



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 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 30 June 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 30 June 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 during the quarter.

A8. Dividends paid

No dividend was paid during the quarter ended 30 June 2008. The Directors recommended 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 was approved by the members during the Annual General Meeting held on 25 June 2008. The dividend was paid on 25 July 2008.



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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 30 June 2008</u>				
Revenue	82,255	369	-	82,624
Results from operations	25,140	(4,285)	(4)	20,851
Finance cost	(381)	(372)	-	(753)
Share of results of associates	-	1,273	-	1,273
Profit/ (loss) before tax	24,759	(3,384)	(4)	21,371

Business segment analysis	Real property and resort development RM'000	Investment holding RM'000	Others RM'000	Consolidated 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

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 financial year 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

1. As announced on 19 December 2007, Dijaya Property Sdn Bhd ("DPSB"), 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 (2) 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 approximately 66.03 acres ("Properties") for a total purchase consideration of RM47,462,714.64 ("Purchase Price") ("Proposed Acquisition"). The Proposed Acquisition was completed on 14 April 2008.
2. As per announcement made on 21 February 2008, 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"). The Proposed Acquisition was completed on 13 June 2008.
3. 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.



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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 RM34.7million for the second financial quarter ended 30 June 2008 as compared to RM62.6 million for the corresponding period last year. However, profit before tax for the current quarter increased marginally to RM13.1 million from RM12.9 million for the same quarter last year due to recognition of lower final construction cost as against initial budget and improved profit margin from two recent real property development projects.

B2. Variation of results against preceding quarter

	Quarter ended	
	30/6/08	31/3/08
	RM'000	RM'000
Revenue	34,685	47,938
Consolidated profit before taxation	13,153	8,218

The Group registered a higher profit before tax of RM13.1 million for the current quarter ended 30 June 2008 as compared RM8.2 million for the preceding quarter ended 31 March 2008 that was mainly attributed to recognition of profits recognition from recently completed real 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.



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B5. Taxation

	Individual quarter		Year to date	
	30/6/08 RM'000	30/6/07 RM'000	30/6/08 RM'000	30/6/07 RM'000
Tax expense for the period	4,727	2,946	8,832	5,400
Deferred taxation transfers	(565)	108	(1,569)	(475)
	4,162	3,054	7,263	4,925
Share of taxation of associated company	-	71	-	128
	4,162	3,125	7,263	5,053

The effective taxation rates were disproportionate to the 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 30/6/08 RM'000	Current year to date 30/6/08 RM'000
Total purchases	-	11,218
Total disposals	-	-
Total gain/ (loss) on disposals	-	-

Details of investments in quoted securities:

	As at 30/6/08 RM'000	As at 30/6/07 RM'000
At cost	122,564	112,702
At carrying value/ book value	56,954	45,399
At market value	65,758	69,926



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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
- (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, The Proposed Increase In Authorised Share Capital and the Proposed Amendments to Articles were approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on the 25 June 2008.

The Proposed Exemption was also approved by the non-interested shareholders of the Company, by way of poll, at the said EGM held on the 25 June 2008. Subsequently, the SC approved the Proposed Exemption via its letter dated 23 July 2008.



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B8. Status of corporate proposals (cont'd)

The Proposed Rights Issue with Warrants is still subject to the approval of Bursa Malaysia Securities Bhd (“Bursa Securities”) for the admission of the Warrants to the Official List of Bursa Securities, for the 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.

B9. Borrowings

	As at 30/6/08 RM'000	As at 30/6/07 RM'000
Secured short-term borrowings	27,198	23,524
Secured long-term borrowings	71,309	5,952
	<hr/> 98,507	<hr/> 29,476

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.

B12. Dividend payable

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



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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	
	30/6/08	30/6/07	30/6/08	30/6/07
Profit attributable to ordinary equity holders of the parent (RM'000)	4,655	8,930	7,981	15,370
Weighted average number of ordinary shares in issue ('000)	259,626	259,526	259,626	259,526
Basic earnings per share (sen)	1.8	3.4	3.1	5.9

(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	
	30/6/08	30/6/07	30/6/08	30/6/07
Profit attributable to ordinary equity holders of the parent (RM'000)	4,655	8,930	7,981	15,370
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)	1.8	3.4	3.1	5.9

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 25 August 2008.