

Berjaya Corporation Berhad

Company No: 554790-X

Date: 28 September 2006

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

	Page
Table of contents	
Condensed Consolidated Income Statement	1
Condensed Consolidated Balance Sheet	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to Interim Financial Report	5 - 8
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	9 - 12

BERJAYA CORPORATION BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended	
	31/07/2006	31/07/2005
	RM'000	RM'000
REVENUE	784,931	664,615
PROFIT FROM OPERATIONS	123,108	40,218
Results arising from investing activities#	(12,971)	(15,386)
Finance costs	(68,435)	(78,708)
Share of results in associates	46,434	52,045
PROFIT/(LOSS) BEFORE TAXATION	88,136	(1,831)
TAXATION	(37,517)	(17,544)
PROFIT/(LOSS) FOR THE PERIOD	50,619	(19,375)
ATTRIBUTABLE TO:		
- Equity holders of the parent	38,400	(40,892)
- Minority interests	12,219	21,517
	50,619	(19,375)
EARNINGS/(LOSS) PER SHARE (SEN)		
-Basic	1.00	(13.65)
-Diluted	+	*

- Notes:

The current period's presentation of the Group's financial statements is based on the requirement of FRS 101 : Presentation of Financial Statements, with the comparatives on share of results in associates restated to post tax position to conform with the current period's presentation.

Pursuant to Berjaya Group Berhad's ("BGroup") voluntary scheme of arrangement ("SOA") as detailed in Note 1(2) to the audited financial statements for the financial year ended 30 April 2006, the Company became the owner of the entire equity shareholding in BGroup on 31 October 2005. Subsequently, the Company assumed the listing status of BGroup on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 3 January 2006. The preceding year corresponding period comparative figures 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.

+ The diluted earning per share for the period ended 31 July 2006 has not been presented as there was no potential ordinary share outstanding.

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

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

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31/07/2006	Group As at 30/04/2006
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,389,529	2,340,425
Other investments	329,392	332,993
Investment properties	848,255	629,816
Land held for development	1,637,987	1,637,187
Investment in unconsolidated subsidiary company	6,543	6,532
Investment in associated companies	1,340,559	1,713,451
Deferred tax assets	17,195	14,974
Other long term assets	227	323
Intangible assets	913,654	512,776
	<u>7,483,341</u>	<u>7,188,477</u>
Current Assets		
Development properties	734,538	753,205
Inventories	490,380	463,433
Trade and other receivables	1,449,658	1,398,274
Short term investments	20,213	15,240
Tax recoverable	111,020	112,495
Deposits with financial institutions	296,698	235,427
Cash and bank balances	210,991	288,790
	<u>3,313,498</u>	<u>3,266,864</u>
TOTAL ASSETS	<u>10,796,839</u>	<u>10,455,341</u>
EQUITY AND LIABILITIES		
Share capital	2,234,433	1,858,722
Irredeemable Convertible Unsecured Loan Stocks - Equity component	1,122,007	1,471,719
Reserves	(143,274)	(679,693)
	<u>3,213,166</u>	<u>2,650,748</u>
Minority interests	1,278,630	1,192,996
Equity funds	<u>4,491,796</u>	<u>3,843,744</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	824,860	873,062
Long term borrowings	1,323,896	1,363,733
Other long term liabilities	295,993	294,092
Deferred taxation	412,059	338,955
Provisions	30,494	23,512
Insurance reserves	89,607	85,805
	<u>2,976,909</u>	<u>2,979,159</u>
Current Liabilities		
Trade and other payables	1,609,315	1,813,879
Provisions	201,145	201,790
Short term borrowings	1,467,280	1,587,553
Taxation	50,394	29,216
	<u>3,328,134</u>	<u>3,632,438</u>
TOTAL EQUITY AND LIABILITIES	<u>10,796,839</u>	<u>10,455,341</u>
Basic net assets per share (sen)	93.59	63.43
Dilutive net assets per share (sen)	96.34	82.54

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 outstanding ICULS 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 JULY 2006
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable				Foreign currency translation reserves RM'000	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	ICULS - equity component RM'000	Merger reserves RM'000	Capital reserves RM'000					
At 1 May 2006	1,858,722	1,471,719	1,932,894	12,046	76,184	(2,700,817)	2,650,748	1,192,996	3,843,744
Effects on adopting FRS3	-	-	-	-	-	389,420	389,420	16,412	405,832
Share of associated company's effects on adopting FRS140	-	-	-	-	-	4,210	4,210	2,521	6,731
Effects on adopting FRS140	-	-	-	-	-	127,549	127,549	76,951	204,500
	<u>1,858,722</u>	<u>1,471,719</u>	<u>1,932,894</u>	<u>12,046</u>	<u>76,184</u>	<u>(2,179,638)</u>	<u>3,171,927</u>	<u>1,288,880</u>	<u>4,460,807</u>
Adjustment due to increase equity in subsidiary company by parent	-	-	-	-	-	-	-	(20,810)	(20,810)
Conversion from irredeemable convertible unsecured loan stocks ("BCorp ICULS")	375,711	(375,711)	-	-	-	-	-	-	-
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	(23,160)	-	(23,160)	(1,659)	(24,819)
Re-issue of BCorp ICULS pursuant to sale of BCorp ICULS previously held within the Group to third party	-	25,999	-	-	-	-	25,999	-	25,999
Net profit for the period	-	-	-	-	-	38,400	38,400	12,219	50,619
Transfer from accumulated losses	-	-	-	29	-	(29)	-	-	-
At 31 JULY 2006	<u>2,234,433</u>	<u>1,122,007</u>	<u>1,932,894</u>	<u>12,075</u>	<u>53,024</u>	<u>(2,141,267)</u>	<u>3,213,166</u>	<u>1,278,630</u>	<u>4,491,796</u>

	Non-distributable				Foreign currency translation reserves RM'000	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	ICULS - equity component RM'000	Merger reserves RM'000	Capital reserves RM'000					
At 1 May 2005	299,635	422,095	1,932,894	12,487	67,884	(2,242,802)	492,193	2,428,998	2,921,191
Adjustment due to increase equity in subsidiary company by parent	-	-	-	-	-	-	-	(1,855)	(1,855)
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	(1)	3,653	-	3,652	(4,417)	(765)
Gain on accretion of an associated company	-	-	-	-	-	11,334	11,334	7,299	18,633
Net loss for the period	-	-	-	-	-	(40,892)	(40,892)	21,517	(19,375)
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	-	(5,276)	(5,276)	-	(5,276)
Transfer from accumulated losses	-	-	-	-	(17)	17	-	-	-
At 31 JULY 2005	<u>299,635</u>	<u>422,095</u>	<u>1,932,894</u>	<u>12,486</u>	<u>71,520</u>	<u>(2,277,619)</u>	<u>461,011</u>	<u>2,451,542</u>	<u>2,912,553</u>

BERJAYA CORPORATION BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	
	31/07/2006	31/07/2005
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	722,735	646,078
Payments for operating expenses (including taxes)	(632,679)	(601,366)
Net cash generated from operating activities	<u>90,056</u>	<u>44,712</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of investments in subsidiary companies	(12,779)	(2,565)
Receipts from investments (include sales of property, plant & equipment)	87,686	109,020
Proceeds from capital distribution by an associated company	239,698	-
Payment for investments (include purchase of property, plant & equipment and BLand ICULS bought back)	(109,914)	(41,421)
Net cash generated from investing activities	<u>204,691</u>	<u>65,034</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to minority shareholder of a subsidiary company	882	2,000
Dividends paid to minority shareholders of subsidiary companies	(2)	(143)
Distribution to holders of BGroup ICULS	-	(5,276)
Interest paid	(69,501)	(64,039)
Drawdown of bank and other borrowings	194,877	112,908
Repayment of bank and other borrowings	(427,769)	(240,337)
Net cash used in financing activities	<u>(301,513)</u>	<u>(194,887)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(6,766)</u>	<u>(85,141)</u>
OPENING CASH AND CASH EQUIVALENTS	298,774	292,587
Effect of exchange rate changes	(2,239)	(3,954)
CLOSING CASH AND CASH EQUIVALENTS	<u><u>289,769</u></u>	<u><u>203,492</u></u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	296,698	297,115
Cash and bank balances	210,991	196,337
Bank overdraft (included under short term borrowings)	(181,838)	(257,538)
	<u>325,851</u>	<u>235,914</u>
Less :		
Remisiers' deposit held in trust	(12,897)	(13,289)
Clients' money held in trust	(22,925)	(19,133)
Trust accounts	(177)	-
Security retainer accumulation fund	(83)	-
	<u><u>289,769</u></u>	<u><u>203,492</u></u>

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

BERJAYA CORPORATION BERHAD

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

- A1 The interim financial report is not audited and has been prepared in compliance with Financial Reporting Standards (FRS) 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR").

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2006.

The same accounting policies and methods of computation used in the preparation of the financial statements of the Company for the year ended 30 April 2006 have been applied in the preparation of the quarterly financial statements under review except for the changes arising from the adoption of the new/revised FRSs issued by MASB that are effective for financial year beginning on or after 1 January 2006.

The principal effect of the changes in accounting policies resulting from the adoption of the new/revised FRSs are summarised as follows:

- (a) FRS 3: Business Combination

The adoption of FRS 3 required that, after reassessment, any excess of the Group's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition (previously referred to as "negative goodwill"), should be recognised immediately in the consolidated income statements. Previously, negative goodwill was classified as intangibles. The revision was accounted for as a prospective adjustment to the opening balance of retained earnings as disclosed in the condensed consolidated statement of changes in equity.

- (b) FRS 101: Presentation of Financial Statements

The adoption of FRS 101 has no financial impact on the Group but affected the presentation of minority interests and certain disclosures. Minority interests is now presented within total equity in the Consolidated Balance Sheet and as an allocation from net profit for the period in the Consolidated Income Statement. The movement of minority interests is now presented in the Consolidated Statement of Changes in Equity. The share of associated companies' and/jointly controlled entity's results is now presented net of tax in the Consolidated Income Statement.

- (c) FRS 116: Property, Plant and Equipment

The adoption of FRS 116 has resulted in the review of residual value of the Group's hotel properties and motor vehicles of which has resulted in a higher depreciation charge of approximately RM6.35 million in the current quarter. The revision was accounted for as a prospective change in accounting estimates and the comparatives of the previous financial year ended 30 April 2006 are not restated.

Previously, no depreciation was provided for hotel properties as the Group maintained the hotel properties such that the residual value of the hotel properties were at least equivalent to their carrying value and depreciation was therefore insignificant.

BERJAYA CORPORATION BERHAD

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

(d) FRS 140 : Investment Property

The adoption of FRS 140 has resulted in a change of accounting policy for investment properties whereby the investment properties are now stated at fair value, representing indicative open market value determined by external valuers. The change in revaluation of the cost of the investment properties are taken as an adjustment to the opening balance of retained earnings during the current period in which the adoption is first made. The effects of the adoption are as follows :

	RM'000
Increase in retained earnings	127,549
Increase in investment properties	276,439
Increase in deferred tax liabilities	<u>71,939</u>

In addition, certain investment properties amounting to approximately RM58.0 million have been reclassified to property, plant and equipment as they no longer qualify as investment properties in accordance with FRS 140.

A2 The audit report of the Company'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 island 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 under review:

	Current Quarter RM'000
Gain on partial disposal of investment in an associated company	841
Impairment in value of investment in associated companies	(3,033)
Impairment in value of other investments	(8,023)
Gain on disposal of other investments	7,051
Loss on re-issue of BCorp ICULS below nominal value	<u>(16,603)</u>
	<u>(19,767)</u>

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

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 July 2006 except for the following:

- a) Share capital
375,710,885 ordinary shares of RM1.00 each have been issued pursuant to conversion of 751,421,770 BCorp ICULS of RM0.50 nominal value each.
- b) 0% 10-year irredeemable convertible unsecured loan stocks ("BCorp ICULS")
751,421,770 BCorp ICULS of RM0.50 nominal value each have been converted to 375,710,885 ordinary shares of RM1.00 each.

BERJAYA CORPORATION BERHAD

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

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 July 2006:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Financial services	87,777	2,740	90,517
Manufacturing	103,643	36,167	139,810
Property investment and development	173,267	552	173,819
Hotel, resort and recreation	94,778	726	95,504
Restaurants	118,631	-	118,631
Marketing of consumer products and services	198,302	2,024	200,326
Others	8,533	-	8,533
Elimination: Inter-segment Revenue	-	(42,209)	(42,209)
Total revenue	<u>784,931</u>	<u>-</u>	<u>784,931</u>

RESULTS

	Total RM'000
Financial services	15,673
Manufacturing	6,301
Property investment and development	83,210
Hotel, resort and recreation	5,074
Restaurants	(11,011)
Marketing of consumer products and services	14,686
Others	9,844
	<u>123,777</u>
Unallocated corporate expenses	(669)
Profit from operations	123,108
Results arising from investing activities	
-Interest income	7,364
-Others	(20,335)
	<u>(12,971)</u>
Finance costs	(68,435)
Share of net profits of associates	46,434
Profit before taxation	88,136
Taxation	(37,517)
Net profit after taxation	<u>50,619</u>

A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report except for the properties that have been classified as investment properties whereby the fair value model is adopted in accordance with FRS 140: Investment Properties.

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006

NOTES TO THE INTERIM FINANCIAL REPORT

- A9 Save as disclosed, there were no significant events since the end of this current quarter up to the date of this announcement.
- A10 There were no changes in the composition of the Group for the current quarter ended 31 July 2006, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 5 June 2006, Berjaya Capital Berhad ("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 for a total cash consideration of approximately RM9.45 million;
 - (b) The acquisition of 49.9% in Aston Martin Lagonda (S.E.A.) Pte Ltd, a company incorporated in Singapore, by Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly owned subsidiary company of the Berjaya Land Berhad ("BLand") group, for a total consideration of SGD3.65 million (or about RM8.47 million) comprising 1,935,737 ordinary shares of SGD1.00 each;
 - (c) The partial disposal of 18.57% equity interest in Navodaya Mass Entertainments Ltd ("NME"), India, a 37.12% associated company by BLCL for a total sales consideration of INR10.6875 million (or about RM841,000). The Group now treats the remaining 18.56% equity interest in NME as investment;
 - (d) The acquisition of 100% equity interest, representing 100,000 shares of INR10 each in Berjaya Vacation Club India Private Ltd by Berjaya Vacation Club Berhad and Berjaya Vacation Club (Cayman) Limited, both of which are wholly owned subsidiary companies of the BLand group, for a total cash consideration of INR100,000 (or about RM8,210); and
 - (e) The acquisition of 100% equity interest in Berjaya Air Capital (Cayman) Limited by BLand for a total consideration of USD1.00 comprising 1 ordinary share of USD1.00.
- 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.

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 For the current quarter ended 31 July 2006, the Group registered a consolidated revenue of RM784.9 million and pre-tax profit of RM88.1 million as compared to RM664.6 million revenue and RM1.8 million pre-tax loss in the preceding year corresponding quarter. The higher revenue was mainly due to contributions from sales of properties, higher sales registered by the "marketing of consumer products and services" segment, increased revenue from the "financial services" segment, particularly from the strong revenue growth registered by the general insurance business. The improvement in profitability was mainly as a result of the higher income from the "financial services" segment, profits from sales of properties during the quarter and lower finance costs.
- B2 As compared to the preceding quarter ended 30 April 2006, the Group revenue increased 7.0% from RM733.6 million to RM784.9 million. In the current quarter under review, the improvement of revenue was mainly attributed to higher sales recorded by the property segment and the higher revenue registered by the financial services segment. The turnaround in profitability (from a pre-tax loss of RM153.7 million to a pre-tax profit of RM88.1 million) was mainly attributed to the improved results from the property segment. Furthermore, the preceding quarter's results included certain impairment in value of goodwill as well as certain other investments.
- B3 Barring unforeseen circumstances, the Directors are of the view that the Group's operating results for the forthcoming financial quarters will be satisfactory.
- B4 There is no profit forecast or profit guarantee for the financial period ended 31 July 2006.
- B5 The taxation charge for the quarter ended 31 July 2006 is detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	37,739
- Outside Malaysia	1,367
Deferred tax	(1,170)
Over - provision in prior years	(419)
	<u>37,517</u>

The disproportionate tax charge of the Group is mainly due to certain expenses being disallowed for tax purposes and losses from offshore companies cannot be used to offset the taxable profits of those companies subjected to Malaysian tax.

- 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.

BERJAYA CORPORATION BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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
Cost of purchase	<u>5,260</u>

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

Proceeds of quoted securities disposed	<u>5,452</u>
Gain on disposal of quoted securities	<u>495</u>

(b) Investments in quoted securities : -

	At end of current quarter RM'000
(i) at cost;	<u>148,682</u>
(ii) at carrying value/book value;	<u>106,582</u>
(iii) at market value.	<u>122,116</u>

B8 There has been no further developments for those corporate proposals disclosed in Notes 39 and 40 to the audited financial statements of the Company for the financial year ended 30 April 2006.

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			1,095,458
USD	38,796	*	141,859
GBP	1,846	*	12,573
SLRs	5,007	*	176
			1,250,066
Unsecured			
Denominated in Ringgit Malaysia			212,641
RMB	10,000	*	4,573
			217,214
			1,467,280
Long term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			1,085,059
USD	8,743	*	31,968
SGD	4,293	*	9,935
GBP	1,768	*	12,045
SLRs	3,129	*	110
			1,139,117
Unsecured			
Denominated in Ringgit Malaysia			184,779
			1,323,896
Total borrowings			2,791,176

* Converted at the respective exchange rate prevailing as at 31 July 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 period ended 31 July 2006 (previous year corresponding quarter ended 31 July 2005 : nil).

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2006
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Group (3-months period)			
	31/07/2006	31/07/2005	31/07/2006	31/07/2005
	RM'000		sen	
Net earning/(loss) for the period	38,400	(40,892)		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS have a zero coupon rate)	-	-		
Adjusted net profit/(loss) for the period	<u>38,400</u>	<u>(40,892)</u>		
Basic earning/(loss) per share			<u>1.00</u>	<u>(13.65) #</u>
Weighted average number of ordinary shares in issue ('000)	2,177,667	299,635 #		
Number of shares to be issued upon conversion of a mandatorily convertible ICULS	<u>1,679,945</u>	<u>-</u>		
Number of shares used in the calculation of basic earning/(loss) per share	3,857,612	299,635		
Number of shares from BGroup ICULS conversion and exercise of BGroup Warrants	<u>-</u>	<u>268,703</u>		
Number of shares used in the calculation of diluted earning/(loss) per share	<u>3,857,612</u>	<u>568,338</u>		
Diluted earning/(loss) per share			<u>+</u>	<u>*</u>

The comparative figures have been restated as a result of the restatement of share capital upon applying the merger method of accounting.

+ The diluted earning per share for the period ended 31 July 2006 has not been presented as there was no potential ordinary share outstanding.

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

c.c. Securities Commission