



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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 adoption of the abovementioned FRSs does not result in any significant change in the Group's accounting policies.

As at the date of this report, the Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred. The Group will apply this standard when it becomes effective.

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 business operations of the Group were not significantly affected by any seasonal or 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 December 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 except for:

(i) issuance of shares

During the financial period ended 31 December 2007, the issued and paid-up share capital of the Company was increased from 259,525,583 ordinary shares of RM1.00 each to 259,588,083 ordinary shares by the issuance of 62,500 ordinary shares of RM1.00 each pursuant to the exercise of options granted under the Company's Employees' Share Option Scheme ("ESOS") at the price of RM1.31 per ordinary share. The total cash proceeds arising from the exercise of options under the ESOS amount to RM81,875.

A9. Dividends paid

There was no dividend payment during the quarter under review.



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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 31 December 2007</u>					
Revenue	253,923	-	551	-	254,474
Results from operations	72,279	-	2,184	(51)	74,412
Finance cost	(3,670)	-	(810)	-	(4,480)
Share of results of associates	-	-	1,717	-	1,717
Profit/ (loss) before tax	68,609	-	3,091	(51)	71,649

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 31 December 2006</u>					
Revenue	155,931	21,406	478	-	177,815
Results from operations	54,984	(7)	7,326	(32)	62,272
Finance cost	(466)	-	(1,070)	-	(1,536)
Share of results of associates	-	-	1,173	-	1,173
Profit/ (loss) before tax	54,428	(7)	7,429	(32)	61,909

A11. Valuations of property, plant and equipment

The valuations of the property, plant and equipment have been brought forward from the audited financial statement for the year ended 31 December 2006.

A12. Material events subsequent to the end of interim period

There were no material event subsequent to the end of the current financial period ended 31 December 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

There were no changes in composition of the Group during the current quarter.

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

Dijaya Property Sdn Bhd (formerly known as JMI Manufacturing Sdn Bhd) a wholly-owned subsidiary of the Company, had on 19 December 2007 entered into a sale and purchase agreement ("SPA") with Kee Lan (Balakong) Sdn Bhd ("Vendor") to acquire two parcels of freehold lands held under GRN 48088 Lot 5717 and GM 1293 Lot 1953, both in Mukim Kajang, Daerah Hulu Langat Selangor measuring an aggregate land area of approximately 66.03 acres for a total purchase consideration of RM47,462,714.64. A deposit of RM4,746,271.47 has been paid upon the execution of the SPA. The balance purchase price of RM42,716,443.17 is payable to the Vendor by 18 April 2008.



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

B1. Performance review

The Group posted a revenue of RM254.4 million, representing a 43.1% increase over the revenue for the corresponding period last year. Profit before tax for the current year increased by 15.7% to RM64.1million.

The higher revenue and profits for the current year were attributable to the advanced stage of completion for a number of the Group's on-going property development projects during the year.

B2. Variation of results against preceding quarter

	Quarter ended	
	31/12/07	30/09/07
	RM'000	RM'000
Revenue	62,730	77,760
Consolidated profit before taxation	33,602	14,847

The Group posted a profit before tax of RM33.6million for the current quarter under review, an increase of 126.40% as compared to the preceding quarter ended 30 September 2007, which was mainly due to higher profit recognition from the property development projects and an increase in other incomes during the period.

B3. Prospects

The Board retains its positive outlook for the Group for the next financial year with the encouraging locked-in sales achieved to date for its property development projects and the strong economic fundamentals.

B4. Profit forecast or profit guarantee

Not applicable.



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B5. Taxation

	Individual quarter		Year to date	
	31/12/07 RM'000	31/12/06 RM'000	31/12/07 RM'000	31/12/06 RM'000
Tax expense for the period	7,124	21,160	19,532	24,335
Deferred taxation transfers	(830)	(8,655)	(4,131)	(6,144)
	6,294	12,505	15,472	18,191
Share of taxation of associated company	71	156	289	391
	6,365	12,661	15,690	18,582
Prior years over provision	-	-	-	-
	6,365	12,661	15,690	18,582

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 31/12/07 RM'000	Current year to date 31/12/07 RM'000
Total purchases	-	-
Total disposals	-	-
Total gain/ (loss) on disposals	-	-



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B7. Quoted securities (cont'd)

Details of investments in quoted securities:

	As at 31/12/07 RM'000	As at 31/12/06 RM'000
At cost	111,345	112,702
At carrying value/ book value	47,871	41,980
At market value	82,133	52,696

B8. Status of corporate proposals

As announced on 17 January 2008, the Company is proposing to undertake a renounceable two-call rights issue of up to 214,115,875 new ordinary shares of RM1.00 each ("Rights Shares") in the Company together with up to 142,743,917 free detachable warrants ("Warrants") at an issue price of RM1.00 per Rights Share (of which the first call of RM0.80 is payable in cash on application and the second call of RM0.20 is capitalized from the Company's share premium account) on the basis of three (3) Rights Shares together with two (2) free Warrants for every four (4) existing ordinary shares of RM1.00 each held in the Company at an entitlement date to be determined later, based on a minimum subscription level of 126,000,000 Rights Shares together with 84,000,000 free Warrants.

B9. Borrowings

	As at 31/12/07 RM'000	As at 31/12/06 RM'000
Secured short-term borrowings	21,652	27,420
Secured long-term borrowings	15,769	-
	<u>37,421</u>	<u>27,420</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.



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B12. Dividend payable

The Board of Directors has proposed a first and final dividend payment of 4% per ordinary share of RM1.00 each less income tax of 27% in respect of the year ended 31 December 2007 (2006:4%). The proposed dividend will be paid at a date to be determined later after approval of the shareholders at the forthcoming Annual General Meeting of the Company.

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	
	31/12/07	31/12/06	31/12/07	31/12/06
Profit attributable to ordinary equity holders of the parent (RM'000)	24,358	16,367	48,834	40,512
Weighted average number of ordinary shares in issue ('000)	259,588	259,526	259,588	259,526
Basic earnings per share (sen)	9.4	6.3	18.8	15.6

(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earning per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effect of dilutive potential ordinary shares from the exercise of share options granted.

	Individual quarters		Year to date	
	31/12/07	31/12/06	31/12/07	31/12/06
Profit attributable to ordinary equity holders of the parent (RM'000)	24,358	16,367	48,834	40,512
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	259,588	259,526	259,588	259,526
Effect of shares option	2,172	-	2,172	-
Weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	261,760	-	261,760	-
Diluted earnings per share (sen)	9.3	6.3	18.7	15.6



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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 27 February 2008.