

DutaLand Berhad

(Company No: 7296-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	As at 31-Dec-18 RM'000 (Unaudited)	As at 30-Jun-18 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	340,361	340,212
Investment Property	45,400	-
Land held for property development	263,578	263,516
	<u>649,339</u>	<u>603,728</u>
Current assets		
Property development costs	45,358	32,500
Inventories	10,766	10,766
Receivables	46,623	97,937
Tax recoverable	4,662	2,731
Short term investment	616,202	100,000
Short term deposit	6,433	528,576
Cash and bank balances	14,018	17,337
	<u>744,062</u>	<u>789,847</u>
Non-current assets classified as held for sale	11,666	11,666
	755,728	801,513
	<u>1,405,067</u>	<u>1,405,241</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	423,059	423,059
Capital reserve	53,109	53,109
Reserve attributable to assets classified as held for sale	3,574	3,574
Retained profit	824,955	817,447
	1,304,697	1,297,189
Non-controlling interests	52,425	52,805
Total equity	<u>1,357,122</u>	<u>1,349,994</u>
Non-current liabilities		
Borrowings	573	429
Deferred tax liabilities	1,773	639
	<u>2,346</u>	<u>1,068</u>
Current liabilities		
Borrowings	329	2,577
Payables	44,041	51,048
Tax payable	1,229	554
	<u>45,599</u>	<u>54,179</u>
Total liabilities	47,945	55,247
TOTAL EQUITY AND LIABILITIES	<u>1,405,067</u>	<u>1,405,241</u>
Net assets per share (RM)	1.54	1.53

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Current financial year-to-date 31-Dec-18 RM'000	Preceding year corresponding period 31-Dec-17 RM'000
<u>Continuing operations</u>				
Revenue	8,988	3,062	12,976	5,966
Expenses	(10,280)	(6,341)	(16,378)	(11,442)
Other income	5,810	214	12,293	454
Depreciation / amortisation	(57)	(22)	(112)	(84)
Profit/(loss) from operations	4,461	(3,087)	8,779	(5,106)
Interest income	41	147	240	186
Interest expense	(2)	(61)	(5)	(131)
Profit/(loss) before taxation	4,500	(3,001)	9,014	(5,051)
Income tax	(46)	(46)	(91)	(91)
Profit / (loss) from continuing operations net of tax.	4,454	(3,047)	8,923	(5,142)
<u>Discontinuing operations</u>				
(Loss)/ profit from discontinuing operations, net of tax	(866)	5,215	(1,795)	7,869
Profit for the period	3,588	2,168	7,128	2,727
Attributable to:				
Owners of the parent	3,716	2,293	7,508	3,048
Non-controlling interests	(128)	(125)	(380)	(321)
	3,588	2,168	7,128	2,727
Earnings per share attributable to owners of the parent (sen):				
Basic				
Basic	0.44	0.27	0.89	0.36
Diluted				
Diluted	0.44	0.27	0.89	0.36

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Current financial year-to-date 31-Dec-18 RM'000	Preceding year corresponding period 31-Dec-17 RM'000
Profit for the period	3,588	2,168	7,128	2,727
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	3,588	2,168	7,128	2,727
Total comprehensive income attributable to:				
Owners of the parent	3,716	2,293	7,508	3,048
Non-controlling interests	(128)	(125)	(380)	(321)
	3,588	2,168	7,128	2,727

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	← Attributable to owners of the parent →						Total equity RM'000
	Share capital RM'000	----- Non-distributable -----		Retained profits/ RM'000	Total shareholders' equity RM'000	Non-controlling interests RM'000	
		Reserve attributable to assets classified as held of sale RM'000	Capital reserve RM'000				
<u>6 months ended 31 December 2018</u>							
At 1 July 2018	423,059	3,574	53,109	817,447	1,297,189	52,805	1,349,994
Profit/(loss) for the period	-	-	-	7,508	7,508	(380)	7,128
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	7,508	7,508	(380)	7,128
At 31 December 2018	423,059	3,574	53,109	824,955	1,304,697	52,425	1,357,122
<u>6 months ended 31 December 2017</u>							
At 1 July 2017	423,059	107,388	53,109	355,411	938,967	53,431	992,398
Profit/(loss) for the period	-	-	-	3,048	3,048	(321)	2,727
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	3,048	3,048	(321)	2,727
At 31 December 2017	423,059	107,388	53,109	358,459	942,015	53,110	995,125

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	Year-to-date 31-Dec-18 RM'000	Year-to-date 31-Dec-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operation	9,014	(5,051)
Discontinuing operation	(1,796)	10,354
Adjustments for :		
Depreciation / amortisation	379	355
Loss on disposal of property, plant and equipment	1	-
Interest expense	17	161
Interest income	(239)	(186)
Write back of provision for doubtful debts	(834)	-
Operating profit before working capital changes	6,542	5,633
Changes in working capital	34,280	39,865
Cash generated (used) in operations	40,822	45,498
Tax paid	(2,214)	(7,202)
Interest paid	-	(1)
Net cash (used in)/generated from operating activities	38,608	38,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	-	(141)
Investment in money market fund	(516,202)	-
Addition in land held for property development	(97)	(492)
Purchase of property, plant and equipment	(45,829)	(571)
Interest received	239	186
Dividend paid	-	-
Addition short term investment	(92)	(9)
Net cash (used in)/generated from investing activities	(561,981)	(1,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Drawdown of borrowings	(2,123)	(464)
Repayment of hire purchase and lease payables, net	(158)	(319)
Interest paid	(17)	(127)
Net cash generated from/(used in) financing activities	(2,298)	(910)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(525,671)	36,358
EFFECT OF EXCHANGE RATE CHANGES	209	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	545,469	9,145
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	20,007	45,503

PART A : Notes Required by MFRS 134

A1) Accounting policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 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 2018.

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 2018, except for the adoption of new MFRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2018. The adoption of these MFRSs, 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 proposed or paid for the current financial period.

A7) Segmental reporting

Segmental reporting of continuing operation for the current financial period by business segments is as follows:

	<u>Property Development</u> RM'000	<u>Investment Holding and Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
6 months ended 31 December 2018 <u>Continuing Operation</u>				
Revenue				
External revenue	8,985	3,991	-	12,976
Inter-segment revenue	-	-	-	-
Total revenue	<u>8,985</u>	<u>3,991</u>	<u>-</u>	<u>12,976</u>
Results				
Segment results	1,868	6,911	-	8,779
Interest income, net				235
Income tax expense				(91)
Profit for the period				<u>8,923</u>
6 months ended 31 December 2017 <u>Continuing Operation</u>				
Revenue				
External revenue	5,966	-	-	5,966
Inter-segment revenue	-	-	-	-
Total revenue	<u>5,966</u>	<u>-</u>	<u>-</u>	<u>5,966</u>
Results				
Segment results	(1,207)	6,313	-	(5,106)
Interest income, net				55
Income tax expense				(91)
Loss for the period				<u>(5,142)</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 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 2018 to the date of this report, except for the litigation claims disclosed in Note B10 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 December 2018.

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PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the quarter under review (2Q FY2019), the Group recorded revenue of RM9.0 million, RM6.0 million higher as compared to the preceding year quarter (2Q FY2018) of RM3.0 million. The increase in revenue is mainly due to higher sale concluded and more advanced stage of completion for the Oakland project in Seremban. Construction activities also contributed RM4.0 million in revenue.

For the 6 months period under review (YTD FY2019), the Group recorded revenue of RM13.0 million as compared to RM6.0 million for the same period in previous year (YTD FY2018). The favorable variance of RM7.0 million was mainly due to higher contribution from the property division and also construction activities which contributed RM4.0 million in revenue

Profit before tax under continuing operation for 2Q FY2019 was RM4.5 million as compared to loss of RM3.0 million for 2Q FY2018. The increase of RM7.5 million is mainly due to dividend income earned of RM5.6 million from placement of short term investment and better performance from the property division.

Profit before tax under continuing for YTD FY2019 and YTD FY2018 was at RM9.0 million and loss of RM 5.0million respectively. The profit is higher by RM14.0 million is mainly due to dividend income earned of RM11.0 million and better performance from the property division.

B2) Material changes in quarterly results

There is no material change in the quarterly results for the current quarter as compared to the previous quarter. The Profit before tax for continuing operations came in at RM4.5 million for the respective quarters. The business operations of the group have been quite stable for both quarters.

B3) Commentary on:

(a) Current year prospects

The property market remains sluggish. This is partly due to tighter lending conditions imposed by the banks, and also the impact of the market sentiment. The performance of the property sector will in turn affect the country's economic performance. The current year prospect is expected to be challenging.

(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

Continuing operation:	Current Quarter 31 Dec 2018	Current Financial Year-to Date 31 Dec 2018
	(RM'000)	(RM'000)
Malaysian income tax	(46)	(91)
Total income tax expenses from continuing operation	(46)	(91)

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

There is no corporate proposal announced but not completed as at the date of this report.

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B8) Status of utilisation of proceeds raised from plantation asset disposal

The utilisation of proceeds of RM750 million from the disposal as of 25 February 2019 2019, being the date of this Quarterly Report, is as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Time frame for Utilistaion	Percentage Utilised %
i) Acquisition of new businesses and / or assets	188,000	-	Within 30 months from receipt of proceeds	0
ii) Funding of company 's existing business	430,000	55,820	Within 36 months from receipt of proceeds	13
iii) Proposed distribution	85,000	42,306	Within 12 months from receipt of proceeds	50
iv) Expenses in relation to disposal	47,000	47,000	Immediately upon completion	100
	750,000	145,126		

B9) Group borrowings

The Group borrowings are as follows:

	As at 31 Dec 2018 (RM'000)
Short-term borrowings:	
Secured	329
Long-term borrowings:	
Secured	573
Total borrowings	<hr/> 902 <hr/>

B10) 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.

B11) Dividend declared

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

B12) Earnings per share (“EPS”)

	3 months ended		6 months ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
(a) <u>Basic</u>				
Profit/(loss) attributable to owners of the parent (RM'000)				
- from continuing operations	4,582	(2,922)	9,303	(4,821)
- from discontinuing operations	(866)	5,215	(1,795)	7,869
	<u>3,716</u>	<u>2,293</u>	<u>7,508</u>	<u>3,048</u>
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)				
- from continuing operations	0.54	(0.35)	1.10	(0.57)
- from discontinuing operations	(0.10)	0.62	(0.21)	0.93
	<u>0.44</u>	<u>0.27</u>	<u>0.89</u>	<u>0.36</u>
(b) <u>Diluted</u>				
Profit/(loss) attributable to owners of the parent (RM'000)				
- from continuing operations	4,582	(2,922)	9,303	(4,821)
- from discontinuing operations	(866)	5,215	(1,795)	7,869
	<u>3,716</u>	<u>2,293</u>	<u>7,508</u>	<u>3,048</u>
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)				
- from continuing operations	0.54	(0.35)	1.10	(0.57)
- from discontinuing operations	(0.10)	0.62	(0.21)	0.93
	<u>0.44</u>	<u>0.27</u>	<u>0.89</u>	<u>0.36</u>

B13) Declaration of audit qualification

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

B14) Profit/(loss) before taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter 31 Dec 2018 RM'000	Preceding year corresponding quarter 31 Dec 2017 RM'000	Current financial year-to-date 31 Dec 2018 RM'000	Preceding year corresponding period 31 Dec 2017 RM'000
Profit/(loss) 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) Impairment of property, plant and equipment	-	-	-	-
(5) Foreign exchange (loss)/gain, net:				
- Realised	-	2	-	(14)
- Unrealised	2	-	211	-
(6) Write-off of property, plant and equipment	-	-	-	-
(7) Write back of provision for doubtful debts	-	-	834	-
(8) Dividends from short term investment fund	5,592	-	11,014	-

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B15) Realised and unrealized retained profits

	As at 31 Dec 2018 RM'000	As at 30 June 2018 RM'000
Total retained earning/(accumulated losses) of DutaLand Berhad and its subsidiaries:		
- Realised	(200,389)	(206,883)
- Unrealised	(27,361)	(27,291)
	(227,750)	(234,174)
Consolidation adjustments	1,052,705	1,051,621
Total Group's retained earning	824,955	817,447

On behalf of the Board
DUTALAND BERHAD

Kwan Wai Sin
Chartered Secretary
Kuala Lumpur
25 February 2019