



(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new/revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemption to First-Time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18 Improvements to FRS Issued in 2010	Transfer of assets from Customers

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

A4. Comments about seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.



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- A5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence**
There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.
- A6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**
There were no 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 that have had a material effect in the current quarter.
- A7. Debt and equity securities**
There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.
- A8. Dividends paid**
No dividend was paid during the current quarter under review.

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A9. Segmental information

Segment information is presented in respect of the Group’s business segments which are based on the internal reporting structure presented to the management of the Company.

The Group’s principal business segments are property development and resort operations, property investment and investment holding.

The information by geographical location is not presented as the Group’s activities are carried out predominantly in Malaysia.

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>YTD ended 30 June 2011</u>				
Revenue	110,558	17,780	-	128,338
Results from operations	20,518	7,803	17,123	45,444
Finance cost	(1,481)	(1,681)	(119)	(3,281)
Share of results of associates	-	-	3,205	3,205
Profit/ (loss) before tax	19,037	6,122	20,209	45,368

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>YTD ended 30 June 2010</u>				
Revenue	110,834	17,233	31	128,098
Results from operations	11,940	5,527	(2,760)	14,707
Finance cost	(1,746)	(1,063)	(50)	(2,859)
Share of results of associates	-	-	3,472	3,472
Profit/ (loss) before tax	10,194	4,464	662	15,320

A10. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2010.



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A11. Material events subsequent to the end of interim period

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

A12. Changes in composition of the Group

There were no changes in composition of the Group during the current quarter under review, except as follows:

- 1) On 24 May 2011, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Tropicana Senibong Sdn Bhd (formerly known as Aman Petaling Sdn Bhd) (“TSSB”) representing the entire issued and paid-up share capital of TSSB, for a total consideration of RM2.00 (“Acquisition”). With the Acquisition, TSSB became a wholly-owned subsidiary of the Company.
- 2) On 3 June 2011, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Tropicana Subang Development Sdn Bhd (formerly known as Tropicana Mall Management Sdn Bhd) (“TSDSB”), representing 100% of the total issued and paid-up share capital of TSDSB and 1,000,000 ordinary shares of RM1.00 each in the share capital of Tropicana Kampar Development Sdn Bhd (formerly known as Atlantic Marketing Sdn Bhd) (“TKDSB”), representing 100% of the total issued and paid-up share capital of TKDSB (hereinafter referred to as “the Internal Re-organisation”). With the Internal Re-organisation, both TSDSB and TKDSB became direct wholly-owned subsidiaries of the Company.

A13. Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 31 December 2010.

A14. Capital commitments

	As at 30/06/11 RM'000	As at 31/12/10 RM'000
Approved and Contracted for :		
- Land held for development	577,898	277,621
- Property, plant and equipment/ property development costs	580,723	46,548
	1,158,621	324,169



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PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B1. Performance review

Quarterly Results

The Group registered a profit before taxation of RM25.39 million on the back of revenue of RM70.66 million for the current quarter ended 30 June 2011. In comparison, the profit before taxation for the corresponding quarter last year was RM8.72 million on the back of revenue of RM69.73 million.

The increase in revenue of RM0.94million or 1.34% and profit before tax of RM16.67million or 191% were due mainly due to the net gain of fair value adjustment amounting to RM15.3million arising from marketable securities.

Year to-date Results

The Group's revenue for the 6 months ended 30 June 2011 of RM128.34 million reflected a marginal increase of RM0.24 million or 0.19% compared to the revenue for the preceding year corresponding period of RM128.10 million. The profit before taxation of RM45.37 million in the current period to-date reflected an increase of RM30.05 million or 196.13% compared to RM15.32 million in preceding corresponding period.

The substantial increase in profit before taxation despite marginal increase in revenue was mainly due to better margin for project profit recognised for the 6 months period ended 30 June 2011 compared to the correspondence period last year. The projects are Tropicana Grande, Casa Tropicana Block E, Pool Villas, Grand Villas and Link Villas. In additions, the increase in profit before taxation also included a net gain of fair value adjustment amounting to RM20.51 million arising from marketable securities and recognition of RM4.0 million liquidated and ascertained damages compensated from contractor.

B2. Variation of results against preceding quarter

The current quarter's revenue of RM70.66 million and profit before taxation of RM25.39 million were higher than RM57.67 and RM19.98 million achieved in the immediate preceding quarter respectively. This is due to the recognition of contributions from existing and new property developments such as Casa Tropicana Block E, Pool Villas, Grand Villas and Link Villas and there was an increase in net gain of fair value adjustment from marketable securities of RM10.2million



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B3. Prospects

Malaysia's economic growth recorded a moderate GDP growth rate of 4% as compared to the first quarter of 2011 of 4.9% due to the overall global economy uncertainty and continuous debt crisis in Europe and United States, The recent downgrade of the United States rating by Standard and Poor's has imposed further threat on the global economic outlook and is expected to impair the Malaysian market accordingly. Nonetheless, Malaysia's economic condition has remained fairly stable with the support from strong private domestic demand and exports of commodities. As such, Bank Negara Malaysia continues to maintain its GDP growth forecast of our country at 5% to 6% for 2011, expecting the economic growth in the second half of 2011 to be continually fueled by the strong domestic demand and government economic initiatives such as Economic Transformation Program (ETP) projects. (Source: Newspaper articles titled "GDP slows down to 4% in 2Q" published in The Edge Financial Daily, dated 18 August 2011)

Despite the above global uncertainties, with the help of the sustainable domestic demand and positive government initiatives, the Group believes to achieve an improved performance for the financial year ending 31 December 2011. This is due to its strong sales recorded since last year with an unbilled sale of RM450million as at 30 June 2011. In addition, the Group's development projects, being located at prime and strategic locations, are expected to continue receive positive demand and provide a sustainable performance base for the Group's financial performance.

B4. Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued for the financial period.

B5. Taxation

	Individual quarter		Year to date	
	30/06/11 RM'000	30/06/10 RM'000	30/06/11 RM'000	30/06/10 RM'000
Tax expense for the period	3,487	4,773	5,232	9,197
Overprovision of tax for the previous financial year	-	-	-	-
Deferred tax transfers	(690)	(522)	(999)	(1,490)
	<u>2,797</u>	<u>4,251</u>	<u>4,233</u>	<u>7,707</u>

The effective tax rate was disproportionate to the financial results principally due to utilisation of business losses and certain expenses/gain not deductible/taxable for tax purposes.

B6. Sale of unquoted investments and properties

There was no sale of unquoted investments and properties outside the ordinary course of the Group's business for the financial period under review except as stated in note A12.



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B7. Quoted securities

Details of purchases and disposals of quoted securities are as follows:

	Individual quarter		Year to date	
	RM'000	RM'000	RM'000	RM'000
	30/06/11	30/06/10	30/06/11	30/06/10
Purchase consideration	-	33,320	-	33,320
Sale proceeds	2,128	-	15,666	19,304
Gain/(loss) on disposal	(9)	-	275	127

	As at 30/06/11 RM'000	As at 31/12/10 RM'000
Investment securities:		
At cost	88,807	134,081
At carrying value/ book value	98,793	93,686
At market value	98,793	93,686

B8. Corporate Proposals

Status of corporate proposals

1) As announced on 18 August 2011, the Company proposed to undertake a proposed private placement of new ordinary shares of RM1.00 each in DIC ("Placement Shares") representing up to 30% of the issued and paid-up share capital of the Company, to third party investors to be identified and at an issue price to be determined later ("Proposed Private Placement"). Based on the issued and paid-up share capital of the Company as at 11 August 2011 of 456,360,849 ordinary shares of RM1.00 each, the Company will be entitled to issue up to 136,908,254 Placement Shares under the Proposed Private Placement.

However, assuming that the outstanding warrants 2009/2019 and outstanding Employee Share Option Scheme options of 129,812,191 units and 5,401,663 units respectively are exercised prior to the implementation of the Proposed Private Placement, DIC will be able to issue up to 177,472,410 Placement Shares.

The proceeds raised from the Proposed Private Placement will be utilised by the Company to finance the acquisitions of land banks and/or as working capital.



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As at the date of this report, the Proposed Private Placement is still subject to Bursa Malaysia Securities Berhad's approval for the listing and quotation of the Placement Shares to be issued pursuant to the Proposed Private Placement ("Listing Approval") and the Company's shareholders' approval at an extraordinary general meeting to be convened for the Proposed Private Placement ("Shareholders' Approval").

The Proposed Private Placement is expected to be completed within six (6) months from the date of approval on the Listing Approval, provided the Shareholders' Approval is obtained.

- 2) As announced on 15 August 2011, Accroway Sdn Bhd, a wholly-owned subsidiary of the Company had, on the same date, entered into a Shareholders' Agreement with Iskandar Waterfront Sdn Bhd, to regulate their relationships as shareholders of Magical Heights Sdn Bhd ("MHSB" or the "Purchaser"), which will be undertaking the development of the freehold land in Mukim Plentong, Daerah Johor Bahru, with a potential gross development area of approximately 227 acres; and MHSB had, on the same date entered into a conditional Sale and Purchase Agreement with Trident World Sdn Bhd ("TWSB") to acquire the following:
 - (a) 1,236 plots of undeveloped vacant subdivided building lots for commercial and residential development for a cash consideration of RM165,000,000, for an existing title area of 125 acres (excluding additional 212 plots of land which is designated for public utilities measuring approximately 374,643 square feet or 8.6 acres in total ("Designated Land")) ("Property 1"); and
 - (b) 190 plots of land with incomplete 3 storey shop apartments, semi detached and bungalow buildings in various stage of construction erected on it for a cash consideration of RM55,000,000 for an existing title area of 15 acres ("Property 2").

Based on a power of attorney granted by TWSB, MHSB shall proceed to revise the development planning of Property 1 and Property 2 (including the Designated Land) and resubmit the necessary application to the relevant authorities to seek a revised planning approval ("Revised KM"). With the Revised KM, Property 1 and Property 2 collectively will have a revised aggregate potential gross area of approximately 227 acres. Based on the aggregate potential gross area of approximately 227 acres, the cash consideration for Property 1 and Property 2 collectively shall be approximately RM22.25 per square foot.

As at the date of this report, the above mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2012.



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- 3) As announced on 8 June 2011, Tropicana Subang Development Sdn Bhd (formerly known as Tropicana Mall Management Sdn Bhd) (“TSDSB”) and Tropicana Kampar Development Sdn Bhd (formerly known as Atlantic marketing Sdn Bhd) (“TKDSB”), both wholly-owned subsidiaries of the Company had, on the same date, entered into the following conditional sale and purchase agreements respectively:
- (a) a conditional sale and purchase agreement between TSDSB and Chunghwa Picture Tubes (Malaysia) Sdn Bhd (“CPT”), wherein CPT shall sell and TSDSB shall purchase four (4) parcels of freehold land held under GRN 84178 to 84181 Lot Nos. 38513 to 38516, all in Pekan Country Heights, District of Petaling, Selangor (“Selangor Property”) with a total land area of 52,322 square metres together with the buildings and facilities erected thereon for a total cash consideration of RM385,460,600; and
 - (b) a conditional sale and purchase agreement between TKDSB and CPT, wherein CPT shall sell and TKDSB shall purchase two (2) parcels of leasehold land held under PN 324855, Lot No. 312205 and PN 324869, Lot No. 312207, Mukim of Kampar, District of Kampar, Perak together with the buildings and facilities erected thereon for a total cash consideration of RM3,232,610 and a conditional sale and purchase agreement between TKDSB and Makolin Electronics (M) Sdn Bhd (“MESB”), wherein MESB shall sell and TKDSB shall purchase a parcel of leasehold land held under PN 324876, Lot No. 312208, Mukim of Kampar, District of Kampar, Perak together with the buildings and facilities erected thereon for a total cash consideration of RM2,399,270. These three (3) parcels of leasehold land are adjacent to each other with a total land area of 52,322 square metres.

As at the date of this report, the above mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2011.

- 4) As announced on 2 August 2010, Tropicana Danga Bay Sdn Bhd (formerly known as Goldhill Quest Sdn Bhd) (“TDBSB”), a 60% owned subsidiary of the Company had, on the same date, entered into 2 conditional Sale and Purchase Agreements with Danga Bay Sdn Bhd (“DBSB”) to acquire the following two pieces of land:
- (a) a freehold land held under H.S.(D) 471884, PTB 22902, Bandar Johor Bahru, District of Johor Bahru and State of Johor, measuring approximately 126,550 square meters equivalent to 1,362,171 square feet for a cash consideration of RM258,812,490, representing approximately RM190 per square foot; and
 - (b) a freehold land held under H.S.(D) 471883, PTB 22901, Bandar Johor Bahru, District of Johor Bahru and State of Johor, measuring approximately 24,280 square meters equivalent to 261,347 square feet for a cash consideration of RM49,655,930, representing approximately RM190 per square foot.

As at the date of this report, the above mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the third quarter of year 2011.



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B9. Borrowings

	As at 30/06/11 RM'000	As at 31/12/10 RM'000
Secured short term borrowings	40,486	2,711
Secured long term borrowings	216,134	208,650
	256,620	211,361

All of the above borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

There were no off balance sheet arrangement entered into nor were there any off balance sheet financial instruments issued as at the date of this report.

B11. Material litigation

As at 18 August 2011, being 7 days prior to the date of this report, there has been no material litigation of which the value exceeds 5% of the Group's net tangible assets.

B12. Dividend payable

There was no dividend proposed for the quarter under review.

B13. Earnings per share

a) Basic earnings per ordinary share

Basic earnings per share amounts were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	30/06/11	30/06/10	30/06/11	30/06/10
Profit attributable to ordinary equity holders of the Company (RM'000)	20,757	2,636	38,891	3,100
Weighted average number of ordinary shares in issue ('000)	455,000	454,417	455,000	454,381
Basic earnings per share (sen)	4.56	0.60	8.55	0.70

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(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS and the Warrants.

	Individual quarter		Year to date	
	30/06/11	30/06/10	30/06/11	30/06/10
Profit attributable to ordinary equity holders of the Company (RM'000)	20,757	2,636	38,891	3,100
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	455,000	454,417	455,000	454,381
Effects of dilution :				
- ESOS ('000)	-	-	-	-
- Warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	455,000	454,417	455,000	454,381
Diluted earnings per share (sen)	4.56	0.60	8.55	0.70

B14. Realised/Unrealised Retained Profits/Losses

	Current quarter RM'000	Immediate preceding quarter RM'000
Total retained profits of DCB, its subsidiaries and associate company:		
- Realised	(45,506)	45,052
- Unrealised	58,631	8,285
	13,125	51,170
Total share of retained earnings from associate		
- Realised	26,957	21,066
	40,082	72,776
Consolidation Adjustment	32,920	(20,531)
Total retained profits c/f	73,002	52,245

B15. Authorisation for issue

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 25 August 2011.