



## DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

### INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2007

#### PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

##### **A1. Basis of preparation**

The interim financial statements have been prepared under the historical cost convention.

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 Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. 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 2006.

##### **A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/ revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2007:

FRS 117	Leases
FRS 119	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the abovementioned FRSs does not result in any significant change in the Group's accounting policies.

##### **A3. Comparatives**

The comparative figures have not been restated.

##### **A4. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

##### **A5. Comments about seasonal or cyclical factors**

The Group's performance is not significantly affected by any seasonal/ cyclical factor.



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**A6 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 unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**A7. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year**

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date during its review for impairment of goodwill and depreciation.

The key assumptions and other key sources of estimation uncertainty mentioned above that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of those made during the review of impairment of goodwill. The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2007 was RM3,343,000.

**A8. Debt and equity securities**

There were no issuances and repayment of debts and equity securities, share repurchases, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

**A9. Dividends paid**

There was no dividend payment during the current quarter.



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**A10. Segmental information**

<b>Business segment analysis</b>	<b>Real property and resort development RM'000</b>	<b>Engineering and trading RM'000</b>	<b>Investment holding RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<u>YTD ended 31/3/2007</u>					
Revenue	51,215	-	125	-	51,340
Results from operations	10,602	-	(239)	-	10,363
Finance cost	(144)	-	(223)	-	(367)
Share of results of associates			227		227
Profit/ (loss) before tax	<b>10,458</b>	<b>-</b>	<b>(235)</b>	<b>-</b>	<b>10,223</b>

<b>Business segment analysis</b>	<b>Real property and resort development RM'000</b>	<b>Engineering and trading RM'000</b>	<b>Investment holding RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<u>YTD ended 31/3/2006</u>					
Revenue	23,449	8,513	126	-	32,088
Results from operations	9,053	247	(178)	-	9,122
Finance cost		(60)	(258)	-	(318)
Share of results of associates			326		326
Profit/ (loss) before tax	9,053	187	(110)	-	9,130

**A11. Valuations of property, plant and equipment**

There has been no revaluation of property, plant and equipment during the current quarter.

**A12. Subsequent events**

There were no material events subsequent to the end of the current financial period ended 31 March 2007 up to the date of this report that have not been reflected in the interim financial statements.



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**A13. Changes in composition of the Group**

On 27 February 2007, Dijaya-Malind JV (Mauritius) Limited ("DMJML") an indirect subsidiary of the Company had incorporated a new subsidiary company Dijaya-Malind Properties (India) Private Limited in Andhra Pradesh, India with an issued and paid-up share capital of Rs1,000,000 divided into 100,000 shares of Rs10 each.

As announced on 2 March 2007, Dijaya dotCom Ventures Limited a dormant indirect wholly-owned subsidiary of the Company had applied for deregistration pursuant to the laws of Hong Kong. The deregistration will not have any material impact on the results, balance sheet and cash flow of the Group.

**A14. Changes in contingent liabilities or contingent assets**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2006.

**A15. Capital commitments**

There were no capital commitments not provided for in the financial statements as at 31 March 2007.



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

**B1. Performance review**

The Group recorded a profit attributable to equity holders of the Company of RM6.4 million for the quarter ended 31 March 2007 (“1Q07”), a 10.5% increase compared to profit of RM5.8 million for the quarter ended 31 March 2006 (“1Q06”). The Group’s profit before tax improved by 12% to RM10.2 million in 1Q07 compared to 1Q06.

The positive growth in results was attributed to higher earnings contribution from the Group’s real property development projects. Revenue increased by 60% to RM51.3 million in 1Q07 compared to 1Q06.

**B2. Variation of results against preceding quarter**

	Quarter ended	
	31/3/07 RM’000	31/12/06 RM’000
Revenue	51,341	30,050
Consolidated profit before taxation	10,223	28,644

The Group recorded a lower profit before tax of RM10.2 million for 1Q07 compared to RM28.6 million for the quarter ended 31 December 2006 (“4Q06”). The higher profit for the preceding quarter was attributed to provision write-back and gains on disposal recognised in 4Q06.

Revenue increased by 71% to RM51.3 million from RM30.1 million in 4Q06. The growth in revenue was attributed primarily to higher progress billings recognition during the current quarter from the Group’s ongoing real property development projects.

**B3. Prospects**

The Group is confident of its business prospect for the current financial year with the sales achieved to date for its properties, which will be recognised progressively over the next two years. The current positive sentiment and recent incentives in the property sector are expected to increase the level of activity in the property market.

**B4. Profit forecast or profit guarantee**

Not applicable.



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**B5. Taxation**

	Individual quarter		Year to date	
	31/3/07 RM'000	31/3/06 RM'000	31/3/07 RM'000	31/3/06 RM'000
Tax expense for the period	2,454	2,976	2,454	2,976
Deferred taxation transfers	(583)	(628)	(583)	(628)
	1,871	2,348	1,871	2,348
Share of taxation of associated company	57	82	57	82
	1,928	2,430	1,928	2,430
Prior years under provision	-	-	-	-
	1,928	2,430	1,928	2,430

The statutory tax rate was reduced to 27% from the previous year's rate of 28% effective in the current year of assessment. The statutory rate will be reduced further to 26% effective year of assessment 2008.

The effective taxation rates were disproportionate to its financial results principally due to non-availability of group relief for losses incurred by some subsidiaries, and non-deductibility of certain expenses for taxation purposes.

**B6. Sale of unquoted investments and properties**

There was no sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the financial period under review.



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**B7. Quoted securities**

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

	<b>Current quarter 31/3/07 RM'000</b>	<b>Current year to date 31/3/07 RM'000</b>
Total purchases	-	-
Total disposals	-	-
Total gain/ (loss) on disposals	-	-

Details of investments in quoted securities:

	<b>As at 31/3/07 RM'000</b>	<b>As at 31/3/06 RM'000</b>
At cost	112,702	114,892
At carrying value/ book value	45,399	44,169
At market value	67,745	55,239

**B8. Status of corporate proposals**

There were no corporate proposal announced from the date of the last quarterly report to the date of this announcement.

**B9. Borrowings**

	<b>As at 31/3/07 RM'000</b>	<b>As at 31/3/06 RM'000</b>
Secured short-term borrowings	26,610	25,348
Secured long-term borrowings	-	-
	<b>26,610</b>	<b>25,348</b>

All of the above borrowings are denominated in Ringgit Malaysia.



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**B10. Off balance sheet financial instruments**

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

**B11. Material litigation**

There has been no material litigation or claim as at the date of this report, the value of which exceeds 5% of the Group's net tangible assets.

**B12. Dividend payable**

The Directors have proposed a dividend payment of 4% less income tax of 27% in respect of the year ended 31 December 2006. The dividend will be paid at a date to be determined later after approval of the shareholders at the forthcoming Annual General Meeting.

**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 parent by the weighted average number of ordinary shares in issue during the period.

	Individual quarters		Year to date	
	31/3/07	31/3/06	31/3/07	31/3/06
Profit attributable to ordinary equity holders of the parent (RM'000)	<b>6,440</b>	5,826	<b>6,440</b>	5,826
Weighted average number of ordinary shares in issue ('000)	<b>259,526</b>	259,526	<b>259,526</b>	259,526
Basic earnings per share (sen)	<b>2.5</b>	2.2	<b>2.5</b>	2.2

(b) Diluted earnings per ordinary share

Not applicable





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**B14 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 May 2007.