division. The plantation division recorded loss of RM1.0 million (2Q FY2017: profit of RM5.9 million, -RM6.9 million) mainly due to higher general charges incurred and decrease in revenue by RM4.2 million. Production was lower by 7,400 MT / -31% (3Q FY2017: 16,218 MT vs 2Q FY2017: 23,618 MT). FFB price was maintained at RM632 / MT / +3% (2Q FY2017: RM612 / MT). The property division recorded loss of RM1.3 million in the current quarter (2Q FY2017: loss of RM1.8 million) due to lack of development activities.

B3) Commentary on:

(a) Current year prospects

The Group expects to perform better in FY2017 than FY2016. This is mainly due to higher contributions from the plantation and property divisions. The contribution from the property division is mainly derived from the disposal of vacant land in Kuala Lumpur. The details of the disposal are further elaborated in Note B7 (a).

(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-17 RM'000	Current Financial Year-To-Date 31-Mar-17 RM'000
Income tax expense	(2)	1,925
Transfer from deferred taxation	-	(47)
	<u>(2)</u>	<u>1,878</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

- (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. The terms and conditions of the disposal are set out in the sale and purchase agreement dated 22 April 2016. The disposal has been completed on 25 April 2017.
- (b) On 29 August 2016, the Company announced that it intended to undertake a capital re-organization exercise that entailed 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 above capital re-organization exercise has been completed on 5 January 2017.

There is no other 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-17 RM'000
Short-term borrowings:	
Secured	597
Long-term borrowings:	
Secured	4,082
Total borrowings	<u>4,679</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 (“EPS”)

	3 months ended		9 months ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(a) Basic				
(Loss)/profit attributable to owners of the parent (RM'000)	(3,698)	1,209	(1,865)	1,390
Weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Basic earnings per ordinary share for the period (sen)	<u>(0.44)</u>	<u>0.14</u>	<u>(0.22)</u>	<u>0.16</u>
(b) Diluted				
(Loss)/profit attributable to owners of the parent (RM'000)	(3,698)	1,209	(1,865)	1,390
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)	<u>(0.44)</u>	<u>0.14</u>	<u>(0.22)</u>	<u>0.16</u>

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 31-Mar-17 RM'000	Preceding year corresponding quarter 31-Mar-16 RM'000	Current financial year-to-date 31-Mar-17 RM'000	Preceding year corresponding period 31-Mar-16 RM'000
(Loss)/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	-	4,408	28	15,877
(4) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange (loss)/gain, net:				
- Realised	-	-	2	-
- Unrealised	-	-	-	-
(6) Gain/(loss) on derivatives	-	-	-	-
(7) Write-off of property, plant and equipment	(1)	(2)	(8)	(45)

B14) Realised and unrealised retained earnings / (accumulated losses)

	As at 31-Mar-17 RM'000	As at 30-Jun-16 RM'000
Total retained earnings / (accumulated losses) of DutaLand Berhad and its subsidiaries:		
- Realised	(283,255)	(663,004)
- Unrealised	(26,125)	(26,121)
	<u>(309,380)</u>	<u>(689,125)</u>
Consolidation adjustments	650,038	643,388
Total Group's retained earnings/(accumulated losses)	<u>340,658</u>	<u>(45,737)</u>

On behalf of the Board
DUTALAND BERHAD

Kwan Wai Sin
Chartered Secretary

Kuala Lumpur
23 May 2017