

DutaLand Berhad

(Company No: 7296-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	As at 31-Dec-10 RM'000 (Unaudited)	As at 30-Jun-10 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	12,424	14,585
Biological assets	217,644	216,800
Land held for property development	90,207	90,198
Investment properties	330,701	330,642
Prepaid land lease payments	115,113	115,990
Investments	28	28
Long term receivable	13,908	15,885
Deferred tax assets	6,757	6,541
	786,782	790,669
Current assets		
Property development costs	321,211	319,888
Inventories	5,150	5,904
Due from a former associate	5,672	5,672
Due from affiliates	20	785
Receivables	94,003	89,321
Tax recoverable	1,814	196
Short term investments	1,902	3,379
Cash and bank balances	6,473	10,332
	436,245	435,477
TOTAL ASSETS	1,223,027	1,226,146
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	592,875	592,710
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	279,693	279,834
Irredeemable Convertible Bonds ("ICB")	9,375	9,484
Irredeemable Exchangeable Bonds ("IEB")	4,062	4,062
Reserves	104,119	104,113
Accumulated losses	(131,898)	(134,055)
	858,226	856,148
Minority interests	55,699	56,173
Total equity	913,925	912,321
Non-current liabilities		
Borrowings	161,381	160,701
Deferred tax liabilities	19,132	19,177
	180,513	179,878
Current liabilities		
Provisions for liabilities	115	115
Borrowings	71,900	80,146
Due to affiliates	660	399
Payables	48,123	44,459
Current tax payable	7,791	8,828
	128,589	133,947
Total liabilities	309,102	313,825
TOTAL EQUITY AND LIABILITIES	1,223,027	1,226,146
Net assets per share (RM)	1.45	1.44

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-10 RM'000	Preceding year corresponding quarter 31-Dec-09 RM'000	Current financial year-to-date 31-Dec-10 RM'000	Preceding year corresponding period 31-Dec-09 RM'000
Revenue	19,033	18,243	34,189	30,723
Expenses	(14,668)	(15,084)	(28,373)	(29,795)
Other income	99	1,251	3,591	2,447
Finance costs, net	(3,360)	(4,013)	(6,747)	(8,083)
Profit/(loss) before taxation	1,104	397	2,660	(4,708)
Income tax reversal/(expense), net	1,760	(11)	1,843	59
Profit/(loss) for the period	2,864	386	4,503	(4,649)
Attributable to:				
Equity holders of the Company	3,071	598	4,977	(4,207)
Minority interests	(207)	(212)	(474)	(442)
	2,864	386	4,503	(4,649)
Earnings per share attributable to equity holders of the Company (sen):				
Basic	0.52	0.10	0.84	(0.71)
Diluted	0.39	0.10	0.64	(0.71)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31-Dec-10 RM'000	Preceding year corresponding quarter 31-Dec-09 RM'000	Current financial year-to-date 31-Dec-10 RM'000	Preceding year corresponding period 31-Dec-09 RM'000
Profit/(loss) for the period	2,864	386	4,503	(4,649)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(expense) for the period	2,864	386	4,503	(4,649)
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	3,071	598	4,977	(4,207)
Minority interests	(207)	(212)	(474)	(442)
	2,864	386	4,503	(4,649)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	← Attributable to Equity Holders of the Company →					Accumulated losses RM'000	Total Shareholders' equity RM'000	Minority interest RM'000	Total Equity RM'000
	← Non-Distributable →	Share capital RM'000	Equity component of ICULS RM'000	Equity component of ICB RM'000	Equity component of IEB RM'000				
6 months ended 31 December 2010									
At 1 July 2010	592,710	279,834	9,484	4,062	104,113	(134,055)	856,148	56,173	912,321
Effects of adopting FRS 139 (Note A1)	-	-	-	-	-	(2,762)	(2,762)	-	(2,762)
	592,710	279,834	9,484	4,062	104,113	(136,817)	853,386	56,173	909,559
Profit for the period	-	-	-	-	-	4,977	4,977	(474)	4,503
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	4,977	4,977	(474)	4,503
Cancellation of ICB	-	-	(109)	-	-	(39)	(148)	-	(148)
Conversion of ICULS	165	(141)	-	-	6	(19)	11	-	11
At 31 December 2010	592,875	279,693	9,375	4,062	104,119	(131,898)	858,226	55,699	913,925
6 months ended 31 December 2009									
At 1 July 2009	586,079	293,092	10,532	4,062	27,176	(154,229)	766,712	57,540	824,252
Loss for the period	-	-	-	-	-	(4,207)	(4,207)	(442)	(4,649)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	-	-	(4,207)	(4,207)	(442)	(4,649)
Conversion of ICULS	6,161	(6,428)	-	-	267	532	532	-	532
At 31 December 2009	592,240	286,664	10,532	4,062	27,443	(157,904)	763,037	57,098	820,135

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Year-to-date 31-Dec-10 RM'000	Year-to-date 31-Dec-09 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	2,660	(4,708)
Adjustments for :		
Amortisation	907	933
Depreciation	2,245	2,030
Loss on disposal of property, plant and equipment	189	-
Loss on disposal of short term investments	-	61
Gain on repayment of financial instruments	(1)	-
Unrealised foreign exchange gain, net	(3,502)	(2,244)
Waiver of creditors	-	(44)
Interest expense	7,460	8,117
Interest income	(713)	(34)
Property, plant and equipment written off	1	-
Bad debts written off	-	5
Write back of provision for doubtful debts	-	(94)
Operating profit before working capital changes	9,246	4,022
Changes in working capital	(911)	(15,112)
Cash generated from/(used in) operations	8,335	(11,090)
Tax paid, net	(1,081)	(102)
Interest paid	(62)	(42)
Net cash generated from/(used in) operating activities	7,192	(11,234)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on biological assets	(844)	(379)
Expenditure incurred on prepaid land lease payments	(31)	(240)
Additions in land held for property development	(11)	-
Additions in investment properties	(67)	(3,496)
Purchase of property, plant and equipment	(176)	(44)
Interest received	42	34
Proceeds from disposal of property, plant and equipment	145	-
Proceeds from disposal of short term investments	-	1,396
Net cash used in investing activities	(942)	(2,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in amount due from/to affiliates, net	-	63
(Repayment)/drawdown of borrowings, net	(8,643)	7,742
Repayment of hire purchase and lease payables	(250)	(465)
Repayment of financial instruments	(1,181)	-
Interest paid	(1,512)	-
(Placement)/withdrawal of fixed deposit pledged with licensed banks	(28)	96
Net cash (used in)/generated from financing activities	(11,614)	7,436
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,364)	(6,527)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	13,248	14,848
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	7,884	8,321

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 2010.

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 2010, except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 July 2010. The adoption of these FRSs, amendments and interpretations do not have material impact on the interim financial report of the Group, except for the adoption of the following FRSs:

FRS 101 – Presentation of Financial Statements (Revised)

The new FRS prohibits the presentation of items of income and expenses (that is “non-owner changes in equity”) in the statement of changes in equity. Non-owner changes in equity are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two separate statements, i.e. income statement and statement of comprehensive income. All non-owner changes in equity are now included in the statement of comprehensive income.

Amendment to FRS 116 – Property, Plant and Equipment and Amendment to FRS 140 – Investment Property

Prior to the adoption of the Amendment to FRS 116 and Amendment to FRS 140, properties that were being constructed or developed for future use as investment properties were treated as investment properties under construction and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and Amendment to FRS 140, the Group has reclassified such properties to investment properties.

The reclassifications pursuant to the amendments of FRS 116 and FRS 140 have been adopted retrospectively and the effects are as follows:

	As previously reported	Effects of amendments to FRS 116 and FRS 140	As restated
	RM’000	RM’000	RM’000
Property, plant and equipment	344,649	(330,064)	14,585
Investment properties	578	330,064	330,642

FRS 139 – Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when the Group has become a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised in the prior financial year are classified into the following categories:

Pre-FRS 139	Post-FRS 139
(1) Private debt instruments	Loans and receivables
(2) Short term investments	Financial assets at fair value through profit or loss
(3) Long term borrowings	Financial liabilities at amortised cost

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to the initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
(1) Financial instruments at fair value through profit or loss	At fair value through profit or loss
(2) Held-to-maturity investments	At amortised cost effective interest method
(3) Loans and receivables	At amortised cost effective interest method
(4) Available-for-sale investments	At fair value though other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost.
(5) Loans and other financial liabilities	At amortised cost effective interest method

In accordance with the transitional provisions of FRS 139 for first time adoption, the changes are applied prospectively and the comparatives as of 30 June 2010 are not restated. The effects arising from the adoption of FRS 139 are as follows:

	Increase/ (decrease) RM'000
Statement of financial position as at 1 July 2010	
<u>Non-current assets</u>	
Long term receivable	(2,444)
<u>Current assets</u>	
Receivables	(318)
<u>Equity</u>	
Accumulated losses	<u>2,762</u>

The adoption of FRS 139 has increased the profit before tax for the current quarter and year-to-date by RM326,000 and RM671,000 respectively. The detail is as follows:

	Current quarter RM'000	Year-to-date RM'000
Interest income	<u>326</u>	<u>671</u>

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

During the 6 months period under review, the following financial instruments have been cancelled/converted:

Financial instruments	Nominal value cancelled/ converted	Outstanding nominal value as at 31-Dec-10
Irredeemable Convertible Bonds of nominal value RM1.00 each ("ICB")	169,056	13,354,372
Restructured Term Loan ("RTL")	1,002,261	50,297,382
Irredeemable Convertible Unsecured Loan Stocks of nominal value RM1.00 each ("ICULS")	194,700	318,402,820
Redeemable Unsecured Loan Stocks of nominal value RM1.00 each ("RULS")	-	26,280,576
Irredeemable Exchangeable Bonds of nominal value USD1.00 each ("IEB")	-	1,883,183
Redeemable Secured Bonds of nominal value USD1.00 each ("MCBVI BONDS")	-	18,424,000

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	Manufacturing	Investment Holding and Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 December 2010						
Revenue						
External revenue	9,179	25,010	-	-	-	34,189
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>9,179</u>	<u>25,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,189</u>
Results						
Segment results	(1,202)	12,877	(1,173)	(1,095)	-	9,407
Finance costs, net						(6,747)
Income tax reversal, net						1,843
Profit for the period						<u>4,503</u>
6 months ended 31 December 2009						
Revenue						
External revenue	14,245	15,260	491	727	-	30,723
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>14,245</u>	<u>15,260</u>	<u>491</u>	<u>727</u>	<u>-</u>	<u>30,723</u>
Results						
Segment results	1,123	5,931	(1,518)	(2,161)	-	3,375
Finance costs, net						(8,083)
Income tax reversal, net						59
Loss for the period						<u>(4,649)</u>

A8) Significant post balance sheet event

There were no material transactions or events subsequent to the end of the current quarter.

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 balance sheet as at 30 June 2010 to the date 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 2010.

PART B : Notes Required by Bursa Malaysia Listing Requirements

B1) Review of performance

For the second quarter ended 31 December 2010, the Group recorded revenue of RM19.0 million, higher by RM0.8 million or 4% from the previous year's corresponding period. The increase was mainly due to higher contribution from the plantation division of RM6.1 million, offset with lower contribution from the property division of RM4.8.

The Group registered profit before tax of RM1.1 million in the current quarter as compared to RM0.4 million reported in the same period of previous year. The favourable variance of RM0.7 million was mainly due to higher contribution from the plantation division of RM3.5 million and lower interest expense of RM0.7 million, offset with lower contribution from the property division of RM2.5 million and lower foreign exchange gain of RM1.1 million.

For the 6 months period ended 31 December 2010, the Group recorded revenue of RM34.2 million, higher by RM3.5 million or 11% from the previous year corresponding period. The increase was mainly due to higher contribution from the plantation division of RM9.7 million, offset with lower contribution from the property division of RM5.0 million.

Profit before tax for the current financial period at RM2.7 million was higher by RM7.4 million as compared to loss before tax of RM4.7 million registered for the same corresponding period of previous financial year. The increase was mainly due to higher profit generated by the plantation division of RM6.9 million, lower interest expense of RM1.3 million and higher foreign exchange gain of RM1.3 million, offset by lower profit recorded by property division of RM2.3 million.

B2) Material changes in quarterly results

The profit before tax for the second quarter ended 31 December 2010 was RM1.1 million as compared to RM1.6 million of preceding quarter. The shortfall of RM0.5 million was mainly due to lower foreign exchange gain of RM3.3 million recorded in the current quarter, offset with higher profit of RM1.6 million recorded by the plantation division.

B3) Commentary on:

(a) Current year prospects

The Group's results for the financial year ending 30 June 2011 is dependent on the economic conditions.

(b) Progress to achieve the revenue or profit estimate, forecast, projection or internal targets which was previously announced or disclosed in public document

There were no revenue or profit estimate, forecast, projection or internal targets, which was 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 was 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 charge comprises of the followings:

	Current Quarter 31-Dec-10 RM'000	Current Financial Year-To-Date 31-Dec-10 RM'000
Income tax reversal, net	(1,621)	(1,574)
Transfer from deferred taxation	(139)	(269)
	<u>(1,760)</u>	<u>(1,843)</u>

The disproportionate tax charge is due principally to certain expenses being disallowed for taxation purposes and tax credit recognised during the period.

B7) Unquoted investments and/or properties

There was no sales of unquoted investments and properties during the current financial period.

B8) Quoted Securities

(a) There was no purchase or disposal of quoted securities in the current quarter.

(b) Investment in quoted securities as at 31 December 2010:

	As at 31-Dec-10 RM'000
Total Investment at cost	2
Total Investment at carrying value/book value (after impairment losses)	-
Total Investment at market value as at 31 December 2010	-

B9) Status of corporate proposals announced but not completed

There was no corporate proposals announced but not completed in the current quarter.

B10) Group borrowings

The Group borrowings are as follows:

	As at 31-Dec-10 RM'000
Short-term borrowings:	
Secured	64,773
Unsecured	7,127
	<u>71,900</u>
Long-term borrowings:	
Secured	148,483
Unsecured	12,898
	<u>161,381</u>
Total borrowings	<u>233,281</u>

Included in the secured borrowings are foreign currency borrowings of USD19,191,000 (RM59,174,000 equivalent).

B11) Off balance sheet financial instruments

The Group has no financial instruments with off balance sheet risks as at the date of this report.

B12) Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date

The list of material litigation is attached as Annexure 1.

B13) Dividend declared

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

B14) Earnings per share

	3 months ended		6 months ended	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
(a) Basic				
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	3,071	598	4,977	(4,207)
Weighted average number of ordinary shares ('000)	592,814	591,386	592,762	590,107
Basic earnings per ordinary share for the period (sen)	0.52	0.10	0.84	(0.71)
(b) Diluted				
Profit/(loss) attributable to ordinary equity holders of the Company including assumed conversions (RM'000)	3,431	601	5,637	(4,207)
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	878,891	596,949	879,133	590,107
Diluted earnings per ordinary share for the period (sen)	0.39	0.10	0.64	*(0.71)

* The diluted EPS is the same as the basic EPS. This is because the computations of diluted EPS produced anti-dilution effects and were therefore disregarded.

B15) Declaration of audit qualification

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

On behalf of the Board
DUTALAND BERHAD

Yap Siew Khim
Company Secretary

Kuala Lumpur
23 February 2011