



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 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.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A5. Comments about seasonal or cyclical factors

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

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 30 June 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

The proposed first and final dividend of 4% less income tax of 27% in respect of the year ended 31 December 2006 as approved by the Company's shareholders on 28 June 2007 was paid on 26 July 2007.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A10. Segmental information

| Business segment analysis | Real property and resort development | Engineering and trading | Investment holding | Others | Consolidated |
|----------------------------------|---------------------------------------------|--------------------------------|---------------------------|---------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>YTD ended 30 June 2007</u> | | | | | |
| Revenue | 113,859 | - | 125 | - | 113,984 |
| Results from operations | 24,053 | - | (646) | (2) | 23,405 |
| Finance cost | (830) | - | (451) | - | (1,281) |
| Share of results of associates | | | 1,076 | | 1,076 |
| Profit/ (loss) before tax | 23,223 | - | (21) | (2) | 23,200 |

| Business segment analysis | Real property and resort development | Engineering and trading | Investment holding | Others | Consolidated |
|----------------------------------|---------------------------------------------|--------------------------------|---------------------------|---------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>YTD ended 30 June 2006</u> | | | | | |
| Revenue | 69,379 | 18,141 | 943 | - | 88,463 |
| Results from operations | 19,980 | 563 | 283 | (3) | 20,823 |
| Finance cost | - | (63) | (552) | - | (615) |
| Share of results of associates | - | - | 693 | - | 693 |
| Profit/ (loss) before tax | 9,053 | 187 | (110) | - | 20,901 |

A11. Valuations of property, plant and equipment

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

A12. Subsequent events

On 27 July 2007 and 3 August 2007, the Company allotted an additional 12,500 and 25,000 new ordinary shares of RM1.00 respectively arising from the Company's Employees' Share Option Scheme ("ESOS"). The total issued and paid-up share capital of the Company now stands at RM259,563,083.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A13. Changes in composition of the Group

As announced on 10 July 2007, Dijaya dotCom Ventures Limited, a dormant wholly-owned subsidiary of Dijaya Digital Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, has been deregistered by the Companies Registry, Hong Kong pursuant to Section 291AA of the Companies Ordinance, Chapter 32, Laws of Hong Kong and dissolved on 6 July 2007.

Maxi Legacy Sdn Bhd ("MLSB"), a wholly-owned dormant subsidiary of Bakat Rampai Sdn Bhd ("BRSB"), which in turn is a wholly-owned subsidiary of the Company, had on 10 April 2007 commenced its member's voluntary winding up proceeding pursuant Section 254(1)(b) and 255(6)(b) of the Companies Act, 1965.

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 30 June 2007.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

**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 RM9.9 million for the quarter ended 30 June 2007 ("2Q07"), a 27% increase compared to profit of RM7.1 million for the corresponding quarter ended 30 June 2006 ("2Q06"). Profit before tax improved by 10.2% to RM13.0 million in 2Q07 compared to 2Q06.

As a result of higher earnings contribution from the Group's real property development projects, revenue increased by 11.1% to RM62.6 million in 2Q07 from RM56.4 million in 2Q06.

B2. Variation of results against preceding quarter

| | Quarter ended | |
|-------------------------------------|-------------------|-------------------|
| | 30/6/07 RM'000 | 31/3/07 RM'000 |
| Revenue | 62,643 | 51,341 |
| Consolidated profit before taxation | 12,977 | 10,223 |

The Group's profit before tax for 2Q07 increased to RM13.0 million as compared to RM10.2 million for the preceding quarter ended 31 March 2007 ("1Q07"). Revenue in 2Q07 increased by 22% to RM62.6 million from RM51.3 million in 1Q07.

The improved results for the current quarter was attributed to higher progress billings recognition from the Group's ongoing real property development projects.

B3. Prospects

The Group is confident of its financial performance for the current year with the encouraging locked-in sales achieved for its current developments, the government incentives measures for the property sector and the overall buoyant Malaysian economy.

B4. Profit forecast or profit guarantee

Not applicable.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

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

B5. Taxation

| | Individual quarter | | Year to date | |
|-----------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | 30/6/07 RM'000 | 30/6/06 RM'000 | 30/6/07 RM'000 | 30/6/06 RM'000 |
| Tax expense for the period | 2,946 | 4,006 | 5,400 | 6,197 |
| Deferred taxation transfers | 108 | (424) | (475) | (267) |
| | 3,054 | 3,582 | 4,925 | 5,930 |
| Share of taxation of associated company | 71 | 91 | 128 | 173 |
| | 3,125 | 3,673 | 5,053 | 6,103 |
| Prior years under provision | - | - | - | - |
| | 3,125 | 3,673 | 5,053 | 6,103 |

The statutory tax rate was reduced to 27% effective in the current year of assessment.

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.

B7. Quoted securities

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

| | Current quarter 30/6/07 RM'000 | Current year to date 30/6/07 RM'000 |
|---------------------------------|-----------------------------------------|----------------------------------------------|
| Total purchases | - | - |
| Total disposals | - | - |
| Total gain/ (loss) on disposals | - | - |



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

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

B7. Quoted securities (cont'd)

Details of investments in quoted securities:

| | As at 30/6/07 RM'000 | As at 30/6/06 RM'000 |
|-------------------------------|----------------------------|----------------------------|
| At cost | 112,702 | 112,702 |
| At carrying value/ book value | 45,399 | 41,980 |
| At market value | 69,926 | 57,423 |

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

| | As at 30/6/07 RM'000 | As at 30/6/06 RM'000 |
|-------------------------------|----------------------------|----------------------------|
| Secured short-term borrowings | 23,524 | 22,065 |
| Secured long-term borrowings | 5,952 | - |
| | <u>29,476</u> | <u>25,348</u> |

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

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.



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

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

B12. Dividend payable

There is no dividend payable in respect of the current year to date.

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 | |
|-----------------------------------------------------------------------|---------------------|---------|----------------|---------|
| | 30/6/07 | 30/6/06 | 30/6/07 | 30/6/06 |
| Profit attributable to ordinary equity holders of the parent (RM'000) | 8,930 | 7,081 | 15,370 | 12,907 |
| Weighted average number of ordinary shares in issue ('000) | 259,526 | 259,526 | 259,526 | 259,526 |
| Basic earnings per share (sen) | 3.4 | 2.7 | 5.9 | 5.0 |

(b) Diluted earnings per ordinary share

Not applicable

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 13 August 2007.