

# **Berjaya Corporation Berhad**

Company No: 554790-X

Date: 30 March 2006

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2006**

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BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year to date ended	
	31-01-2006 RM'000	31-01-2005 RM'000	31-01-2006 RM'000	31-01-2005 RM'000
REVENUE	629,551	664,941	2,002,227	2,294,812
PROFIT FROM OPERATIONS	36,309	23,366	124,126	150,751
Results arising from investing activities#	(450,104)	260,715	(476,589)	306,818
Waiver of loans	-	-	254,618	62,756
Finance costs	(73,191)	(70,907)	(446,741)	(240,892)
Share of results in associates	69,219	55,139	209,411	184,505
(LOSS)/PROFIT BEFORE TAXATION	(417,767)	268,313	(335,175)	463,938
TAXATION	(15,761)	(42,805)	(106,443)	(130,419)
(LOSS)/PROFIT AFTER TAXATION	(433,528)	225,508	(441,618)	333,519
Minority interests	41,050	(24,563)	(9,583)	(103,268)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	<u>(392,478)</u>	<u>200,945</u>	<u>(451,201)</u>	<u>230,251</u>
(LOSS)/EARNINGS PER SHARE (SEN)				
-Basic	(29.69)	13.41	(61.93)	15.37
-Diluted	*	10.46	*	11.99

- Notes:

The Company was incorporated on 30 July 2001 under the name of Berjaya Corporation Sdn Bhd and subsequently converted into a public limited company and assumed the name of Berjaya Corporation Berhad on 18 August 2005.

Pursuant to the Scheme of Arrangement ("SOA") under Section 176 of the Companies Act, 1965 of Berjaya Group Berhad ("BGroup"), the Company became the owner of the entire shareholding in BGroup through an exchange of shares and assumed BGroup's listing status on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities").

The acquisition of BGroup is accounted for using the merger accounting method. The results for the year-to-date have incorporated the results of BGroup from 1 May 2005 to 31 October 2005. The figures for the preceding period corresponding quarter and cumulative quarter are the financial results of BGroup as if the Company and BGroup had been in combination since the incorporation of BGroup.

# Results arising from investing activities comprise of interest income and other investment related income less investment related expenses.

\* No diluted loss per share is presented as the effect on the basic loss per share is anti-dilutive.

Certain comparative figures have been reclassified to conform with the current period's presentation.

The annexed notes form an integral part of this interim financial report.

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31-01-2006 RM'000	Group As at 30-04-2005 Audited RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,328,094	1,980,165
Other investments	359,085	407,416
Investment properties	631,239	631,075
Land held for development	1,683,994	840,763
Investment in unconsolidated subsidiary company	6,581	6,601
Investment in associated companies	1,639,640	1,860,147
Deferred tax assets	15,389	15,892
Other long term assets	1,464	1,030
Intangible assets	767,349	975,039
	<u>7,432,835</u>	<u>6,718,128</u>
<b>Current Assets</b>		
Development properties	776,176	690,314
Inventories	443,235	398,657
Trade and other receivables	1,382,468	1,150,804
Tax recoverable	83,600	63,760
Deposits with financial institutions	281,458	308,542
Cash and bank balances	206,606	230,351
	<u>3,173,543</u>	<u>2,842,428</u>
<b>Current Liabilities</b>		
Trade and other payables	1,780,530	1,642,278
Provisions	187,267	172,378
Short term borrowings	1,337,602	1,562,277
Taxation	37,450	32,878
	<u>3,342,849</u>	<u>3,409,811</u>
<b>NET CURRENT LIABILITIES</b>	<u>(169,306)</u>	<u>(567,383)</u>
	<u>7,263,529</u>	<u>6,150,745</u>
<b>FINANCED BY</b>		
Share capital	1,653,913	1,498,173
Irredeemable Convertible Unsecured Loan Stocks - Equity component	1,676,939	422,095
Reserves	(496,985)	(1,428,069)
Equity funds	2,833,867	492,199
Minority interests	1,159,821	2,428,998
Capital funds	3,993,688	2,921,197
<b>LONG TERM LIABILITIES</b>		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	898,074	432,874
Long term borrowings	1,616,267	2,270,424
Other long term liabilities	309,870	288,489
Deferred taxation	329,312	136,609
Provisions	29,717	30,683
Insurance reserves	86,601	70,469
	<u>3,269,841</u>	<u>3,229,548</u>
	<u>7,263,529</u>	<u>6,150,745</u>
Basic net assets per share (sen)	140.08	166.81
Dilutive net assets per share (sen)	117.02	152.12

The net assets per share is calculated based on the following :

Basic : Capital funds less ICULS - equity component divided by the number of outstanding shares in issue.  
 Dilutive : Capital funds divided by the number of outstanding shares in issue and the potential conversion of the Company's ICULS in issue to shares.

The annexed notes form an integral part of this interim financial report.

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable						Accumulated losses RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	ICULS - equity component RM'000	Merger reserves RM'000	Capital reserves RM'000	Foreign currency translation reserves RM'000		
At 1 May 2005	1,498,173	734,356	422,095	-	12,487	67,884	(2,242,802)	492,193
Privatisation of Berjaya Group Berhad	(1,198,538)	(734,356)	-	1,932,894	-	-	-	-
Issue of shares for acquisition of subsidiary	802,085	-	-	-	-	-	-	802,085
Issue of shares for exchange of BGroup warrants	128,005	-	-	-	-	-	(128,005)	-
Issue of BCorp ICULS for exchange of BGroup ICULS	-	-	(281,397)	-	-	-	281,397	-
Issue of BCorp ICULS for repayment of bank borrowings - equity component	-	-	166,615	-	-	-	-	166,615
Rights Issue of BCorp ICULS	-	-	266,700	-	-	-	-	266,700
Capital distribution and dividend-in-specie distributed by subsidiary companies (note)	-	-	1,527,114	-	-	-	-	1,527,114
Conversion from BCorp ICULS	424,188	-	(424,188)	-	-	-	-	-
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	(1)	11,223	-	11,222
Gain on accretion of an associated company	-	-	-	-	-	-	29,768	29,768
Net loss for the period	-	-	-	-	-	-	(451,201)	(451,201)
Distribution to holders of BGroup ICULS	-	-	-	-	-	-	(10,629)	(10,629)
Transfer from accumulated losses	-	-	-	-	215,315	(1,286)	(214,029)	-
At 31 January 2006	<u>1,653,913</u>	<u>-</u>	<u>1,676,939</u>	<u>1,932,894</u>	<u>227,801</u>	<u>77,821</u>	<u>(2,735,501)</u>	<u>2,833,867</u>

	Non-distributable						Accumulated losses RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	ICULS - equity component RM'000	Capital reserves RM'000	Foreign currency translation reserves RM'000	Foreign currency translation reserves RM'000		
At 1 May 2004	1,498,171	734,356	422,097	-	52,061	(2,398,907)	307,778	
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	6,741	-	6,741	
Gain on accretion of an associated company	-	-	-	-	-	3,343	3,343	
Net profit for the period	-	-	-	-	-	230,251	230,251	
Distribution to holders of BGroup ICULS	-	-	-	-	-	(15,829)	(15,829)	
Transfer from accumulated losses	-	-	-	12,487	(939)	(11,548)	-	
Issuance of shares from conversion of ICULS - equity component	2	-	(2)	-	-	-	-	
At 31 January 2005	<u>1,498,173</u>	<u>734,356</u>	<u>422,095</u>	<u>12,487</u>	<u>57,863</u>	<u>(2,192,690)</u>	<u>532,284</u>	

Note:

Pursuant to the BGroup Inter-Company settlements, the Company issued 7,521,470,000 BCorp ICULS to BLand and BCapital. Subsequently, BLand and BCapital distributed part of the BCorp ICULS to its shareholders via special dividend-in-specie and capital repayments.

The annexed notes form an integral part of this interim financial report.

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	31-01-2006 RM'000	31-01-2005 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	1,836,808	2,082,181
Payments for operating expenses (including taxes)	(1,862,025)	(1,931,880)
Net cash (used in)/generated from operating activities	<u>(25,217)</u>	<u>150,301</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash effect on the deconsolidation of subsidiary companies	-	(35,789)
Sales of investments in subsidiary companies	1,056	22,976
Acquisition of investments in subsidiary companies	(18,198)	(54,533)
Receipt of capital distribution from an associated company	288,276	29,221
Receipts from investments (include sales of property, plant & equipment)	348,052	785,577
Payment for investments (include purchase of property, plant & equipment and BLand ICULS bought back)	(251,165)	(398,247)
Net cash generated from investing activities	<u>368,021</u>	<u>349,205</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital to minority shareholder of subsidiary companies	2,118	5,980
Rights issue of BCorp ICULS	210,000	-
Capital distribution to minority shareholders of subsidiary company	(78,246)	-
Dividends paid to minority shareholders of subsidiary companies	(12,284)	(4,412)
Distribution to holders of BGroup ICULS	(10,629)	(21,105)
Interest paid	(169,693)	(218,974)
Drawdown of bank and other borrowings	703,854	799,581
Repayment of bank and other borrowings	(1,003,772)	(952,458)
Net cash used in financing activities	<u>(358,652)</u>	<u>(391,388)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,848)	108,118
OPENING CASH AND CASH EQUIVALENTS	292,587	128,494
Effect of exchange rate changes	(4,608)	(2,993)
CLOSING CASH AND CASH EQUIVALENTS	<u>272,131</u>	<u>233,619</u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	281,458	322,199
Cash and bank balances	206,606	167,505
Bank overdraft (included under short term borrowings)	(191,157)	(227,305)
	<u>296,907</u>	<u>262,399</u>
Less :		
Remisiers' deposit held in trust	(10,492)	(14,325)
Clients' money held in trust	(14,284)	(14,455)
	<u>272,131</u>	<u>233,619</u>

Certain comparative figures have been reclassified to conform with the current period's presentation.

The annexed notes form an integral part of this interim financial report.

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 NOTES TO THE INTERIM FINANCIAL REPORT

A1 The interim financial report is not audited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of BGroup for the year ended 30 April 2005. The comparative results of the period ended 31 January 2005 and balance sheet as at 30 April 2005 are equivalent to the figures of BGroup.

The same accounting policies and methods of computation used in the preparation of the financial statements of BGroup for the year ended 30 April 2005 have been applied in the preparation of the quarterly financial statements under review except that the acquisition of BGroup is accounted for using the merger accounting method.

A2 The audit report of BGroup's most recent annual audited financial statements does not contain any qualification.

A3 The following business operations of the Group are affected by seasonal or cyclical factors:

- a. the consumer durables segment are affected by major festive seasons and sales campaign in certain period of the financial year.
- b. the property development segment is affected by the prevailing cyclical economic conditions.
- c. the stock and futures broking businesses that are influenced by the performance of the stock market.
- d. the local beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season in the third quarter of the financial year.

A4 The following are the unusual items that occurred during the current quarter and financial period to date under review:

	Current Quarter RM'000	Financial Year to date RM'000
Holdings costs in respect of put option of BLand's 5% ICULS 1999/2009 included in finance costs	-	(226,891)
Impairment in value of investment in associated companies	(6,413)	(32,030)
Impairment in value of other investments	(17,734)	(21,902)
Impairment in value of land held for development	(25,291)	(25,291)
Gain on disposal of properties	2,750	2,750
Compensation for mutual termination of sale and purchase agreement	(9,000)	(9,000)
Group restructuring costs arising from the completion of the BGroup restructuring exercise	(381,353)	(381,353)
Writing off of goodwill of a subsidiary	(17,095)	(17,095)
	<u>(454,136)</u>	<u>(710,812)</u>

There was no material change in estimates during the financial period under review.

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 NOTES TO THE INTERIM FINANCIAL REPORT

A5 There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 January 2006 except for the following:

a) Share capital

- (i) Pursuant to the SOA under Section 176 of the Companies Act, 1965, the Company issued:  
 - 299,634,614 ordinary shares of RM1.00 each to the shareholders of BGroup on the basis of one ordinary share of the Company for every five existing BGroup shares of RM1.00.  
 - 128,005,026 ordinary shares of RM1.00 each to the warrant holders of BGroup on the basis of one ordinary share for every twenty existing BGroup warrants.  
 - 802,085,626 ordinary shares of RM1.00 each for the acquisition of 100% equity interest in Bukit Tinggi Resort Berhad.
- (ii) 424,188,034 ordinary shares of RM1.00 each have been issued pursuant to conversion of 848,376,246 BCorp ICULS of RM0.50 each.

b) 0% 10-year irredeemable convertible unsecured loan stocks ("BCorp ICULS")

- (i) Pursuant to the SOA under Section 176 of the Companies Act, 1965, the Company issued:  
 - 281,396,878 BCorp ICULS of RM0.50 each to the BGroup ICULS holders on the basis of two BCorp ICULS for every three existing BGroup ICULS.  
 - 1,458,636,000 BCorp ICULS of RM0.50 each for repayment of BGroup bank borrowings.
- (ii) Pursuant to the BGroup Scheme, the Company issued:  
 - 420,000,000 Rights BCorp ICULS of RM0.50 each on the basis of four Rights BCorp ICULS for every five BCorp Shares or BCorp ICULS receivable by holders of securities of BGroup  
 - 113,400,000 free additional BCorp ICULS on the basis of 0.27 additional BCorp ICULS for every Rights BCorp ICULS successfully subscribed.
- (iii) The Company issued 7,521,470,000 BCorp ICULS of RM0.50 each for repayment of inter-company balances on behalf of BGroup to Berjaya Land Berhad ("BLand") and Berjaya Capital Berhad ("BCapital").
- (iv) 848,376,246 BCorp ICULS of RM0.50 each has been converted to 424,188,034 ordinary shares of RM1.00 each.

A6 No dividend has been paid by the Company since the end of the previous financial year.

A7 Segment information for the financial period ended 31 January 2006:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Financial services	221,544	1,423	222,967
Manufacturing	357,579	18	357,597
Property investment and development	132,857	3,350	136,207
Hotel, resort and recreation	243,739	360	244,099
Restaurants	393,660	-	393,660
Marketing of consumer products and services	629,384	5,859	635,243
Others	23,464	-	23,464
Elimination: Inter-segment Revenue	-	(11,010)	(11,010)
Total revenue	2,002,227	-	2,002,227

BERJAYA CORPORATION BERHAD  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
 NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial period ended 31 January 2006:- (cont'd)

RESULTS

	Total RM'000
Financial services	36,846
Manufacturing	19,246
Property investment and development	20,543
Hotel, resort and recreation	16,801
Restaurants	(17,031)
Marketing of consumer products and services	48,131
Others	11,967
	<u>136,503</u>
Unallocated corporate expenses	(12,377)
Profit from operations	<u>124,126</u>
Results arising from investing activities	
-Interest income	17,338
-Others	(493,927)
	(476,589)
Waiver of loans	254,618
Finance costs	(446,741)
Share of net profits of associates	209,411
Loss before taxation	<u>(335,175)</u>
Taxation	(106,443)
Net loss after taxation	<u><u>(441,618)</u></u>

A8 The valuation of land and buildings have been brought forward without amendment from the previous annual audited financial statements.

A9 Save as disclosed, there were no significant events since the end of this current quarter up to the date of this announcement.



BERJAYA CORPORATION BERHAD  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
NOTES TO THE INTERIM FINANCIAL REPORT

A10 There were no changes in the composition of the Group for the current quarter ended 31 January 2006, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-

- (a) On 28 June 2005, the Company announced that Berjaya Forest Products (Cayman) Limited ("BFP"), a wholly owned subsidiary company of the Group, had on 27 June 2005 completed a re-domiciliation exercise by deregistering itself in the Cayman Islands and, on the same day, registered by way of continuation to the Grand Duchy of Luxembourg under a new name Berjaya Forest Products (Luxembourg) S.a.r.l. This entire exercise shall not affect the property or rights of BFP and the rationale of this exercise is to optimise the return on investment in BFP.
- (b) On 21 July 2005, Dunham-Bush (Malaysia) Bhd ("DBM") completed the acquisition from Mr Lim Kok Kiong of an additional 20% equity interest in Topgroup M&E Service Sdn Bhd ("TME") comprising 5,000 ordinary shares of RM1.00 each for a total cash consideration of RM230,000 or RM46.00 per share.
- (c) On 22 July 2005, Cosway Corporation Berhad announced that its wholly owned subsidiary company Cosway (M) Sdn Bhd has on even date acquired 12 ordinary shares of AUD1.00 each representing 100% of the issued and paid up share capital of Cosway Value Club (Australia) Pty Ltd ("CVCA") for a total cash consideration of AUD12.00 or approximately RM34.37.

CVCA is presently dormant and it will serve as a vehicle for Cosway (M) Sdn Bhd to introduce its products into Australia in the future.

- (d) The deregistration of a wholly-owned dormant subsidiary company, Dunham-Bush International Brazil S.C.LTDA by DBM pursuant to a voluntary liquidation.
- (e) On 6 September 2005, the Company announced that Berjaya Forest Products (Luxembourg) S.a.r.l ("BFPL"), a wholly owned subsidiary company of the Group has on 1 September 2005 received 12,669,808 Stapled Units in Taiga Building Products Ltd ("TBP") arising from the conversion of 3,167,452 common shares in Taiga Forest Products Ltd ("Taiga"), an associated company of BFPL. The transaction was effected through a plan of arrangement approved by the shareholders of Taiga on 27 June 2005. Under the plan of arrangement, each Taiga common share was exchanged for 4 Stapled Units in TBP. Each Stapled Unit consist of one common share and a 14% unsecured subordinated note in the principal amount of CAD5.32 or approximately RM17.20 of TBP.
- (f) With regard to the Berjaya Group Berhad ("BGroup") voluntary scheme of arrangement pursuant to Section 176 of the Companies Act, 1965, the following have been completed on 31 October 2005:
  - (i) the exchange of BGroup securities with the Company's securities in the following ratio:
    - 5 BGroup shares for 1 ordinary share of the Company at par;
    - 3 BGroup ICULS for 2 units of 0% 10-year irredeemable convertible unsecured loan stocks of RM0.50 nominal value of the Company ("BCorp ICULS");
    - 20 BGroup Warrants for 1 ordinary share of the Company at par.

As a result of the exchange of BGroup shares, BGroup became a wholly owned subsidiary company of the Company.

- (ii) the repayment of certain of the Group's bank borrowings partly through the issuance of approximately 1,458.6 million units of BCorp ICULS of RM0.50 nominal value and the balance restructured into a new term loan.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
NOTES TO THE INTERIM FINANCIAL REPORT

A10 (Continued)

- (f) (iii) the acquisition of Bukit Tinggi Resort Berhad ("BTR") for a consideration of approximately RM802.1 million satisfied entirely through the issuance of 802.1 million ordinary shares of the Company at par.

Following the issuance of the temporary building permit and the approval by Majlis Daerah Bentong for the occupation of the horse stable for its present usage, the Securities Commission ("SC") had in March 2006 granted a waiver to the Company from having to comply with the condition of obtaining a Certificate of Fitness for Occupation for the said horse stable. With the granting of the waiver for the horse stable, the Company has fully complied with the condition imposed by the Securities Commission in its letter dated 9 February 2004 in relation to the obtaining of Certificates of Fitness for Occupation.

- (g) The Group increased its equity interest in Berjaya Sports Toto Berhad ("BToto") by converting a total of 88.381 million BToto ICULS at a conversion rate of one BToto ICULS and RM0.20 cash for one new ordinary BToto share into 88.381 million BToto shares. The Group has also disposed of 7.112 million BToto shares. Consequently, the Group's equity interest in BToto as at 31 October 2005 increased to approximately 48.3%.
- (h) The subscription of 4,000 ordinary shares of THB10 or approximately RM0.92 each, representing 40% equity interest in Berjaya Property (Thailand) Company Limited, a company incorporated in Thailand, by Berjaya Leisure (Cayman) Limited, a wholly owned subsidiary of BLand.
- (i) The subscription of 4,000 ordinary shares of THB10 or approximately RM0.92 each, representing 40% equity interest in Berjaya Land (Thailand) Company Limited, a company incorporated in Thailand, by Berjaya Leisure (Cayman) Limited, a wholly owned subsidiary of BLand.
- (j) On 21 November 2005, the Company announced that its 70%-owned subsidiary company, Country Farms Sdn Bhd, had on 16 November 2005 completed the subscription of 60% equity interest in Country Farm Organics Mart Pte Ltd ("CFarmMart") for a cash consideration of SGD60,000 or approximately RM141,000. CFarmMart is involved in the sale and distribution of organic and natural health food and non-food products in Singapore.
- (k) On 13 December 2005, the Company announced that Berjaya Group Berhad, a wholly owned subsidiary company, had on 12 December 2005 completed the acquisition 2 ordinary shares of RM1 each representing the 100% of the issued and paid up capital in Changan Berjaya Auto Sdn Bhd for a total cash consideration of RM2.
- (l) On 30 December 2005, BLand completed the subscription of its entitlement of the rights issue of Informatics Holdings Ltd, its 26.62%-owned associated company.
- (m) At the end of January 2006, Finewood Forest Products Sdn Bhd, a 51% owned subsidiary company of the Group completed the disposal of 39,398 Finewood Marketing (UK) Ltd ("FMUK") ordinary shares of GBP1.00 each. Consequently, FMUK became an associated company of the Group.

A11 There were no material changes in contingent liabilities or contingent asset since the last annual balance sheet date.

A12 There is no material additional capital commitment since the last annual balance sheet date other than the proposed purchase of land and building for the relocation and expansion programme for a China subsidiary under DBM group amounting to approximately RM25.0 million.

BERJAYA CORPORATION BERHAD  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2006  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 For the current quarter ended 31 January 2006, the Group registered a consolidated revenue of RM629.6 million and pre-tax loss of RM417.8 million as compared to RM664.9 million revenue and RM268.3 million pre-tax profit in the preceding year corresponding quarter. The lower revenue was mainly due to the following:
- i) the deconsolidation of Matrix International Berhad ("Matrix") arising from the dilution of the Group's equity interest in Matrix in the previous financial year;
  - ii) the lower progress billings invoiced by the property development division following the completion of its major property development projects in the previous year.

The profit from operations for the current quarter registered a 55% improvement over the preceding year corresponding quarter. However, the pre-tax loss incurred in the current quarter was mainly due to:

- i) the one-time significant non-cash charge of approximately RM381.3 million group restructuring costs arising from the completion of the BGroup restructuring exercise;
- ii) the impairment of value of land held for development, investment in associated companies and certain quoted investments as detailed in Note A4;
- iii) writing off of goodwill of a subsidiary company amounting to approximately RM17.1 million.

In the previous year corresponding quarter, the pre-tax profit included the gains realised from the disposal of associated companies (Hyundai-Berjaya Corporation Berhad, Hyumal Motor Sdn Bhd and Inokom Corporation Sdn Bhd) and disposal of certain quoted securities amounting to approximately of RM189.7 million and RM72.3 million respectively.

For the nine months ended 31 January 2006, the Group recorded a consolidated revenue of RM2 billion and a pre-tax loss of RM335.2 million as compared to RM2.29 billion revenue and RM463.9 million pre-tax profit in the previous corresponding period. Other than the factors mentioned in the preceding paragraphs, the drop in revenue as well as profitability was also attributed to the full effect of the deconsolidation of Convenience Shopping Sdn Bhd ("CSSB") upon its divestment in the previous financial year and the loss of sales for Roadhouse Grill Inc. which operates restaurants mainly in Florida, USA as a result of Hurricane Katrina in August 2005.

- B2 As compared to the preceding quarter ended 31 October 2005, the Group revenue decreased 11% from RM708.1 million to RM629.6 million. In the current quarter, the drop in revenue was consistent with the past year's trend on seasonal factors of certain businesses of the Group as mentioned in note A3.

The pre-tax loss incurred in the current quarter was mainly attributed to the recognition of the one-time significant non-cash charge relating to the BGroup restructuring exercise as detailed in Note A4.

- B3 Barring any unforeseen circumstances, the directors anticipate that the Group's performance for the remaining financial quarter ending 30 April 2006 will be much improved.

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B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2006.

B5 The taxation charge for the quarter and financial period ended 31 January 2006 is detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	2,403	72,821
- Outside Malaysia	7,708	13,927
Deferred tax	4,987	15,183
Under - provision in prior years	663	4,512
	<u>15,761</u>	<u>106,443</u>

The disproportionate tax charge of the Group is due to certain expenses being disallowed for tax purposes and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 There were no profits / (losses) on sales of unquoted investment and properties, other than from those subsidiary companies with principal activities of property development, for the current quarter under review.

B7 The particulars of the purchase and disposal of quoted securities by all companies other than insurance company, stockbroking companies and such other companies exempted by Bursa Securities were as follows :

(a) (i) The total purchase consideration of quoted securities are as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Cost of purchase	<u>1,685</u>	<u>2,821</u>

(ii) The disposals of quoted securities are as follows:

Proceeds of quoted securities disposed	<u>4,430</u>	<u>12,263</u>
Gain on disposal of quoted securities	<u>2,377</u>	<u>7,015</u>

(b) Investments in quoted securities : -

	At end of current quarter RM'000
(i) at cost;	<u>119,135</u>
(ii) at carrying value/book value;	<u>91,540</u>
(iii) at market value.	<u>96,003</u>

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B8 There has been no further developments for those corporate proposals disclosed in Notes 38 and 39 to the audited financial statements of BGroup for the financial year ended 30 April 2005 except for the following:-

- (a) With regard to Note 39(B)(4), the acceptance and payment for the rights issue of the BCorp ICULS closed on 5 December 2005. The application received was for 420 million rights BCorp ICULS being the required minimum subscription amount and 533.4 million BCorp ICULS was issued (refer Note A5(b)(ii)).
- (b) With regard to Note 39(B)(6), on 14 December 2005, BLand completed the 1st bonus issue of one new BLand share for every one BLand share held. On the same day, BLand also completed the capital repayment of RM0.80 and consolidation of five ordinary shares of RM0.20 each held after the capital repayment into one ordinary share of RM1.00 each in BLand. On 15 December 2005, BLand completed the 2nd bonus issue on the basis of three new BLand shares for every two BLand shares held immediately after the BLand 1st bonus issue and capital repayment and consolidation. On 23 December 2005, the Company completed the issuance of up to approximately 4,108 million BCorp ICULS to BLand for the settlement of the inter-company balances owing by BGroup to BLand. On the same date, BGroup completed the compensation of RM226.9 million to BLand for the termination of a put option obligation with BLand by BGroup with approximately 576.3 million BCorp ICULS. On the same date, BLand completed the payment of the special dividend-in-specie of 65% gross less 28% income tax of BCorp ICULS.
- (c) With regard to Note 39(B)(9), on 23 December 2005, the Company completed the issuance of up to approximately 3,655 million B Corp ICULS and cash payment of RM130.2 million to BCapital for the settlement of the inter-company balances owing by BGroup to BCapital. On the same date, BCapital completed the following:
  - (i) the bonus issue of seven new BCapital shares for every five BCapital shares held.
  - (ii) the capital repayment of RM0.90 and consolidation of ten ordinary BCapital shares of RM0.10 each held after the capital repayment into one ordinary share of RM1.00 each in BCapital.
  - (iii) the payment of a special dividend-in-specie of 220% less 28% income tax of BCorp ICULS.
- (d) With regard to Note 39(B)(7), on 25 January 2006, BLand announced that BLand, together with its wholly owned subsidiary companies Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd and Berjaya Land Development Sdn Bhd, and Intan Utilities Berhad ("Intan") have mutually agreed to terminate the proposed disposal of 320 million Berjaya Sports Toto Berhad ("BToto") shares held by BLand and its subsidiary companies for a cash consideration of approximately RM1,152 million or RM3.60 per BToto share as announced on 23 June 2005 ("Proposed BToto Disposal").

Accordingly, BLand will compensate Intan with an amount of RM9 million in cash.

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B8 (Continued)

- (e) With regard to Note 38(B)(5), pursuant to the mutual agreement between Intan and BLand to terminate the Proposed BToto Disposal as announced on 25 January 2006, Intan has requested that the following agreements as announced on 30 March 2005 be terminated:
- (a) disposal by Angsana Gemilang Sdn Bhd ("AGSB") to Convenience Shopping Sdn Bhd ("CSSB") of a 3-storey commercial building located along Jalan Sultan Ismail, Kuala Lumpur for a cash consideration of RM10.0 million.
  - (b) disposal by Cempaka Properties Sdn Bhd ("CPSB") to CSSB of 3 adjoining retail units located on the ground floor of Berjaya Megamall, Kuantan for a cash consideration of RM2.532 million.

The boards of directors of BLand, AGSB and CPSB have agreed to the mutual termination of the said agreements.

Status of corporate proposals announced subsequent to the audited financial statements:

- (i) On 14 September 2005, the Company announced that its wholly owned subsidiary company, Berjaya Books Sdn Bhd ("BBooks"), has proposed to grant a call option to Borders International Services, Inc ("Borders") to acquire up to 50% equity interest in BBooks. BBooks holds the franchise from Borders to develop and operate Borders stores in Malaysia.
- (ii) On 16 November 2005, BCapital announced the proposed acquisition of 6 million ordinary shares of RM1 each representing 2% of the equity interest in Inter-Pacific Capital Sdn Bhd ("IPCapital"), a 89.46% subsidiary company of BCapital, from Forad Holdings Sdn Bhd ("Forad") for a total cash consideration of approximately RM9.45 million ("IPCAP-Acq").
- (iii) On 2 December 2005, BLand announced the proposed subscription by Berjaya Leisure (Cayman) Limited, a wholly owned subsidiary company of BLand, of 51% of the enlarged capital contribution of Berjaya (China) Great Mall Co Ltd ("GMOC") for a total cash consideration of approximately RMB33.3 million. Currently, Tan Sri Dato' Seri Vincent Tan Chee Yioun is the beneficial owner of the entire issued and paid up capital of approximately RMB31.96 million in GMOC. The proposed subscription is subject to approvals from various authorities in the People's Republic of China.
- (iv) On 29 December 2005, the Company announced that Dewangsa Holdings Sdn Bhd, a 60% owned subsidiary company of the Group, had on even date entered into a conditional share sale agreement ("DHSB-SSA") with Magni-Tech Industries Berhad ("Magni-Tech") for the proposed disposal of 20 million ordinary shares of RM1.00 each representing the entire issued and paid-up capital of South Island Garment Sdn Bhd to Magni-Tech for a total consideration of RM42.0 million to be satisfied through the issuance of 42.0 million new ordinary shares of RM1.00 each in Magni-Tech at RM1.00 per share.

The disposal is conditional upon the approvals of the following:

- (i) SC;
- (ii) Bursa Securities;
- (iii) shareholders of Magni-Tech; and
- (iv) any other relevant authorities.

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B8 (Continued)

- (v) On 25 January 2006, BLand announced that it is proposing to issue up to RM900 million nominal value of 5-year secured exchangeable bonds ("EBonds"). The EBonds will be exchangeable into existing ordinary shares of RM0.50 in Berjaya Sports Toto Berhad ("BToto") shares currently held by BLand. BLand is expecting a premium to be set for the exchange to BToto shares.
- (vi) On 23 January 2006, the Company announced the proposed disposal by Finewood Forest Products Sdn Bhd, a 51% owned subsidiary company of the Group, of 55,000 ordinary shares of GBP1.00 each representing 50% of the equity interest in Finewood Marketing (UK) Limited ("FMUK") for a total cash consideration of GBP191,950 (equivalent to approximately RM1.26 million) or an average selling price of GBP3.49 per FMUK share to several parties who are basically the existing shareholders and staff of FMUK. Upon the completion of the disposals, FMUK will become an associated company of the Group.
- (vii) On 24 February 2006, BLand announced that Berjaya Praslin Beach (Cayman) Limited, a wholly owned subsidiary company of the BLand group, had entered into a conditional share purchase agreement for the proposed acquisition of an additional 80% equity interest in Anse Volbert Hotel Limited ("AVHL") from Compagnie Seychelloise de Promotion Hoteliere Ltd for a total cash consideration of SCR30.37 million or approximately RM22.78 million. The acquisition is expected to be completed within two months from the date of the execution of the share purchase agreement. AVHL is currently a 20%-owned associated company of BLand and upon completion of the proposed acquisition of the additional 80% equity interest, AVHL will become a wholly owned subsidiary company of BLand.
- (viii) On 11 March 2006, Eng Securities Sdn Bhd ("EngSec"), a wholly owned subsidiary company of IPCapital, completed the disposal of its dealer's licence to Malaysian Industrial Development Finance Berhad for a cash consideration of RM30.0 million. On even date, EngSec also completed the transfer of its entire business including all its assets and liabilities to Inter-Pacific Securities Sdn Bhd, another wholly owned subsidiary company of IPCapital.
- (ix) On 16 March 2006, the Company announced that the proposed disposal by Berjaya Group (Cayman) Limited ("BGCL"), a wholly owned subsidiary company of the Group, of the entire equity interest of approximately 66.5% in Roadhouse Grill, Inc to Steakhouse Partners, Inc ("Steakhouse") for a total cash consideration of approximately USD15.01 million or USD0.772 per share (equivalent to approximately RM57.03 million) has been aborted due to the non-fulfilment of one of the terms by Steakhouse. Accordingly, BGCL will no longer proceed with the proposed disposal.

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B9 Group borrowings and debt securities as at 31 January 2006 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount '000	
Denominated in Ringgit Malaysia		1,004,116
USD	28,101 *	105,239
GBP	1,653 *	10,915
SLRs	5,000 *	184
		1,120,454
Unsecured		
Denominated in Ringgit Malaysia		217,148
		217,148
		1,337,602
Long term borrowings		
Secured		
	Foreign currency amount '000	
Denominated in Ringgit Malaysia		1,356,557
USD	9,932 *	37,195
SGD	4,798 *	11,006
GBP	1,823 *	12,037
SLRs	25,983 *	955
		1,417,750
Unsecured		
Denominated in Ringgit Malaysia		198,517
		1,616,267
Total borrowings		<u>2,953,869</u>

\* Converted at the respective exchange rate prevailing as at 31 January 2006.

B10 There is no off balance sheet financial instruments as at the date of this announcement.

B11 There is no pending material litigation since the last annual balance sheet date up to the date of this announcement.



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B12 No dividend is declared for the current period ended 31 January 2006 (2005: nil).

B13 The basic and diluted (loss)/earnings per share are calculated as follows:

	Group (3-months period)			
	31-01-2006	31-01-2005	31-01-2006	31-01-2005
	RM'000		sen	
Net (loss)/profit for the period	(392,478)	200,945		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS have a zero coupon rate)	-	-		
Adjusted net (loss)/profit for the period	<u>(392,478)</u>	<u>200,945</u>		
Basic (loss)/earnings per share			<u>(29.69)</u>	<u>13.41</u>
Weighted average number of ordinary shares in issue ('000)	1,321,786	1,498,171		
Number of shares from ICULS conversion	705,974	422,097		
Number of shares used in the calculation of diluted earnings per share	<u>2,027,760</u>	<u>1,920,268</u>		
Diluted earnings per share			<u>*</u>	<u>10.46</u>
	Group (9-months period)			
	31-01-2006	31-01-2005	31-01-2006	31-01-2005
	RM'000		sen	
Net (loss)/profit for the period	(451,201)	230,251		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS have a zero coupon rate)	-	-		
Adjusted net (loss)/profit for the period	<u>(451,201)</u>	<u>230,251</u>		
Basic (loss)/earnings per share			<u>(61.93)</u>	<u>15.37</u>
Weighted average number of ordinary shares in issue ('000)	728,596	1,498,171		
Number of shares from ICULS conversion	235,325	422,097		
Number of shares used in the calculation of diluted earnings per share	<u>963,921</u>	<u>1,920,268</u>		
Diluted earnings per share			<u>*</u>	<u>11.99</u>

\* No diluted loss per share is presented as the effect on the basic loss per share is anti-dilutive.

c.c. Securities Commission