



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2009

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

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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 2008, other than for compliance with any new/revised Financial Reporting Standards (FRS) that came into effect during the period under review.

The adoption of the new/revised FRS that came into effect during the period under review does not have material effects on the Group's financial result for the financial year-to-date or the Group's shareholders' funds as at 31 December 2009.

A2. Changes in accounting policies

The significant accounting policies adopted were consistent with those of the audited financial statements for the year ended 31 December 2008.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2008 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 is 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.

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

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

A7. Debt and equity securities

During the current quarter, the Group completed a Right Issues exercise involving issuance of 194,719,000 rights issue shares (as disclosed in Note B8). There were no other issuances and repayment of debts and equity securities, share repurchases, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter.



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A8. Dividends paid

On 24 July 2009, the Company paid the first and final dividend in respect of the financial year ended 31 December 2008 of 2% or 2 sen per ordinary share less 25% tax which was approved by the shareholders during the Annual General Meeting held on 25 June 2009.

A9. Segmental information

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>YTD ended 31 December 2009</u>				
Revenue	288,395	19,077	3,060	310,532
Results from operations	55,062	1,102	14,392	70,556
Finance cost	(2,684)	-	(1,195)	(3,879)
Share of results of associates	-	-	4,978	4,978
Profit/ (loss) before tax	52,378	1,102	18,175	71,655

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>YTD ended 31 December 2008</u>				
Revenue	243,154	-	935	244,089
Results from operations	90,858	-	(14,214)	76,644
Finance cost	(2,373)	-	(810)	(3,183)
Share of results of associates	-	-	3,220	3,220
Profit/ (loss) before tax	88,485	-	(11,804)	76,681

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 2008.



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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 2009 up to the date of this report that have not been reflected in the interim financial statements.

A12. Changes in composition of the Group

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

A13. Changes in contingent liabilities or contingent assets

As at 31 December 2009, the Group is contingently liable for unsecured corporate guarantees given to financial institutions for banking and credit facilities granted to certain subsidiaries amounting to RM133,000,000.

A14. Capital commitments

Dijaya Development Sdn Bhd ("DDSB"), a wholly-owned subsidiary of the company, had on 24 November 2009 entered into a Sale and Purchase Agreement ("SPA") with Mercury Property Management Sdn Bhd ("Vendor") to acquire all that piece of freehold commercial land held under Geran 51952 Lot 194, Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, measuring approximately 5,196 sq metres (or 55,929 sq feet) and bearing postal address No. 121, Jalan Ampang, 50450 Kuala Lumpur ("Property") for a cash consideration of RM123,043,800.00 ("Purchase Price") ("Proposed Property Purchase"). DDSB has paid the Vendor a deposit sum of RM12,304,380 equivalent to ten percent (10%) of the Purchase Price ("Deposit") upon execution of the SPA. The balance purchase price of RM110,739,420.00 ("Balance Sum") was paid by the DDSB to the Vendor's Solicitors, as stakeholders, within the Completion Date. The Completion Date is defined as Two (2) calendar months from the date of written notification by the Vendor's Solicitors to the Purchaser's Solicitors of the cancellation of the First Caveator's caveat on the register document of title by the relevant authorities or three (3) calendar months from the date of the Agreement, whichever the later.

Mawar Hebat Sdn Bhd ("MHSB"), an indirect wholly-owned subsidiary of the Company, had on 06 November 2009 entered into a Sale and Purchase Agreement ("SPA") with Mentari Land Sdn Bhd ("Vendor") to acquire thirty six (36) parcels of vacant leasehold development lands with 99 years lease expiring on 11 April 2101 and measuring an aggregate land area of approximately 7,131 square meters, equivalent to approximately 76,757.37 square feet ("Properties") from the Vendor for a total cash consideration of RM19,500,000.00 ("Proposed Acquisition"). MHSB has paid the vendor a deposit sum of RM1,950,000 equivalent to ten percent (10%) of the Purchase Price ("Deposit"). The balance purchase price of RM17,550,000.00 ("Balance Sum") shall be paid by MHSB to the Vendor in following manner:

- a. The sum of RM3,525,000.00 shall be paid to the Vendor in a 6 monthly installment basis with the fulfillment of the conditions precedent.
- b. The sum of RM14,025,000.00 shall be paid to the Vendor's Solicitors as stakeholder on or before a date not later than eighteen (18) months from the date of the SPA.



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B1. Performance review

The Group has registered a profit before tax of RM7.4 million on the back of revenue of RM101.2 million for the current quarter ended 31 December 2009. In comparison, the pre-tax profit for the corresponding quarter last year was RM35.8 million based on revenue of RM74.1 million.

For the financial year ended 31 December 2009, the Group achieved revenue of RM310.5 million and a profit before tax of RM71.7 million, as compared to the corresponding year on which has registered revenue of RM244.0 million and pre-tax profit of RM76.8 million.

The higher revenue recorded for the Group in the current year was mainly attributable to the recognition of progress billings from the Tropics in Tropicana City and TSB Commercial Centre in Sungai Buloh. However, the lower profit before taxation for current year was attributed from lower profit contribution from Casa Indah 2 condominiums and provision for impairment loss amounting to RM11 million was made in respect of the Joint Venture project in Dijaya Malind JV (Mauritius) Limited.

B2. Variation of results against preceding quarter

	Quarter ended	
	31/12/09 RM'000	30/09/09 RM'000
Revenue	101,281	97,331
Consolidated profit before taxation	7,398	41,231

For the current quarter under review, the Group has registered revenue of RM101.2 million and profit before tax of RM7.4 million, as compared to revenue of RM97.3 million and pre-tax profit of RM41.2 million for the preceding quarter ended 30 September 2009. The lower pre-tax profit was mainly due to the provision for impairment loss in current quarter of RM11 million in respect of the Joint Venture project for Dijaya Malind JV (Mauritius) Limited. In the preceding quarter, there is also a reversal of provision for diminution in value of the Group's portfolio of quoted investments.

B3. Prospects

After a difficult period for much of the second half of 2008 and Year 2009 on the global financial crisis and economic uncertainties, the outlook for the property sector has improved. This is mainly due to lower interest rates and the rising confidence of a global economic recovery.

Our Group is optimistic of achieving satisfactory performance for FYE 31 December 2010, driven by its ongoing developments and unbilled sales.



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B4. Profit forecast or profit guarantee
Not applicable.

B5. Taxation

	Individual quarter		Year to date	
	31/12/09	31/12/08	31/12/09	31/12/08
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	3,750	8,552	18,181	27,285
(Over)/under provision of tax for the previous financial year	(144)	(675)	(190)	4,602
Deferred taxation transfers	(2,724)	(2,860)	(4,998)	(6,291)
	<u>882</u>	<u>5,017</u>	<u>12,993</u>	<u>25,596</u>

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

B6. Sale of unquoted investments and properties

There was sale of unquoted investments 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	Current year to date
	31/12/09	31/12/09
	RM'000	RM'000
Total purchases	-	-
Total disposals	693	3,057
Total gain/ (loss) on disposals	<u>8</u>	<u>563</u>

Details of investments in quoted securities:

	As at	As at
	31/12/09	31/12/08
	RM'000	RM'000
At cost	118,718	122,564
At carrying value/ book value	66,872	49,923
At market value	68,419	50,460



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B8. Status of corporate proposals

As announced on 16 December 2009, the Rights Issue With Warrants had been completed with the listing of the Rights Shares and Warrants on the Main Market of Bursa Malaysia Securities Berhad on the 16 December 2009.

B9. Borrowings

	As at 31/12/09 RM'000	As at 31/12/08 RM'000
Secured short-term borrowings	51,590	59,501
Secured long-term borrowings	89,520	82,717
	<u>141,110</u>	<u>142,218</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.

B12. Dividend payable

The Board of Directors has recommended a first and final dividend in respect of the year ended 31 December 2009, of 3% less income tax of 25% on 454,344,770 ordinary shares, which amounts to a net dividend payable of RM10,222,757.32 (2.25 sen net per ordinary shares), payable after approval by the Company's Shareholders at the forthcoming Annual General Meeting.



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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	
	31/12/09	31/12/08	31/12/09	31/12/08
Profit attributable to ordinary equity holders of the parent (RM'000)	3,298	25,083	49,711	34,436
Weighted average number of ordinary shares in issue ('000)	268,162	259,626	268,162	259,626
Basic earnings per share (sen)	1.23	9.66	18.54	13.26

B13. Earnings per share (cont'd)

(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	
	31/12/09	31/12/08	31/12/09	31/12/08
Profit attributable to ordinary equity holders of the parent (RM'000)	3,298	25,083	49,711	34,436
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	268,162	259,626	268,162	259,626
Effect of shares option	-	-	-	-
Weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	268,162	259,626	268,162	259,626
Diluted earnings per share (sen)	1.23	9.66	18.54	13.26

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 23 February 2010.