

Berjaya Corporation Berhad

Company No: 554790-X

Date: 28 June 2006

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 30 APRIL 2006**

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BERJAYA CORPORATION BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2006
 CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year to date ended	
	30-04-2006	30-04-2005	30-04-2006	30-04-2005
	RM'000	RM'000	RM'000	RM'000
REVENUE	733,614	655,340	2,735,841	2,934,556
(LOSS)/PROFIT FROM OPERATIONS	(11,573)	11,199	112,553	209,094
Results arising from investing activities#	(117,211)	(52,859)	(593,800)	182,956
Waiver of loans	-	-	254,618	62,756
Finance costs	(71,035)	(100,678)	(517,776)	(349,082)
Share of results in associates	50,917	85,755	260,328	265,300
(LOSS)/PROFIT BEFORE TAXATION	(148,902)	(56,583)	(484,077)	371,024
TAXATION	(11,208)	(45,381)	(117,651)	(141,016)
(LOSS)/PROFIT AFTER TAXATION	(160,110)	(101,964)	(601,728)	230,008
Minority interests	(45,036)	21,124	(54,619)	(78,796)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(205,146)	(80,840)	(656,347)	151,212
(LOSS)/EARNINGS PER SHARE (SEN)				
-Basic	(11.34)	(5.40)	(66.17)	10.10
-Diluted	*	*	*	7.90

- 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 30 APRIL 2006
 CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 30-04-2006 RM'000	Group As at 30-04-2005 Audited RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,341,745	1,980,165
Other investments	330,445	407,416
Investment properties	630,844	631,075
Land held for development	1,590,595	840,763
Investment in unconsolidated subsidiary company	6,533	6,601
Investment in associated companies	1,742,585	1,860,147
Deferred tax assets	14,064	15,892
Other long term assets	323	1,030
Intangible assets	549,543	975,039
	<u>7,206,677</u>	<u>6,718,128</u>
Current Assets		
Development properties	783,884	690,314
Inventories	476,268	398,657
Trade and other receivables	1,397,593	1,150,804
Tax recoverable	111,511	63,760
Deposits with financial institutions	231,050	308,542
Cash and bank balances	283,038	230,351
	<u>3,283,344</u>	<u>2,842,428</u>
Current Liabilities		
Trade and other payables	1,816,279	1,642,278
Provisions	201,720	172,378
Short term borrowings	1,334,570	1,562,277
Taxation	41,335	32,878
	<u>3,393,904</u>	<u>3,409,811</u>
NET CURRENT LIABILITIES	<u>(110,560)</u>	<u>(567,383)</u>
	<u>7,096,117</u>	<u>6,150,745</u>
FINANCED BY		
Share capital	1,858,722	1,498,173
Irredeemable Convertible Unsecured Loan Stocks - Equity component	1,472,130	422,095
Reserves	(664,280)	(1,428,069)
Equity funds	2,666,572	492,199
Minority interests	1,187,927	2,428,998
Capital funds	3,854,499	2,921,197
LONG TERM LIABILITIES		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	873,062	432,874
Long term borrowings	1,628,411	2,270,424
Other long term liabilities	298,172	288,489
Deferred taxation	328,194	136,609
Provisions	27,974	30,683
Insurance reserves	85,805	70,469
	<u>3,241,618</u>	<u>3,229,548</u>
	<u>7,096,117</u>	<u>6,150,745</u>
Basic net assets per share (sen)	64.26	4.68
Dilutive net assets per share (sen)	82.94	25.63

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

Basic : Equity funds less ICULS - equity component divided by the number of outstanding shares in issue.

Dilutive : Equity 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 30 APRIL 2006
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable							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	Accumulated losses 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	628,997	-	(628,997)	-	-	-	-	-
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	(216)	17,249	-	17,033
Gain on accretion of an associated company	-	-	-	-	-	-	61,808	61,808
Net loss for the period	-	-	-	-	-	-	(656,347)	(656,347)
Distribution to holders of BGroup ICULS	-	-	-	-	-	-	(10,629)	(10,629)
Transfer from accumulated losses	-	-	-	-	-	(20,370)	20,370	-
At 30 APRIL 2006	<u>1,858,722</u>	<u>-</u>	<u>1,472,130</u>	<u>1,932,894</u>	<u>12,271</u>	<u>64,763</u>	<u>(2,674,208)</u>	<u>2,666,572</u>

	Non-distributable							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	Accumulated losses 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	-	-	-	-	10,221	-	10,221	
Gain on accretion of an associated company	-	-	-	-	-	44,093	44,093	
Net profit for the period	-	-	-	-	-	151,212	151,212	
Distribution to holders of BGroup ICULS	-	-	-	-	-	(21,105)	(21,105)	
Transfer from accumulated losses	-	-	-	12,487	5,602	(18,089)	-	
Issuance of shares from conversion of ICULS - equity component	2	-	(2)	-	-	-	-	
At 30 APRIL 2005	<u>1,498,173</u>	<u>734,356</u>	<u>422,095</u>	<u>12,487</u>	<u>67,884</u>	<u>(2,242,796)</u>	<u>492,199</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 30 APRIL 2006
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	30-04-2006 RM'000	30-04-2005 RM'000 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	2,461,541	2,934,057
Payments for operating expenses (including taxes)	(2,462,628)	(2,719,399)
Net cash (used in)/generated from operating activities	<u>(1,087)</u>	<u>214,658</u>
CASH FLOW FROM INVESTING ACTIVITIES		
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	(29,820)	(68,043)
Receipt of capital distribution from an associated company	302,544	43,396
Receipts from investments (include sales of property, plant & equipment)	487,575	913,486
Payment for investments (include purchase of property, plant & equipment and BLand ICULS bought back)	(390,709)	(510,121)
Net cash generated from investing activities	<u>370,646</u>	<u>365,905</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to minority shareholder of subsidiary companies	6,706	9,978
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	(14,222)	(22,980)
Distribution to holders of BGroup ICULS	(11,605)	(21,105)
Interest paid	(207,101)	(288,229)
Drawdown of bank and other borrowings	952,855	1,490,262
Repayment of bank and other borrowings	(1,234,518)	(1,583,134)
Net cash used in financing activities	<u>(376,131)</u>	<u>(415,208)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,572)	165,355
OPENING CASH AND CASH EQUIVALENTS	292,587	128,494
Effect of exchange rate changes	(4,253)	(1,262)
CLOSING CASH AND CASH EQUIVALENTS	<u>281,762</u>	<u>292,587</u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	231,050	308,542
Cash and bank balances	283,038	230,351
Bank overdraft (included under short term borrowings)	(202,484)	(216,584)
	311,604	322,309
Less :		
Remisiers' deposit held in trust	(12,265)	(13,234)
Clients' money held in trust	(16,709)	(16,488)
Trust accounts	(127)	-
Deposits pledged with a licensed bank	(741)	-
	<u>281,762</u>	<u>292,587</u>

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

BERJAYA CORPORATION BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 30 April 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 year 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)
Write back of impairment in value of investment in associated companies	32,176	146
Impairment in value of other investments	(4,918)	(23,725)
Impairment in value of land held for development	(5,096)	(5,096)
Gain on disposal of properties	7,343	10,093
Compensation for mutual termination of sale and purchase agreement	-	(9,000)
Impairment in value of property, plant and equipment	(5,246)	(5,246)
Gain on deemed disposal of shares in an associated company	25,563	25,563
Gain on disposal of dealer's licence of a stockbroking subsidiary	30,000	30,000
Group restructuring costs arising from the completion of the BGroup restructuring exercise	-	(381,353)
Impairment in value of goodwill on consolidation	(228,074)	(245,169)
	<u>(148,252)</u>	<u>(830,678)</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 30 APRIL 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 year ended 30 April 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) 628,997,417 ordinary shares of RM1.00 each have been issued pursuant to conversion of 1,257,995,904 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) 1,257,995,904 BCorp ICULS of RM0.50 each have been converted to 628,997,417 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 year ended 30 April 2006:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Financial services	299,168	2,268	301,436
Manufacturing	469,271	698	469,969
Property investment and development	238,002	3,654	241,656
Hotel, resort and recreation	334,289	400	334,689
Restaurants	525,286	-	525,286
Marketing of consumer products and services	838,177	8,415	846,592
Others	31,648	-	31,648
Elimination: Inter-segment Revenue	-	(15,435)	(15,435)
Total revenue	<u>2,735,841</u>	<u>-</u>	<u>2,735,841</u>

BERJAYA CORPORATION BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2006
 NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial year ended 30 April 2006:- (cont'd)

RESULTS

	Total RM'000
Financial services	60,003
Manufacturing	24,896
Property investment and development	5,361
Hotel, resort and recreation	(9,274)
Restaurants	(24,572)
Marketing of consumer products and services	60,964
Others	15,814
	<u>133,192</u>
Unallocated corporate expenses	(20,639)
Profit from operations	<u>112,553</u>
Results arising from investing activities	
-Interest income	26,991
-Others	(620,791)
	(593,800)
Waiver of loans	254,618
Finance costs	(517,776)
Share of net profits of associates	260,328
Loss before taxation	<u>(484,077)</u>
Taxation	(117,651)
Net loss after taxation	<u><u>(601,728)</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 30 APRIL 2006
NOTES TO THE INTERIM FINANCIAL REPORT

A10 There were no changes in the composition of the Group for the current quarter and financial year ended 30 April 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 serves 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 SOA, 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 30 APRIL 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%. Subsequently, BToto disposed of approximately 41 million of its treasury shares, resulting in the Group's equity interest being diluted to 46.9%.
- (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.
- (n) On 3 March 2006, Berjaya Praslin Beach (Cayman) Limited, a wholly owned subsidiary company of the BLand group, completed the 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. Consequently, AVHL became a wholly owned subsidiary company of BLand. AVHL was previously a 20%-owned associated company of BLand.

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 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2006
 NOTES TO THE INTERIM FINANCIAL REPORT

A10 (Continued)

- (o) On 11 March 2006, Eng Securities Sdn Bhd ("EngSec"), a wholly owned subsidiary company of the BCapital group, 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 BCapital group.
- (p) On 25 April 2006, the Company announced that Global Empires Sdn Bhd, its wholly owned subsidiary company, has disposed of its remaining 2 ordinary shares of RM1.00 each in Premier Merchandise Sdn Bhd to Intan Utilities Berhad for a total cash consideration of RM2.00.
- (q) On 28 April 2006, CCB announced that it has completed the capital distribution of 51,665,054 Dunham-Bush (Malaysia) Bhd ("DBM") shares to CCB shareholders on the basis of three DBM shares for every twenty existing CCB shares held ("CCB Capital Distribution") on 28 April 2006.

As a result of the CCB Capital Distribution, DBM ceased to be a subsidiary company of CCB. DBM is now a 51% owned subsidiary company of Berjaya Corporation Berhad.

- (r) Dunham-Bush International Brazil S.C. LTDA and Dunham-Bush North America Inc, both subsidiary companies of the DBM group, were deregistered pursuant to a voluntary liquidation.
- (s) Dunham-Bush Engineering Ltd, a wholly owned dormant subsidiary company of the DBM group, was deregistered as a company.

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

A12 There were no material additional capital commitment since the last annual balance sheet date other than the following: -

Capital expenditure in respect of land and building: -	RM'000
- approved and contracted for	2,641
- approved but not contracted for	30,257
	<u>32,898</u>

BERJAYA CORPORATION BERHAD
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B1 For the current quarter ended 30 April 2006, the Group registered a consolidated revenue of RM733.6 million and pre-tax loss of RM148.9 million as compared to RM655.3 million revenue and RM57 million pre-tax loss in the preceding year corresponding quarter. The higher revenue was mainly due to the increased sales by the property development segment; higher sales registered by the marketing of consumer products and services segment and the increase in gross brokerage as a result of the improved stock market conditions coupled with the strong revenue growth registered by the general insurance business. However, the Group's results were mainly affected by the impairment of goodwill on certain subsidiary companies amounting to RM228 million and other exceptional losses incurred (as detailed in Note A4) in the current quarter.

For the twelve months ended 30 April 2006, the Group recorded a consolidated revenue of RM2.7 billion and a pre-tax loss of RM484.1 million as compared to RM2.9 billion revenue and RM371 million pre-tax profit in the previous corresponding period. The drop in revenue was mainly attributed to the full year effect of deconsolidation of Matrix International Berhad and Convenience Shopping Sdn Bhd in the current 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. The pre-tax loss incurred was mainly due to the recognition of the one-time significant non-cash charge relating to the BGroup restructuring exercise, impairment of goodwill and other exceptional losses incurred (as detailed in Note A4) in the current financial year.

B2 As compared to the preceding quarter ended 31 January 2006, the Group revenue increased 16.5% from RM629.6 million to RM733.6 million. In the current quarter, the improvement of revenue was attributed to the increase in brokerage fees received, higher sales recorded by property development and marketing of consumer products and services segments. The Group pre-tax loss was mainly due to the exceptional losses incurred by the Group (as detailed in Note A4) in the current quarter whereas the previous quarter included the recognition of the one-time significant non-cash charge relating to the BGroup restructuring exercise.

B3 Barring any unforeseen circumstances, the directors anticipate that the Group's performance for the forthcoming financial year ending 30 April 2007 will be much improved.

B4 There is no profit forecast or profit guarantee for the financial year ended 30 April 2006.

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B5 The taxation charge for the quarter and financial year ended 30 April 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	17,851	90,672
- Outside Malaysia	10,080	24,007
Deferred tax	441	15,624
Over - provision in prior years	(17,164)	(12,652)
	<u>11,208</u>	<u>117,651</u>

The disproportionate tax charge of the Group is mainly due to certain expenses being disallowed for tax purposes.

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 except for the following: -

	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal of properties	<u>7,343</u>	<u>7,786</u>

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>-</u>	<u>2,821</u>

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

Proceeds of quoted securities disposed	<u>220</u>	<u>12,483</u>
Gain on disposal of quoted securities	<u>14</u>	<u>7,029</u>

(b) Investments in quoted securities : -

	At end of current quarter RM'000
(i) at cost;	<u>121,293</u>
(ii) at carrying value/book value;	<u>96,126</u>
(iii) at market value.	<u>102,806</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 compensated 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 5 June 2006, BCapital completed the acquisition of 6 million ordinary shares of RM1 each representing 2% of the equity interest in Inter-Pacific Capital Sdn Bhd, 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 (about RM15.5 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 (about RM14.8 million) in GMOC. The proposed subscription is subject to approvals from various authorities in the People's Republic of China.

GMOC intends to undertake a mixed development project at Yanjiao, Sanhe City in Hebei Province comprising retail, entertainment, theme park and water park ("Great Mall Project").

On 7 April 2006, BLand announced that GMOC had received the approval from the National Development Reform Committee of Central Government, China for its Great Mall Project subject to GMOC increasing its registered capital to RMB890.0 million (about RM414.0 million) payable within 3 years from the current registered capital of RMB98.0 million (about RM45.6 million). As such, BLCL's proposed 51% subscription in GMOC will also increase from RMB33.3 million to RMB453.9 million (about RM211.1 million). The proposed subscription is subject to approval from the shareholders of BLand.

B8 (Continued)

- (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 ("DHSE-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) Bursa Securities;
- (ii) shareholders of Magni-Tech; and
- (iii) any other relevant authorities.

Magni-Tech has obtained the approval from SC on 11 May 2006.

- (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 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 30 April 2006 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			945,610
USD	50,456	*	182,903
GBP	2,158	*	14,095
SLRs	5,050	*	178
			1,142,786
Unsecured			
Denominated in Ringgit Malaysia			187,262
RMB	9,982	*	4,522
			191,784
			1,334,570
Long term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			1,383,723
USD	9,090	*	32,951
SGD	4,545	*	10,403
GBP	1,800	*	11,752
SLRs	16,369	*	577
			1,439,406
Unsecured			
Denominated in Ringgit Malaysia			189,005
			1,628,411
Total borrowings			2,962,981

* Converted at the respective exchange rate prevailing as at 30 April 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.

B12 No dividend is declared for the current quarter ended 30 April 2006 (2005: nil).

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

	Group (3-months period)			
	30-04-2006	30-04-2005	30-04-2006	30-04-2005
	RM'000		sen	
Net loss for the period	(205,146)	(80,840)		
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>(205,146)</u>	<u>(80,840)</u>		
Basic loss per share			<u>(11.34)</u>	<u>(5.40)</u>
Weighted average number of ordinary shares in issue ('000)	1,808,683	1,498,171		
Number of shares from ICULS conversion	2,009,845	422,097		
Number of shares used in the calculation of diluted earnings per share	<u>3,818,528</u>	<u>1,920,268</u>		
Diluted earnings per share			<u>*</u>	<u>*</u>
	Group (12-months period)			
	30-04-2006	30-04-2005	30-04-2006	30-04-2005
	RM'000		sen	
Net (loss)/profit for the period	(656,347)	151,212		
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>(656,347)</u>	<u>151,212</u>		
Basic (loss)/earnings per share			<u>(66.17)</u>	<u>10.10</u>
Weighted average number of ordinary shares in issue ('000)	991,959	1,498,171		
Number of shares from ICULS conversion	649,758	422,097		
Number of shares used in the calculation of diluted earnings per share	<u>1,641,717</u>	<u>1,920,268</u>		
Diluted earnings per share			<u>*</u>	<u>7.90</u>

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

c.c. Securities Commission