



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008

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 and should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

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 2007, other than for the compliance with the new/revised Financial Reporting Standards (FRS) that came into effect during the financial year under review.

The adoption of the new/revised FRS that came into effect during the financial year under review does not have material effects on the Group's financial result for the financial year-to-date nor the Group's shareholders' funds as at 31 March 2008.

A2. Comparatives

The comparative figures have not been restated.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2007 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.

A5. 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.



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A6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year

The Group makes assumptions at the balance sheet date during its review for impairment of goodwill and depreciation.

The key assumptions 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 2008 was RM3,343,000.

A7. 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 period ended 31 March 2008, the issued and paid-up share capital of the Company was increased from 259,588,083 ordinary shares of RM1.00 each to 259,625,583 ordinary shares by the issuance of 37,500 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 RM49,125.

A8. Dividends paid

There were no dividends paid during the interim period. The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2007 of 4% or 4 sen per ordinary share less 26% tax which is subject to the approval of the members at the forthcoming Annual General Meeting.



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A9. Segmental information

Business segment analysis	Real property and resort development RM'000	Investment holding RM'000	Others RM'000	Consolidated RM'000
<u>YTD ended 31 March 2008</u>				
Revenue	47,669	269	-	47,938
Results from operations	9,440	(1,434)	(13)	7,993
Finance cost	-	(185)	-	(185)
Share of results of associates		410		410
Profit/ (loss) before tax	9,441	(1,209)	(13)	8,218

Business segment analysis	Real property and resort development RM'000	Investment holding RM'000	Others RM'000	Consolidated RM'000
<u>YTD ended 31 March 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	10,458	(235)	-	10,223

A10. 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 2007.

A11. 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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A12. Changes in composition of the Group

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

A13. 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 2007.

A14. Capital commitments

- (i) Nadi Jelita Sdn Bhd ("NJSB"), an indirect wholly-owned subsidiary of the Company, had on 6 February 2008 entered into a Sale and Purchase Agreement ("SPA") with Beta Fame Sdn Bhd ("Vendor") to acquire four (4) parcels of freehold agricultural lands comprised within master title HS(D) 27278 Lot PT 137, Pekan Jenjarom, Daerah Kuala Langat, Selangor (formerly Geran 26615 Lot 3977, Mukim Tanjung Duabelas, Kuala Langat, Selangor) and measuring an aggregate land area of approximately 4,069,288 square feet or 93.418 acres ("Properties") from the Vendor for a total cash consideration of RM29,502,339.00. NJSB had paid a deposit of RM2,950,233.90 to the Vendor and the balance of the purchase price amounting to RM26,552,105.10 shall be paid within thirty (30) days after the Vendor has fulfill certain conditions precedent as stipulated in the SPA.
- (ii) A wholly-owned subsidiary of the Company, Dijaya Property Sdn Bhd ("DPSB") had on 20 February 2008 entered into two Sale and Purchase Agreements ("SPA") with several individuals to acquire two (2) parcels of freehold agricultural lands identified as GRN 44674 Lot 1339 measuring approximately 9.2445 hectares or 22.843 acres and GM897 Lot 1244 measuring approximately 1.5884 hectares or 3.925 acres, both located in Mukim Cheras, District of Hulu Langat, Selangor ("Properties") for a total cash consideration of RM18,656,292.11 ("Purchase Price") ("Proposed Acquisition"). A deposit of RM1,865,629.21 has been paid to the Vendors and the balance of the purchase price of RM16,790,662.90 is payable by 19 June 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's recorded revenue of RM47.9 million for the first quarter ended 31 March 2008 as compared to RM51.3 million for the corresponding period ended 31 March 2007. Profit before tax for the current quarter was 19% lower at RM8.2 million as compared RM10.2 million for the same period last year due to higher administrative expenses incurred during the current financial period.

B2. Variation of results against preceding quarter

	Quarter ended	
	31/03/08	31/12/07
	RM'000	RM'000
Revenue	47,938	62,927
Consolidated profit before taxation	8,218	26,145

The Group registered a lower profit before tax of RM8.2 million for the current quarter ended 31 March 2008 as compared RM26.1 million for the preceding quarter ended 31 December 2007. The higher profit for the preceding quarter was mainly attributed to profit recognition from the Group's property development projects.

B3. Prospects

The current year is expected to present significant challenges in the form of uncertain financial markets, volatile raw material prices and challenging economic conditions. Barring any unforeseen circumstances, the Board remains cautiously optimistic of its financial performance for the current financial year.

B4. Profit forecast or profit guarantee

Not applicable.

B5. Taxation

	Individual quarter		Year to date	
	31/3/08	31/3/07	31/3/08	31/3/07
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	4,105	2,454	4,105	2,454
Deferred taxation transfers	(1,004)	(583)	(1,004)	(583)
	3,101	1,871	3,101	1,871
Share of taxation of associated company	-	57	-	57
	3,101	1,928	3,101	1,928

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.



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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 31/3/08 RM'000	Current year to date 31/3/08 RM'000
Total purchases	11,218	11,218
Total disposals	-	-
Total gain/ (loss) on disposals	-	-

Details of investments in quoted securities:

	As at 31/3/08 RM'000	As at 31/12/07 RM'000
At cost	122,564	111,345
At carrying value/ book value	59,089	47,871
At market value	80,168	82,133

B8. Status of corporate proposals

As announced on 17 January 2008, the Company is proposing to undertake the following exercises:-

- (a) 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 capitalised from the Company's share premium account) ("Second Call") 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 ("Shares") 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 ("Proposed Rights Issue With Warrants");
- (b) increase in the authorised share capital of Dijaya from RM500,000,000 comprising 500,000,000 Shares to RM1,000,000,000 comprising 1,000,000,000 Shares ("Proposed Increase In Authorised Share Capital"); and



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B8. Status of corporate proposals (contd)

- (c) amendments to the Memorandum and Articles of Association of the Company (“Proposed Amendments to Articles”).

Pursuant to the above proposals, a proposed exemption will be sought by Tan Sri Dato’ Tan Chee Sing (“TSDTCS”) under Practice Note 2.9.1 of the Malaysian Code of Takeovers & Mergers 1998 from his obligation to undertake a mandatory offer for the remaining shares in the Company not already owned by him and parties acting in concert with him, in the event TSDTCS incurs such obligation after the completion of the Proposed Rights Issue With Warrants (“Proposed Exemption”).

The Securities Commission (“SC”) has approved the Proposed Rights Issue With Warrants vide its letter dated 28 March 2008 and Bank Negara Malaysia had also vide its letter dated 28 March 2008, approved the Company’s proposed issuance of Warrants to its non-resident shareholders pursuant to the Proposed Rights Issue With Warrants.

The Proposed Rights Issue With Warrants is still subject to the approval of the shareholders of the Company and the approval of Bursa Malaysia Securities Bhd (“Bursa Securities”) for the admission of the Warrants to the Official List of Bursa Securities and for listing and quotation of the Rights Shares, Warrants and the new shares to be issued pursuant to the exercise of the Warrants on the Main Board of Bursa Securities. The Proposed Increase in Authorised Share Capital and Proposed Amendments to Articles are subject to the approval of the Company’s shareholders.

The Proposed Exemption is subject to the following approvals being obtained:

- (i) the SC, and
(ii) the independent shareholders of the Company, by way of poll in a general meeting of the Company in which interested parties are to abstain from voting.

B9. Borrowings

	As at 31/3/08 RM'000	As at 31/12/07 RM'000
Secured short-term borrowings	41,647	37,421
Secured long-term borrowings	-	-
	41,647	37,421

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 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.

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	
	31/3/08	31/3/07	31/3/08	31/3/07
Profit attributable to ordinary equity holders of the parent (RM'000)	3,326	6,440	3,326	6,440
Weighted average number of ordinary shares in issue ('000)	259,626	259,526	259,626	259,526
Basic earnings per share (sen)	1.3	2.5	1.3	2.5



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B13. Earnings per share (contd)

(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	
	31/3/08	31/3/07	31/3/08	31/3/07
Profit attributable to ordinary equity holders of the parent (RM'000)	3,326	6,440	3,326	6,440
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	259,626	259,526	259,626	259,526
Effect of shares option	2,038	-	2,038	-
Weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	261,664	-	261,664	-
Diluted earnings per share (sen)	1.3	2.5	1.3	2.5

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 26 May 2008.