

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	As at 30-Jun-17 RM'000 (Unaudited)	As at 30-Jun-16 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	338,900	432,319
Biological assets	-	261,542
Land held for property development	262,484	239,859
	601,384	933,720
Current assets		
Property development costs	7,277	11,857
Inventories	12,037	11,890
Receivables	89,988	36,193
Tax recoverable	955	2,074
Short term deposits	448	542
Cash and bank balances	9,141	11,586
	119,846	74,142
Non-current assets held for sale	352,846	56,148
	472,692	130,290
TOTAL ASSETS	1,074,076	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 profit	355,739	(45,737)
	939,295	926,264
Non-controlling interests	53,451	54,710
Total equity	992,746	980,974
Non-current liabilities		
Borrowings	2,876	1,525
Deferred tax liabilities	40,310	42,733
	43,186	44,258
Current liabilities		
Borrowings	1,664	646
Payables	32,931	36,808
Tax payable	3,549	1,324
	38,144	38,778
Total liabilities	81,330	83,036
TOTAL EQUITY AND LIABILITIES	1,074,076	1,064,010
Net assets per share (RM)	1.11	1.09

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-17 RM'000	Preceding year corresponding quarter 30-Jun-16 RM'000	Current financial year-to-date 30-Jun-17 RM'000	Preceding year corresponding period 30-Jun-16 RM'000
Revenue	91,260	10,717	130,381	37,788
Expenses	(70,874)	(13,604)	(109,635)	(50,935)
Other income	3,525	-	4,708	16,251
Depreciation / amortisation	(709)	(728)	(2,984)	(2,985)
Profit/(loss) from operations	23,202	(3,615)	22,470	119
Interest income	9	11	19	54
Interest expense	(307)	(35)	(539)	(107)
Profit/(loss) before taxation	22,904	(3,639)	21,950	66
Income tax expense, net	(8,115)	(1,596)	(9,993)	(3,053)
Profit/(loss) for the period	14,789	(5,235)	11,957	(2,987)
Attributable to:				
Owners of the parent	15,080	(5,109)	13,216	(3,719)
Non-controlling interests	(291)	(126)	(1,259)	732
	14,789	(5,235)	11,957	(2,987)
Earnings per share attributable to owners of the parent (sen):				
Basic	1.78	(0.60)	1.56	(0.44)
Diluted	1.78	(0.60)	1.56	(0.44)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-17 RM'000	Preceding year corresponding quarter 30-Jun-16 RM'000	Current financial year-to-date 30-Jun-17 RM'000	Preceding year corresponding period 30-Jun-16 RM'000
Profit/(loss) for the period	14,789	(5,235)	11,957	(2,987)
Other comprehensive income/(loss):				
Par value and share premium reduction expenses	-	-	(185)	-
Other comprehensive (loss)/income for the period	-	-	(185)	-
Total comprehensive income/(loss) for the period	14,789	(5,235)	11,772	(2,987)
Total comprehensive income attributable to:				
Owners of the parent	15,080	(5,109)	13,031	(3,719)
Non-controlling interests	(291)	(126)	(1,259)	732
	14,789	(5,235)	11,772	(2,987)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017

	← Attributable to owners of the parent →							Total equity RM'000
	Share capital RM'000	Share premium RM'000	Non-distributable Revaluation reserve RM'000	Capital reserve RM'000	Retained earning/ (accumulated losses) RM'000	Total shareholders' equity RM'000	Non-controlling interests RM'000	
<u>12 months ended 30 June 2017</u>								
At 1 July 2016	846,118	18,495	107,388	-	(45,737)	926,264	54,710	980,974
Total comprehensive income/(loss) for the period	-	-	-	-	13,031	13,031	(1,259)	11,772
Par value and share premium reduction	(423,059)	(18,495)	-	53,109	388,445	-	-	-
At 30 June 2017	423,059	-	107,388	53,109	355,739	939,295	53,451	992,746
<u>12 months ended 30 June 2016</u>								
At 1 July 2015	846,118	18,495	107,388	-	(42,018)	929,983	53,975	983,958
Total comprehensive (loss)/income for the period	-	-	-	-	(3,719)	(3,719)	732	(2,987)
Striking off of a subsidiary	-	-	-	-	-	-	3	3
At 30 June 2016	846,118	18,495	107,388	-	(45,737)	926,264	54,710	980,974

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017**

	Year-to-date 30-Jun-17 RM'000	Year-to-date 30-Jun-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,950	66
Adjustments for :		
Depreciation / amortisation	2,984	2,985
Gain on disposal of property, plant and equipment	(28)	(15,042)
Loss on striking off a subsidiary		3
Interest expense	539	107
Interest income	(19)	(54)
Allowance for impairment on receivables, net	138	130
Write back of short term accumulating compensated absences, net	(6)	(13)
Unrealised foreign exchange loss, net	152	168
Write back of provision for property development costs	(3,273)	(288)
Property, plant and equipment written off	8	5
Operating profit/(loss) before working capital changes	22,445	(11,933)
Changes in working capital	2,749	3,842
Cash generated from/(used in) operations	25,194	(8,091)
Tax paid (net)	(5,932)	(6,840)
Interest paid	(219)	(4)
Net cash generated from/(used in) operating activities	19,043	(14,935)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(416)	(1,542)
Addition in land held for property development	(22,625)	(345)
Purchase of property, plant and equipment	(460)	(1,695)
Interest received	19	54
Proceeds from disposal of property, plant and equipment	28	20,716
Net cash (used in)/generated from investing activities	(23,454)	17,188
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	3,000	-
Payment of capital reduction expenses	(185)	-
Repayment of hire purchase and lease payables, net	(631)	(1,018)
Interest paid	(320)	(103)
Placement of fixed deposit		(8)
Net cash generated from/(used in) financing activities	1,864	(1,129)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,547)	1,124
EFFECTS OF EXCHANGE RATE CHANGES	-	12
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	11,688	10,552
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	9,141	11,688

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
12 months ended 30 June 2017					
Revenue					
External revenue	81,883	48,498	-	-	130,381
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>81,883</u>	<u>48,498</u>	<u>-</u>	<u>-</u>	<u>130,381</u>
Results					
Segment results	20,616	11,111	(9,257)	-	22,470
Interest expense, net					(520)
Income tax expense					(9,993)
Profit for the period					<u>11,957</u>
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	4,996	-	119
Interest expense, net					(53)
Income tax expense					(3,053)
Loss for the period					<u>(2,987)</u>

A8) Significant event occurring after the reporting date

Pertama Land & Development Sdn Bhd ("PLD"), a wholly-owned sub-subsidiary of DutaLand Bhd, has on 22 August 2017 accepted the letter of intent dated 18 August 2017 ("LOI") issued by Boustead Rimba Nilai Sdn Bhd ("BRN"), a wholly-owned subsidiary of Boustead Plantations Berhad, to PLD for the proposed acquisition by BRN of 42 parcels of plantation land owned by PLD in the locality of Labuk Road, Sg. Ruku-Ruku and Sg. Lokan, all within the district of Labuk and Sugut, Sabah, measuring approximately 11,579.31 hectares, inclusive of all movable fixed assets, machineries and vehicles located at the property for an indicative cash consideration of RM750 million

A9) Effect of changes in the composition of the Group

There were no significant 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 June 2017.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (4Q FY2017), the Group recorded revenue of RM91.3 million, RM80.6 million higher as compared to the preceding year quarter (4Q FY2016) of RM10.7 million. The favorable variance was mainly due to higher contribution from the property division (4Q FY2017: RM80.9 million vs 4Q FY2016: RM0.1 million, +RM80.8 million) while the plantation division's revenue was maintained at RM10 million. The property division recorded revenue of RM80.9 million in the current year quarter mainly from the disposal of land from the Kenny Heights joint-venture project.

For the 12 months period under review (YTD FY2017), the Group recorded revenue of RM130.4 million as compared to RM37.8 million for the same period in previous year (YTD FY2016). The favorable variance of RM92.6 million was mainly due to higher contribution from property division (YTD FY2017 RM81.9 million vs YTD FY2016: RM0.1 million, + RM81.8 million). The plantation division recorded revenue in current year period of RM48.5 million (YTD FY2016: RM37.6 million, +RM10.9 million). The plantation division recorded higher average FFB price at RM567 / MT (YTD FY2016: RM431 / MT, +32%). Production volume was 2% lower at 85,448 MT.

Profit before tax for 4Q FY2017 was RM22.9 million as compared to loss of RM3.6 million for 4Q FY2016. The variance of RM26.5 million was mainly due to gain on disposal of land of RM26.0 million recorded in the current year quarter. The property division recorded profit of RM24.4 million for current year quarter as compared to loss of RM 2.1 million for previous year quarter. The plantation division recorded profit of RM2.0 million for current year quarter as compared to profit of RM 1.5 million for previous year quarter.

Profit before tax for YTD FY2017 was RM21.9 million as compared to profit for YTD FY2016 of RM0.1 million. The property division recorded higher profit at RM20.2 million in the current year period (YTD FY2016: loss of RM7.2 million, +RM27.4 million) mainly derived from disposal of land from the Kenny Heights joint-venture project. The plantation division recorded profit of RM11.0 million in the current year period (YTD FY2016: profit of RM2.2 million). Profit is higher by RM8.8 million as revenue increased by RM10.8 million for FY2017.

B2) Material changes in quarterly results

Profit before tax for the current quarter (4Q FY2017) was RM22.9 million as compared to loss of RM4.1 million for the previous quarter (3Q FY2017). The variance of RM27.0 million was mainly due to land disposal from the joint-venture project and higher contribution from the plantation division. The plantation division recorded profit of RM2.0 million (3Q FY2017: loss of RM1.0 million, +RM3.0 million) mainly due to lower operation cost incurred. The property division recorded profit of RM24.4 million in the current quarter (3Q FY2017: loss of RM1.3 million) mainly derived from the disposal of land from the Kenny Heights joint-venture project.

B3) Commentary on:

(a) Current year prospects

As disclosed in Note B7, the Company is negotiating to dispose of its plantation assets for RM750.0 million. The Company is exploring various options to best utilize the potential sale proceeds in order to maximize shareholder value.

(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-17 RM'000	Current Financial Year-To-Date 30-Jun-17 RM'000
Income tax expense	(10,490)	(12,415)
Transfer from deferred taxation	2,375	2,422
	<u>(8,115)</u>	<u>(9,993)</u>

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

B7) Status of corporate proposals announced but not completed

On 22 August 2017, the Company announced that its wholly-owned sub-subsidiary, Pertama Land & Development Sdn Bhd ("PLD"), has accepted the letter of intent dated 18 August 2017 issued by Boustead Rimba Nilai Sdn Bhd ("BRN"), a wholly-owned subsidiary of Boustead Plantations Bhd, for the proposed acquisition of 42 parcels of plantation land owned by PLD for an indicative cash consideration of RM750 million. The intention to acquire is subject to due diligence exercise to be conducted for a period of 30 days and BRN will revert to PLD with its decision to proceed with the acquisition of the plantation asset within 15 days after the due diligence period. BRN has paid a sum of RM15 million being the refundable 2% earnest deposit.

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-17 RM'000
Short-term borrowings:	
Secured	1,664
Long-term borrowings:	
Secured	2,876
Total borrowings	<u>4,540</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		12 months ended	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
(a) Basic				
Profit/(loss) attributable to owners of the parent (RM'000)	15,080	(5,109)	13,216	(3,719)
Weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Basic earnings/(loss) per ordinary share for the period (sen)	<u>1.78</u>	<u>(0.60)</u>	<u>1.56</u>	<u>(0.44)</u>
(b) Diluted				
Profit/(loss) attributable to owners of the parent (RM'000)	15,080	(5,109)	13,216	(3,719)
Adjusted weighted average number of ordinary shares ('000)	846,118	846,118	846,118	846,118
Diluted earnings/(loss) per ordinary share for the period (sen)	<u>1.78</u>	<u>(0.60)</u>	<u>1.56</u>	<u>(0.44)</u>

The diluted EPS is the same as the basic EPS because the Company 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/(loss) before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30-Jun-17 RM'000	Preceding year corresponding quarter 30-Jun-16 RM'000	Current financial year-to-date 30-Jun-17 RM'000	Preceding year corresponding period 30-Jun-16 RM'000
Profit/(loss) before taxation is arrived at after crediting/(charging):				
(1) Provision for and write-off of receivables	(138)	(130)	(138)	(130)
(2) Provision for and write-off of inventories	-	-	-	-
(3) (Loss)/gain on disposal of quoted or unquoted investments or properties	-	(835)	28	15,042
(4) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange (loss)/gain, net:				
- Realised	-	(7)	2	(7)
- Unrealised	(152)	(168)	(152)	(168)
(6) Gain/(loss) on derivatives	-	-	-	-
(7) Write back of provision for short term accumulating compensated absences, net	6	13	6	13
(8) Write back of provision for property development costs	3,273	288	3,273	288
(9) Loss on striking off a subsidiary	-	(3)	-	(3)
(10) Write-off of property, plant and equipment	-	-	(8)	(5)

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

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
Total retained earnings/(accumulated losses) of DutaLand Berhad and its subsidiaries:		
- Realised	(269,938)	(663,004)
- Unrealised	(26,312)	(26,121)
	<u>(296,250)</u>	<u>(689,125)</u>
Consolidation adjustments	651,989	643,388
Total Group's retained earnings/(accumulated losses)	<u>355,739</u>	<u>(45,737)</u>

On behalf of the Board
DUTALAND BERHAD

Kwan Wai Sin
Chartered Secretary
Kuala Lumpur
29 Aug 2017