

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated in Malaysia)

Note 1 Basis of Preparation, Changes in Accounting Policies & Comparatives

The interim financial statements have been prepared under the historical cost convention. The interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 Part K of the 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 2007. The 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.

The significant accounting policies and methods of computation are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ('FRS'):

FRS 117	Leases
Amendment to FRS 119	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have any significant financial impact on the Group except as follows:

a) FRS 117: Leases

Prior to 1 January 2007, leasehold land and buildings held for own use were classified as property, plant and equipment and were stated at cost less accumulated depreciation and impairment loss (if any). The adoption of the revised FRS 117 Leases in 2007 has resulted in a change in the accounting policy relating to the classification of leasehold land and buildings.

Under FRS 117, leasehold land and buildings are classified as operating unless fit in the same way as leases of other assets. Leasehold land and building held for own use is now classified as an operating lease and the payment made on entering into it represents prepaid lease payments. Leasehold land and building held for own use is disclosed as a separate line item in the Balance Sheet under Non-Current Assets with effect from 1 January 2007 and to be accounted for retrospectively.

The Group has applied the change in accounting policy in respect of leasehold land held for own use in accordance with the transitional provisions of FRS 117. There is no impact on the income statements as the prepaid lease payments continue to be amortised on a straight line basis over the lease term.

Note 2 Declaration of Audit Qualification

The audit report in respect of the financial statements for the year ended 31 December 2007 was without any qualification.

Note 3 Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by seasonal or cyclical factors.

Note 4 Exceptional Items

There were no exceptional or unusual items for the quarter and year ended 30 June 2008.

Note 5 Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or prior financial years that have a material effect in the current interim period.

Note 6 Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter to date.

Note 7 Dividends Paid

There were no dividends paid for the financial quarter under review.

Note 8 Segmental Reporting

No segment reporting is provided as the Group's activities are predominantly in the outdoor advertising industry and are conducted in Malaysia.

Note 9 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without any amendment from the previous annual report.

Note 10 Subsequent Material Events

No material event has occurred subsequent to the current quarter that have not been reflected in the financial statements for the said quarter as at the date of issue of this quarterly report.

Note 11 Changes in Composition of the Group

There was no changes in the composition of the Group for current quarter.

Note 12 Contingent Liabilities

Contingent liabilities of the Company as at 28 August 2008 are in respect of bank guarantees for financing facilities of subsidiaries which amount to approximately RM1.02 million.

Note 13 Recurrent Related Party Transactions

There was no recurrent related party transaction for quarter and year ended 30 June 2008.

Note 14 Review of Performance

The Group recorded a decrease in the turnover from approximately RM 6.30 million for the corresponding quarter in the previous financial year to approximately RM 5.49 million in the financial quarter under review. The decrease in the results is mainly attributable to slower market conditions in the current quarter as compared to the corresponding quarter in the previous financial year.

The Group's profit before taxation showed an increase from approximately RM 0.40 million for the corresponding quarter in the previous financial year to approximately RM 1.06 million in the financial quarter under review. The higher profit before taxation for the financial quarter under review is a result of the composition of contracts that generate higher profit margins as compared to the corresponding quarter in the previous financial year.

Note 15 Quarterly Analysis

The Group's profit before taxation showed an increase from approximately RM 0.98 million in the previous quarter to approximately RM 1.06 million in the current quarter. The higher profit before taxation for the financial quarter under review is a result of the composition of contracts that generate higher profit margins.

The Group recorded a turnover of approximately RM 5.54 million for the previous quarter as compared to approximately RM 5.49 million in the current quarter. The decrease in turnover of the current quarter is mainly attributable to slower market conditions in the current quarter as compared to the previous quarter.

Note 16 Current Year's Prospects

The Board of Directors expects the Company and the Group to maintain the performance of their operations at a satisfactory level during the current year.

Note 17 Profit Forecast or Profit Guarantee**a) Profit Forecast**

This is not applicable to the Group for the quarter under review.

b) Profit Guarantee

This is not applicable to the Group for the quarter under review.

Note 18 Taxation

	Current Quarter 31/06/08 RM '000	Year to date 31/06/08 RM '000
Provision for taxation	307	601

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to certain expenses being disallowed for taxation purposes.

Note 19 Profit on Sale of Unquoted Investments and/or Properties

There was no disposal for the financial quarter under review.

Note 20 Acquisition or Disposal of Quoted Securities

There was no acquisitions or disposals of quoted securities by the Group during the financial quarter under review.

Investments in quoted securities as at 30 June 2008 are as follows: -

- i) at cost RM 222,700
- ii) at book value RM 200,232
- iii) at market value RM 200,232

Note 21 Corporate Proposals

a) **Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at to-date.

b) **Status of Utilisation of Proceeds**

This is not applicable to the Group for the quarter under review.

Note 22 Group Borrowings and Debt Securities

There were no borrowings and debt securities as at 30 June 2008.

Note 23 Financial Instruments with off Balance Sheet Risks

There is no financial instrument with off balance sheet risks as at the date of this report.

Note 24 Material Litigation

- i) Nusantara Plus Sdn Bhd and Ombak Tanjong Sdn Bhd have instituted a legal suit in the High Court of Malaya against SJSB ("the plaintiffs), claiming for an aggregate amount approximately RM378,232 for payment of service charges and an aggregate amount of approximately RM338,491 for interest charges in respect of property owned. In return, SJSB sought to set off the amounts claimed with the sum of approximately RM432,000 as a result of the use of the rooftop of the SJSB's parcel by the said parties without payment and consent. SJSB has also a counterclaim of approximately RM590,760 being the value of a mezzanine floor which was constructed without approval from the relevant authorities and which was also rendered unusable in the absence of stairs accessing to the same. The learned judge made the following orders for Seni Jaya Sdn. Bhd.'s Kuala Lumpur High Court Suit No. D4-22-1255-2005:-
 - (a) The Plaintiffs' application to amend their Statement of Claim was allowed with costs to be borne by the Plaintiffs';
 - (b) The Plaintiffs' application for summary judgment against the Defendant was dismissed with costs;
 - (c) The matter is now fixed for case management on 21 May 2007, further postponed to 26 November,2008 to enable parties to file the witness(es)

statement; and the trial is fixed on 20 January 2009, 21 January 2009, 3 March 2009 and 4 March 2009.

- ii) SJSB and Orion Mesra Sdn Bhd have instituted a legal suit in the Shah Alam High Court of Malaya against Dato' Hj Ahmad Termizi B. Hj Puteh (1st Defendant) and Majlis Bandaraya Petaling Jaya (2nd Defendant) for breach of contract and damages commensurate with the substantial losses suffered by the SJSB and Orion.

The Defendants have through their lawyers filed the Defence on the 5 February 2008 and we have on the 14 February 2008 applied to the court to set down the matter for trial.

Note 25 Dividend

There were no dividends declared or recommended for the current quarter under review.

Note 26 Earnings Per Share

The basic earnings per share is calculated by dividing the net profit attributable to the shareholders for the quarter under review of approximately RM1.06 million by the number of ordinary shares in issue as at 30 June 2008 of 40,533,330 shares.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

PAN SENG WEE (MAICSA 7034299)

Company Secretaries

Date: 28 August 2008