DIJAYA CORPORATION BHD

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A1. Basis of preparation

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.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 2010.

A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new/revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemption to First-Time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation18	Transfer of assets from Customers
Improvements to FRS Issued in 2010	

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 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.

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

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 years

There were no changes in estimates of amounts reported in prior interim periods of the current financial year 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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

A8. Dividends paid

On 2 August 2011, the Company paid the first and final dividend in respect of the financial year ended 31 December 2010 of 5% or 5 sen per ordinary share less 25% tax which was approved by the shareholders during the Annual General Meeting held on 22 June 2011.

A9. Segmental information

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company.

The Group's principal business segments are property development and resort operations, property investment and investment holding.

The information by geographical location is not presented as the Group's activities are carried out predominantly in Malaysia.

Business segment analysis	**Property development and resort operations**	**Property Investment**	**Investment holding and others**	**Consolidated**
	RM'000	**RM'000**	**RM'000**	**RM'000**
YTD ended 30 September 2011				
Revenue	189,487	28,033	-	217,520
Results from operations	37,517	12,131	(9,291)	40,357
Finance cost	(4,199)	(2,363)	(882)	(7,444)
Share of results of associates	-	-	4,060	4,060
Profit/ (loss) before tax	**33,318**	**9,768**	**(6,113)**	**36,973**

Business segment analysis	**Property development and resort operations**	**Property Investment**	**Investment holding and others**	**Consolidated**
	RM'000	**RM'000**	**RM'000**	**RM'000**
YTD ended 30 September 2010				
Revenue	166,093	24,211	31	190,335
Results from operations	18,472	8,357	(3.434)	23,395
Finance cost	(1,909)	(2,170)	(279)	(4,358)
Share of results of associates	-	-	4,949	4,949
Profit/ (loss) before tax	**16,563**	**6,187**	**1,236**	**23,986**

A10. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2010.

A11. Material events subsequent to the end of interim period

There were no material events subsequent to the end of the current quarter 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 under review, except as follows:

1) As announced on 26 August 2011, the Company had, on the same date, subscribed for 249,995 new ordinary shares of RM1.00 each ("New Shares") in Ace Rhythm Sdn Bhd (now known as Tropicana KL Development Sdn Bhd) ("ARSB"), representing 99.99% of the total issued and paid-up share capital of ARSB, for a cash consideration of RM249,995. With the subscription, ARSB became a 99.99%-owned subsidiary of the Company. The principal activity of ARSB is property investment.

2) On 15 August 2011, Accroway Sdn Bhd ("ASB"), a wholly-owned subsidiary of the Company had entered into a Shareholders' Agreement with Iskandar Waterfront Sdn Bhd ("IWSB") to regulate their relationships as shareholders of Magical Heights Sdn Bhd ("MHSB") in undertaking the development of the Properties as detailed in Note B8(6) below.

   Pursuant to the Shareholders' Agreement, MHSB is to be owned by ASB and IWSB in the proportion of 50% and 50% respectively. As at the date of this report, ASB is holding 1 share at par value of RM1.00 representing 50% of the issued and paid-up share capital of MHSB. Accordingly, MHSB became an associate company of ASB.

A13. Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities since the last annual audited position at 31 December 2010 except for additional corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries amounting to RM581,703,000.

A14. Capital commitments

	As at 30/09/11 RM'000	As at 31/12/10 RM'000
Approved and Contracted for :		
- Land held for development	656,183	277,621
- Property, plant and equipment/ property development costs	539,002	46,548
	1,195,185	324,169

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

B1. Performance review

Quarterly Results

Revenue for the quarter was RM89.18 million compared to RM62.24 million in the corresponding quarter last year. The increase of RM26.94 million was mainly due to recognition of progress billings from development projects namely, Tropicana Grande, Casa Tropicana, Pool Villas, Grand Villas and Link Villas.

The Group registered a loss before tax of RM8.40 million for the current quarter mainly due to a net loss of RM22.26 million arising from fair value adjustments of marketable securities. Excluding such adjustment, the Group registered a profit before tax of RM13.86 million compared to RM8.66 million in the corresponding quarter last year.

Year-to-date Results

Revenue for the period ended 30 September 2011 was RM217.52 million compared to RM190.34 million corresponding period last year.

Profit before tax for the period was RM36.97 million compared to RM23.98 million in the corresponding period last year. The increase was attributed to improved margins from development projects namely, Tropicana Grande, Casa Tropicana, Pool Villas, Grand Villas and Link Villas. Excluding an adjustment on net loss of RM1.75million on fair value adjustments of marketable securities, the Group registered a profit before tax of RM38.72 million in the current period compared to RM23.98 million in the corresponding period last year.

B2. Variation of results against preceding quarter

The current quarter's revenue of RM89.18 million was higher compared to RM70.66 million in the immediate preceding quarter mainly due to the recognition of progress billings from existing and new property developments such as Casa Tropicana Block E, Pool Villas, Grand Villas and Link Villas.

However, the current quarter reported a loss before taxation of RM8.40 million compared to profit before taxation of RM25.39 million in the immediate preceding quarter mainly due to a net loss of RM22.26 million fair value adjustment of marketable securities.

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

B3. Prospects

Despite the continuing overall global economy uncertainty, Malaysia's economic condition has remained fairly stable with the Malaysian Institute of Economic Research ("MIER") forecasting the annual GDP growth rate of 4.6% for 2011, mainly fueled by the strong domestic demand and government economic initiatives such as Economic Transformation Program (ETP) projects. *(Source: Newspaper articles titled "**MIER revises 2011 growth forecast to 4.6pc**" published in Business Times, dated 14 October 2011)*

With the sustainable domestic demand and positive government initiatives, the Group believes it would be able to achieve an improved performance for the financial year ending 31 December 2011, as evident by its strong sales recorded since last year with an unbilled sale of RM473million as at 30 September 2011. In addition, the Group's development projects, being located at prime and strategic locations, are expected to continue to receive positive demand and provide a sustainable performance base for the Group's financial performance.

B4. Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued for the financial period.

B5. Taxation

	Individual quarter		Year to date	
	30/09/11 RM'000	30/09/10 RM'000	30/09/11 RM'000	30/09/10 RM'000
Tax expense for the period	3,290	3,580	8,522	12,777
Overprovision of tax for the previous financial year	(245)	(555)	(245)	(555)
Deferred tax transfers	589	(72)	(410)	(1,562)
	3,634	2,953	7,867	10,660

The effective tax rate was disproportionate to the financial results principally due to utilisation of business losses and certain expenses/gain not deductible/taxable for tax purposes.

B6. Sale of unquoted investments and properties

There was no sale of unquoted investments and properties outside the ordinary course of the Group's business for the financial period under review except as stated in note A12.

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

B7. Quoted securities

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

	Individual quarter		Year to date	
	RM'000	**RM'000**	**RM'000**	**RM'000**
	30/09/11	**30/09/10**	**30/09/11**	**30/09/10**
Purchase consideration	-	-	-	33,320
Sale proceeds	231	-	15,909	19,304
Gain/(loss) on disposal	(3)	-	272	127

	As at 30/09/11 RM'000	**As at 31/12/10 RM'000**
Investment securities:		
At cost	88,625	134,081
At carrying value/ book value	76,300	93,686
At market value	76,300	93,686

B8. Corporate Proposals

Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 17 November 2011, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report:

1) As announced on 11 November 2011, the Company and Tropicana Development (Penang) Sdn Bhd (formerly known as Seleksi Kembara Sdn Bhd) ("TDPSB"), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement ("JV Agreement") with Ivory Properties Group Berhad ("Ivory") and Ivory Utilities Sdn Bhd ("IUSB"), a wholly-owned subsidiary of Ivory, for the proposed development of approximately 102.56 acres of mixed development land in Bayan Mutiara, District of Timur Laut, Penang ("Proposed Joint Venture").

   As at the date of this report, the Proposed Joint Venture is expected to be in effect till the end of 2016.

2) As announced on 7 October 2011, Tropicana Golf & Country Resort Bhd ("TGCR"), a wholly-owned subsidiary of the Company disposed of its entire equity interest comprising 2,000,000 ordinary shares of par value RM1.00 each in Puncak Suria Sdn Bhd ("PSSB") to Astra Plasma Sdn Bhd for a total consideration of RM6,650,000.00 ("Proposed Disposal"). Upon completion of the Proposed Disposal, PSSB will cease to be a wholly-owned subsidiary of TGCR.

   As at the date of this report, the completion date of the Proposed Disposal is expected to be in December 2011.

3) As announced on 7 October 2011, Ace Rhythm Sdn Bhd (now known as Tropicana KL Development Sdn Bhd) ("ARSB"), a 99.99% owned subsidiary of the Company had, on the same date, entered into the following agreements:

(a) a conditional sale and purchase agreement between ARSB and G.P.Y. (Holding) Sdn Bhd ("GPY"), wherein GPY shall sell and ARSB shall purchase two (2) parcels of freehold vacant land held under GRN 28463, Lot 779 and GRN 28423, Lot 780, all in Seksyen 0057, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan thereon for a total cash consideration of RM22,129,936; and

(b) a conditional sale and purchase agreement between ARSB and the vendors, Ong Soo Keok, and the executors of the estate of Loh Ah Moy, namely Ong Ghee Sai, Ong Ghee Soon and Ong Soo Keok ("Vendors"), wherein the Vendors shall sell and ARSB shall purchase a parcel of freehold vacant land held under GRN 28425, Lot 784, Seksyen 0057, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan together with the building erected thereon for a total cash consideration of RM43,123,200.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the third quarter of year 2012.

4) As announced on 5 September 2011, Tropicana City Service Suites Sdn Bhd (now known as Tropicana Kajang Hill Sdn Bhd) ("TCSS"), a company in which the Company is the ultimate holding company, had, on the same date, entered into a conditional sale and purchase agreement with Taiyo Resort (KL) Berhad ("TRB"), wherein TRB has agreed to sell and TCSS has agreed to purchase five (5) parcels of freehold land held under the following individual title:

(a) H.S.(D) 68253 PT 14533, Mukim Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 14,669.9991 square metres;
(b) H.S.(D) 68256 PT 14536, Mukim Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 710,939.9573 square metres;
(c) Geran 63194, Lot No. 12683 (formerly H.S.(D) 68257 PT 14537), Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 28,657 square metres;
(d) Geran 53170, Lot No. 1258, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 29,313.9982 square metres; and
(e) Geran 27675, Lot No. 32, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 19,880.1506 square metres

for a total cash consideration of RM228,000,000 or approximately RM26.36 per square foot.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the second half of year 2012.

5) As announced on 18 August 2011, the Company proposed to undertake a proposed private placement of new ordinary shares of RM1.00 each in the Company ("Placement Shares") representing up to 30% of the issued and paid-up share capital of the Company, to third party investors to be identified and at an issue price to be determined later ("Private Placement"). Based on the issued and paid-up share capital of 456,360,849 ordinary shares of RM1.00 each in the Company as at 11 August 2011, the full exercise of the Private Placement of up to 30% of the issued and paid-up share capital of the Company will entail the issue of up to 136,908,254 new Placement Shares.

   However, assuming that all the outstanding warrants 2009/2019 and the outstanding Employee Share Option Scheme options of 129,812,191 units and 5,401,663 units respectively are exercised prior to the implementation of the Proposed Private Placement, the full exercise of the Private Placement in this scenario will entail the issue of up to 177,472,410 new Placement Shares.

   The proceeds raised from the Private Placement will be utilised by the Company to finance the acquisitions of land banks and/or as working capital, and to pay the expenses for the Private Placement exercise.

   Bursa Malaysia Securities Berhad had, vide its letter dated 14 September 2011, granted its approval for the listing of and quotation for the Placement Shares ("Listing Approval") and the Company had obtained its shareholders' approval for the Private Placement at an Extraordinary General Meeting held on 3 October 2011.

   The Private Placement is expected to be completed within six (6) months from the date of the Listing Approval.

6) As announced on 15 August 2011, Accroway Sdn Bhd, a wholly-owned subsidiary of the Company had, on the same date, entered into a Shareholders' Agreement with Iskandar Waterfront Sdn Bhd, to regulate their relationships as shareholders of Magical Heights Sdn Bhd ("MHSB") or the "Purchaser") in undertaking the development of the freehold land in Mukim Plentong, Daerah Johor Bahru, with a potential gross development area of approximately 227 acres; and MHSB had, on the same date entered into a conditional Sale and Purchase Agreement with Trident World Sdn Bhd ("TWSB") to acquire the following:

   (a) 1,236 plots of undeveloped vacant subdivided building lots for commercial and residential development for a cash consideration of RM165,000,000, for an existing title area of 125 acres (excluding additional 212 plots of land which is designated for public utilities measuring approximately 374,643 square feet or 8.6 acres in total ("Designated Land")) ("Property 1"); and

   (b) 190 plots of land with incomplete 3 storey shop apartments, semidetached and bungalow buildings in various stage of construction erected on it measuring approximately 631,784 square feet of 14.5 acres in total, for a cash consideration of RM55,000,000 for an existing title area of 15 acres ("Property 2").

Based on a power of attorney granted by TWSB, MHSB shall proceed to revise the development planning of Property 1 and Property 2 (including the Designated Land) and resubmit the necessary application to the relevant authorities to seek a revised planning approval ("Revised KM"). With the Revised KM, Property 1 and Property 2 collectively will have a revised aggregate potential gross area of approximately 227 acres. Based on the aggregate potential gross area of approximately 227 acres, the cash consideration for Property 1 and Property 2 collectively shall be approximately RM22.25 per square foot.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2012.

7) As announced on 8 June 2011, Tropicana Subang Development Sdn Bhd (formerly known as Tropicana Mall Management Sdn Bhd) ("TSDSB") and Tropicana Kampar Development Sdn Bhd (formerly known as Atlantic Marketing Sdn Bhd) ("TKDSB"), both wholly-owned subsidiaries of the Company had, on the same date, entered into the following conditional sale and purchase agreements respectively:

(a) a conditional sale and purchase agreement between TSDSB and Chunghwa Picture Tubes (Malaysia) Sdn Bhd ("CPT") for the acquisition of four (4) contiguous parcels of freehold land held under GRN 84178 to 84181 Lot Nos. 38513 to 38516, all in Pekan Country Height, District of Petaling, Selangor together with industrial premises erected thereon for a total cash consideration of RM385,460,600; and

(b) a conditional sale and purchase agreement between TKDSB and CPT for the acquisition of two (2) parcels of leasehold land held under PN 324855, Lot No. 312205 and PN 324869, Lot No. 312207, Mukim of Kampar, District of Kampar, Perak together with industrial premises erected thereon for a total cash consideration of RM3,232,610; and

(c) a conditional sale and purchase agreement between TKDSB and Makolin Electronics (M) Sdn Bhd ("MESB") for the acquisition of a parcel of leasehold land held under PN 324876, Lot No. 312208, Mukim of Kampar, District of Kampar, Perak together with industrial premises erected thereon for a total cash consideration of RM2,399,270.

(the aforesaid conditional sale and purchase agreements are collectively referred to as "SPAs")

On 3 October 2011, the SPAs had become unconditional upon obtaining the shareholders' approval at an Extraordinary General Meeting held on 3 October 2011.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion. Pursuant to the SPAs, the proposed land acquisitions are expected to be completed by 31 December 2011.

B9. Borrowings

	As at 30/09/11 RM'000	As at 31/12/10 RM'000
Secured short term borrowings	37,526	2,711
Secured long term borrowings	508,589	208,650
	546,115	211,361

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

As at 17 November 2011, being 7 days prior to the date of this report, there has been no material litigation of which the value exceeds 5% of the Group's net tangible assets.

B12. Dividend payable

There was no dividend proposed for the quarter under review.

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 Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	30/09/11	**30/09/10**	**30/09/11**	**30/09/10**
Profit attributable to ordinary equity holders of the Company (RM'000)	(12,841)	5,564	26,050	8,664
Weighted average number of ordinary shares in issue ('000)	456,301	455,000	455,438	454,588
Basic earnings per share (sen)	(2.81)	1.22	5.72	1.90

(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS and the Warrants.

	Individual quarter		Year to date	
	30/09/11	**30/09/10**	**30/09/11**	**30/09/10**
Profit attributable to ordinary equity holders of the Company (RM'000)	(12,841)	5,564	26,050	8,664
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	456,301	455,000	455,438	454,588
Effects of dilution :				
- ESOS ('000)	785	-	785	-
- Warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	457,086	455,000	456,223	454,588
Diluted earnings per share (sen)	(2.81)	1.22	5.71	1.90

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

B14. Realised/Unrealised Retained Profits/Losses

	Current quarter RM'000	Immediate preceding quarter RM'000
Total retained profits of DCB, its subsidiaries and associate company:		
- Realised	(26,609)	(45,506)
- Unrealised	40,437	58,631
	13,827	13,125
Total share of retained earnings from associate		
- Realised	25,829	26,957
	39,656	40,082
Consolidation Adjustment	3,418	32,920
Total retained profits c/f	**43,073**	**73,002**

B15. Authorisation for issue

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 24 November 2011.