

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2006
(The figures have not been audited)

NOTES

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.

These interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. 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 2005.

A2. Changes in accounting policies

Following the changes in reporting regulations required by the Malaysian Accounting Standard Board, the Group's interim financial statements have therefore been prepared in accordance with the Financial Reporting Standards (FRSs) that are to come into effect for financial period beginning on or after 1 January 2006. Adoption of these FRSs has not resulted in any material changes to the presentation and valuation of the financial statements except for:

FRS 3: Business Combinations

Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of twenty (20) years. The transitional provisions of FRS 3, required the Group to eliminate at 1 January 2006 the carrying amount of the accumulated amortisation of RM10,375,000 against the gross amount of goodwill. The carrying amount of goodwill as at 1 January 2006 of RM3,913,000 ceased to be amortised. This has the effect of reducing the amortisation charges by RM112,000 in the current quarter ended 30 June 2006. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 of RM17,927,000 was derecognised with a corresponding increase in retained earnings.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

A4. Comments about seasonal or cyclical factors

The Group's performance is not significantly affected by any seasonal/ 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 except as disclosed in Note A2.

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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 concerning the future and other sources of estimation uncertainty at the balance sheet date during its review for impairment of goodwill and depreciation.

The key assumptions and other key sources of estimation uncertainty 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 at 30 June 2006 was RM3,913,000.

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 for the current financial period.

A8. Dividends paid

There was no dividend payment during the quarter ended 30 June 2006.

A9. Segmental information

Business segment analysis	Real property and resort development RM'000	Engineering and trading RM'000	Investment RM'000	Others RM'000	Consolidated RM'000
<u>Results for YTD ended 30/6/2006</u>					
Segment revenue	69,379	18,141	943	-	88,463
Segment results from operations	19,980	563	283	(3)	20,823
Finance cost	-	(63)	(552)	-	(615)
Share of results of associates	-	-	693	-	693
Consolidated profit/ loss before tax	19,980	500	424	(3)	20,901

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A9. Segmental information (cont'd)

Business segment analysis	Real property and resort development	Engineering and trading	Investment	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Results for YTD ended 30/6/05</u>					
Segment revenue	104,578	10,560	46	-	115,184
Segment results from operations	28,177	457	27	347	29,008
Finance cost	(113)	(176)	(704)	-	(993)
Share of results of associates	-	-	703	-	703
Consolidated profit/ loss before tax	28,064	281	26	347	28,718

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 2005.

A11. Subsequent events

There were no material events affecting the earnings of the Group and the Company between 30 June 2006 and 16 August 2006.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the financial year-to-date ended 30 June 2006.

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 2005.

A14. Capital commitments

There were no capital commitments not provided for in the financial statements as at 30 June 2006.

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

For the current quarter under review, the Group registered a profit before taxation of RM11.7 million as compared to RM15.2 million for the corresponding quarter last year. The lower pre-tax profit for the current period was attributed to lower revenue and higher administrative expenses.

Higher tax expense for the current quarter resulted in a lower net profit for the period of RM8.1 million as compared to RM12.5 million for the same period last year.

B2. Variation of results against preceding quarter

	Quarter ended	
	30/6/06	31/3/06
	RM'000	RM'000
Revenue	56,375	32,088
Consolidated profit before taxation	11,771	9,130

The Group registered higher revenue and profit before tax for the current quarter as compared to the preceding quarter ended 31 March 2006 primarily due to the timing of income recognition from the Group's property development projects.

B3. Prospects for remaining quarters up to 31 December 2006

The Group continues to be positive of the real property industry's growth and will continue to develop new and innovative products to differentiate itself from others in the increasingly competitive market.

Barring any unforeseen circumstances, the results of the Group for the remaining quarters up to 31 December 2006 is expected to be satisfactory.

B4. Profit forecast or profit guarantee

Not applicable.

DIJAYA CORPORATION BERHAD (47908-K)
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B5. Taxation

	Individual quarter ended		Year to date ended	
	30/6/06	30/6/05	30/6/06	30/6/05
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	4,006	4,562	6,197	8,336
Deferred taxation transfers	(424)	(1,969)	(267)	(4,058)
	3,582	2,593	5,930	4,278
Share of taxation of associated company	91	115	173	186
	3,673	2,708	6,103	4,464

The effective taxation rates were disproportionate to its financial results principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible 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 30/6/06 RM'000	Current year to date 30/6/06 RM'000
Total purchases	-	-
Total disposals	-	477
Total gain/ (loss) on disposals	-	164

Details of investments in quoted securities:

	As at 30/6/06 RM'000	As at 31/12/05 RM'000
At cost	112,702	116,385
At carrying value/ book value	41,980	43,694
At market value	57,423	43,694

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B8. Status of corporate proposals

As announced previously, Sinbor Corporation Sdn Bhd ("Sinbor"), an indirect wholly-owned subsidiary of the Company had entered into a Call and Put Option Agreement ("Option Agreement") with Dyno Nobel ASA in respect of 3,360,000 shares in Tenaga Kimia Bhd ("TKB") held by Sinbor at a price of RM1.50 per share. Pursuant to TKB's withdrawal from its proposed listing exercise on the Second Board of Bursa Malaysia Securities Berhad, the parties are working towards terminating the said Option Agreement.

B9. Borrowings

	As at	As at
	30/6/06	31/12/05
	RM'000	RM'000
Secured short-term borrowings	22,065	24,082
Secured long-term borrowings	-	-
	<hr/> 22,065	<hr/> 24,082

All of the above borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

There were no off balance sheet arrangements 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 first and final dividend of 4% less income tax of 28% in respect of the year ended 31 December 2005 and approved at the Annual General Meeting held on 26 June 2006 was paid to the shareholders on 22 July 2006.

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B13. Earnings per share

a) Basic earnings per ordinary share

Basic earnings per share amounts are 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 ended		Year to date ended	
	30/6/06	30/6/05	30/6/06	30/6/05
Profit attributable to ordinary equity holders of the parent (RM'000)	7,081	8,359	12,907	19,203
Weighted average number of ordinary shares in issue ('000)	259,526	259,526	259,526	259,526
Basic earnings per share (sen)	2.7	3.2	5.0	7.4

(b) Diluted earnings per ordinary share

Not applicable

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 16 August 2006.