

Berjaya Corporation Berhad

Company No: 554790-X

Date: 28 March 2007

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2007**

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BERJAYA CORPORATION BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year to date ended	
	31/01/2007	31/01/2006	31/01/2007	31/01/2006
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
REVENUE	580,522	629,551	1,912,019	2,002,227
PROFIT FROM OPERATIONS	54,884	36,309	208,581	124,126
Results arising from investing activities#	14,018	(450,104)	17,603	(476,589)
Waiver of loans	-	-	-	254,618
Finance costs	(67,210)	(73,191)	(202,076)	(446,741)
Share of results in associates	52,662	47,616	137,765	142,149
PROFIT/(LOSS) BEFORE TAXATION	54,354	(439,370)	161,873	(402,437)
TAXATION	(11,361)	5,842	(61,321)	(39,181)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	42,993	(433,528)	100,552	(441,618)
<u>Discontinued Operations</u>				
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	3,091	-	13,882	-
PROFIT/(LOSS) FOR THE PERIOD	46,084	(433,528)	114,434	(441,618)
ATTRIBUTABLE TO:				
- Equity holders of the parent				
- from continuing operations	14,970	(392,478)	53,368	(451,201)
- from discontinued operations	1,522	-	6,843	-
- Minority interests	29,592	(41,050)	54,223	9,583
	46,084	(433,528)	114,434	(441,618)
EARNINGS/(LOSS) PER SHARE (SEN)				
-Basic, for the period from continuing operations	0.38	(19.36)	1.38	(46.81)
-Basic, for the period from discontinued operations	0.04	0.00	0.18	0.00
-Basic, for the period	0.42	(19.36)	1.56	(46.81)
-Diluted, for the period	+	+	+	+

- 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.

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

+ The diluted earnings/(loss) per share for the quarter/period ended 31 January 2007 has not been presented as there was no potential ordinary share outstanding.

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

BERJAYA CORPORATION BERHADUNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007
CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31/01/2007	Group As at 30/04/2006 Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,144,583	2,340,425
Other investments	400,612	332,993
Investment properties	848,194	629,816
Land held for development	1,639,157	1,637,187
Investment in unconsolidated subsidiary company	6,484	6,532
Investment in associated companies	1,335,506	1,713,451
Deferred tax assets	14,569	14,974
Other long term assets	469	323
Intangible assets	887,362	512,776
	<u>7,276,936</u>	<u>7,188,477</u>
Current Assets		
Development properties	824,716	753,205
Inventories	361,238	463,433
Trade and other receivables	1,271,321	1,398,274
Short term investments	9,796	15,240
Tax recoverable	69,257	112,495
Deposits with financial institutions	433,435	235,427
Cash and bank balances	259,181	288,790
Assets of disposal group classified as held for sale	562,530	-
	<u>3,791,474</u>	<u>3,266,864</u>
TOTAL ASSETS	<u>11,068,410</u>	<u>10,455,341</u>
EQUITY AND LIABILITIES		
Share capital	2,249,111	1,858,722
Irredeemable Convertible Unsecured Loan Stocks - Equity component	1,105,839	1,471,719
Reserves	(85,316)	(679,693)
	<u>3,269,634</u>	<u>2,650,748</u>
Minority interests	<u>1,360,608</u>	<u>1,192,996</u>
Equity funds	<u>4,630,242</u>	<u>3,843,744</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	752,907	873,062
8% Exchangeable Bonds	900,000	-
Long term borrowings	1,501,206	1,363,733
Other long term liabilities	328,191	294,092
Deferred taxation	414,110	338,955
Provisions	17,023	23,512
Insurance reserves	91,209	85,805
	<u>4,004,646</u>	<u>2,979,159</u>
Current Liabilities		
Trade and other payables	1,158,912	1,813,879
Provisions	192,198	201,790
Short term borrowings	794,186	1,587,553
Taxation	15,980	29,216
Liabilities of disposal group classified as held for sale	272,246	-
	<u>2,433,522</u>	<u>3,632,438</u>
TOTAL EQUITY AND LIABILITIES	<u>11,068,410</u>	<u>10,455,341</u>
Basic net assets per share (sen)	96.21	63.43
Dilutive net assets per share (sen)	97.81	82.54

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

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

Dilutive : Equity funds less minority interests 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 JANUARY 2007
 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	-	-	-	-	-	391,527	391,527	16,434	407,961
Share of associated company's effects on adopting FRS140	-	-	-	-	-	4,193	4,193	2,514	6,707
Effects on adopting FRS140	-	-	-	-	-	127,084	127,084	77,477	204,561
	<u>1,858,722</u>	<u>1,471,719</u>	<u>1,932,894</u>	<u>12,046</u>	<u>76,184</u>	<u>(2,178,013)</u>	<u>3,173,552</u>	<u>1,289,421</u>	<u>4,462,973</u>
Conversion from irredeemable convertible unsecured loan stocks ("BCorp ICULS")	390,389	(390,389)	-	-	-	-	-	-	-
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	(4,225)	-	(4,225)	(13,079)	(17,304)
Re-issue of BCorp ICULS pursuant to sale of BCorp ICULS previously held within the Group to third parties	-	47,695	-	-	-	-	47,695	-	47,695
Buy back of BCorp ICULS	-	(23,186)	-	-	-	16,462	(6,724)	-	(6,724)
Acquisition of subsidiary company	-	-	-	-	-	-	-	19,733	19,733
Adjustment due to capital repayment from subsidiary	-	-	-	-	-	-	-	(17,083)	(17,083)
Adjustment in relation to part disposal of equity interest in subsidiary	-	-	-	(875)	-	-	(875)	57,849	56,974
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	(36,094)	(36,094)
Capital contribution by minority shareholders	-	-	-	-	-	-	-	4,837	4,837
Net profit for the period	-	-	-	-	-	60,211	60,211	54,223	114,434
Dividend paid to minority interests	-	-	-	-	-	-	-	(16,489)	(16,489)
MI share of goodwill	-	-	-	-	-	-	-	17,290	17,290
Transfer from accumulated losses	-	-	-	7	121	(128)	-	-	-
At 31 January 2007	<u>2,249,111</u>	<u>1,105,839</u>	<u>1,932,894</u>	<u>11,178</u>	<u>72,080</u>	<u>(2,101,468)</u>	<u>3,269,634</u>	<u>1,360,608</u>	<u>4,630,242</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
Issue of shares for acquisition of subsidiary company	802,085	-	-	-	-	-	802,085	-	802,085
Issue of shares for exchange of BGroup warrants	128,005	-	-	-	-	(128,005)	-	-	-
Exchange of BGroup ICULS with new BCorp ICULS	-	(281,397)	-	-	-	281,397	-	-	-
Issue of BCorp ICULS for repayment on behalf of subsidiary companies of bank borrowings - equity component	-	166,615	-	-	-	-	166,615	-	166,615
Rights Issue of BCorp ICULS	-	266,700	-	-	-	-	266,700	-	266,700
Capital distribution and dividend-in-specie distributed by subsidiary companies (note)	-	1,527,114	-	-	-	-	1,527,114	(1,280,714)	246,400
Conversion from BCorp ICULS	424,188	(424,188)	-	-	-	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	91	91
Adjustment in relation to part disposal of equity interest in subsidiary	-	-	-	-	-	-	-	(601)	(601)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	(6,601)	(6,601)
Capital contribution by minority shareholders	-	-	-	-	-	-	-	2,022	2,022
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	(1)	11,223	-	11,222	(7,300)	3,922
Gain on accretion of an associated company	-	-	-	-	-	29,768	29,768	18,987	48,755
Net loss for the period	-	-	-	-	-	(451,201)	(451,201)	9,583	(441,618)
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	-	(10,629)	(10,629)	-	(10,629)
Dividend paid to minority interests	-	-	-	-	-	-	-	(12,367)	(12,367)
MI share of goodwill	-	-	-	-	-	-	-	5,921	5,921
MI share on impairment of goodwill	-	-	-	-	-	-	-	1,802	1,802
Transfer from accumulated losses	-	-	-	215,315	(1,286)	(214,029)	-	-	-
At 31 January 2006	<u>1,653,913</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>	<u>1,159,821</u>	<u>3,993,688</u>

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	31/01/2007	31/01/2006
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	1,980,946	1,836,808
Payments for operating expenses (including taxes)	(1,845,264)	(1,862,025)
Net cash generated from/(used in) operating activities	<u>135,682</u>	<u>(25,217)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of investment in a subsidiary company	-	1,056
Part disposal of investment in a subsidiary company	101,000	-
Acquisition of investments in subsidiary companies	(27,171)	(18,198)
Cash effects of acquisition of subsidiary company	1,992	-
Receipts from investments (include sales of property, plant & equipment)	421,720	348,052
Proceeds from disposal of re-issue of BCorp ICULS	26,369	-
Proceeds from capital distribution by an associated company	309,216	288,276
Payment for investments (include purchase of property, plant & equipment and ICULS bought back)	(407,991)	(251,165)
Net cash generated from investing activities	<u>425,135</u>	<u>368,021</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of 8% Exchangeable Bonds	900,000	-
8% Exchangeable Bonds issue expenses	(14,444)	-
Issuance of share capital to minority shareholder of subsidiary companies	4,355	2,118
Rights issue of BCorp ICULS	-	210,000
Capital distribution to minority shareholders of subsidiary company	-	(78,246)
Capital repayment by a subsidiary company to minority interests	(17,083)	-
Dividends paid to minority shareholders of subsidiary companies	(16,374)	(12,284)
Distribution to holders of BGroup ICULS	-	(10,629)
Interest paid	(158,970)	(169,693)
Repayment of advances to an associated company	(467,900)	-
Drawdown of bank and other borrowings	603,446	703,854
Repayment of bank and other borrowings	(1,230,820)	(1,003,772)
Net cash used in financing activities	<u>(397,790)</u>	<u>(358,652)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	163,027	(15,848)
OPENING CASH AND CASH EQUIVALENTS	298,774	292,587
Effect of exchange rate changes	(5,283)	(4,608)
CLOSING CASH AND CASH EQUIVALENTS	<u>456,518</u>	<u>272,131</u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	433,435	281,458
Cash and bank balances	259,181	206,606
Bank overdraft (included under short term borrowings)	<u>(175,515)</u>	<u>(191,157)</u>
	517,101	296,907
Less :		
Remisiers' deposit held in trust	(13,556)	(10,492)
Clients' money held in trust	(46,949)	(14,284)
Trust accounts	<u>(78)</u>	<u>-</u>
	<u>456,518</u>	<u>272,131</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 JANUARY 2007

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 5: Non-Current Assets Held for Sale and Discontinued Operations

The adoption of FRS 5 has no financial impact on the Group's income statement but requires the presentation of assets and liabilities relating to non-current assets for sale as separate components in the balance sheet in respect of the proposed disposals and requires the presentation of post-tax results of discontinued operations as a separate component in the income statement. This is in accordance with the additional disclosure required by FRS 5.

(c) 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.

(d) 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 which has resulted in a higher quarterly depreciation charge of approximately RM6.35 million commencing 1 May 2006. 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 JANUARY 2007

NOTES TO THE INTERIM FINANCIAL REPORT

(e) 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	127,084
Increase in investment properties	276,500
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 is 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 are influenced by the performance of the stock market.
- d. the local island beach resorts situated at the East Coast of Peninsular Malaysia 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	Financial Year to date RM'000
Gain on partial disposal of investment in a subsidiary company	39,973	39,973
Gain on partial disposal of investment in an associated company	-	838
Gain on disposal of investment in associated company	-	13,622
Write back of impairment in value of investment in associated companies	13,406	11,923
Impairment of goodwill on consolidation of subsidiary companies	(41,455)	(41,455)
Impairment in value of other investments	(278)	(19,476)
Impairment in value of assets held for sale	(12,789)	(12,789)
Gain on disposal of other investments	14,549	22,070
Loss on re-issue of BCorp ICULS below nominal value	(4,724)	(21,327)
	<u>8,682</u>	<u>(6,621)</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 2007
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 2007 except for the following:
- a) Share capital
390,388,371 ordinary shares of RM1.00 each have been issued pursuant to conversion of 780,776,759 BCorp ICULS of RM0.50 nominal value each.
 - b) 0% 10-year irredeemable convertible unsecured loan stocks ("BCorp ICULS")
 - (i) 780,776,759 BCorp ICULS of RM0.50 nominal value each have been converted to 390,388,371 ordinary shares of RM1.00 each.
 - (ii) 95,390,687 BCorp ICULS of RM0.50 nominal value each have been re-issued pursuant to sale of BCorp ICULS previously held within the Group to third parties.
 - (iii) 46,371,300 BCorp ICULS of RM0.50 nominal value each have been bought back from third parties.
- A6 No dividend has been paid by the Company since the end of the previous financial year.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007

NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial period ended 31 January 2007:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
<u>Revenue from continuing operations:</u>			
Financial services	243,610	8,194	251,804
Manufacturing	48,778	1,133	49,911
Property investment and development	335,710	1,649	337,359
Hotel, resort and recreation	277,380	2,313	279,693
Restaurants	331,532	-	331,532
Marketing of consumer products and services	647,627	400	648,027
Others	27,382	-	27,382
Elimination: Inter-segment Revenue	-	(13,689)	(13,689)
Total revenue from continuing operations	1,912,019	-	1,912,019
<u>Revenue from discontinued operations:</u>			
Manufacturing	360,385	-	360,385
Total revenue	2,272,404	-	2,272,404
RESULTS	Results from continuing operations RM'000	Results from discontinued operations RM'000	Total RM'000
Financial services	81,905	-	81,905
Manufacturing	(1,811)	22,548	20,737
Property investment and development	88,255	-	88,255
Hotel, resort and recreation	4,080	-	4,080
Restaurants	(19,251)	-	(19,251)
Marketing of consumer products and services	44,276	-	44,276
Others	15,019	-	15,019
	212,473	22,548	235,021
Unallocated corporate expenses	(3,892)	-	(3,892)
Profit from operations	208,581	22,548	231,129
Results arising from investing activities			
-Interest income	18,190	617	18,807
-Others	(587)	(135)	(722)
	17,603	482	18,085
Finance costs	(202,076)	(4,423)	(206,499)
Share of net profits of associates	137,765	-	137,765
Profit before taxation	161,873	18,607	180,480
Taxation	(61,321)	(4,725)	(66,046)
Net profit after taxation	100,552	13,882	114,434

BERJAYA CORPORATION BERHAD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007

NOTES TO THE INTERIM FINANCIAL REPORT

- 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.
- 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 period ended 31 January 2007, 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 ("IPC"), a 89.46% subsidiary company of BCapital, from Forad Holdings Sdn Bhd for a total cash consideration of approximately RM9.45 million. Consequently, the equity interest in IPC increased from 89.46% to 91.46%;
 - (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.
 - (f) The subscription of 40% in Pasdec-Cempaka Sdn Bhd by BLand, comprising of 10,000 ordinary shares of RM1.00 each.
 - (g) On 19 September 2006, Berjaya Group Berhad completed the disposal of approximately 19.4 million ordinary shares of RM1.00 each representing 42.77% of the equity interest in Gribbles Pathology (Malaysia) Sdn Bhd for a total cash consideration of RM23 million.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2007

NOTES TO THE INTERIM FINANCIAL REPORT

- (h) On 1 November 2006, Dewangsa Holdings Sdn Bhd, a 60% owned subsidiary company of the Group, completed the 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 Industries Berhad ("Magni-Tech") for a total consideration of RM42.0 million satisfied by the issuance of 42.0 million new ordinary shares of RM1.00 each in Magni-Tech at RM1.00 per share. The new 42 million Magni-Tech shares were granted listing on 10 November 2006.
- (i) On 1 December 2006, the Company announced that Simpulan Bebas Sdn Bhd has subscribed for 3,000 new ordinary shares of RM1.00 each representing 30% of the enlarged issued share capital of the subsidiary company, Berjaya International Schools Sdn Bhd (formerly known as Berjaya Digital Sdn Bhd) ("BISSB"), for a total cash subscription of RM3,000.
- (j) On 22 January 2007, BCapital announced that it has completed the disposal of 35.4 million ordinary shares of RM1.00 each, representing 30% equity interest in Berjaya Sompo Insurance Berhad (formerly known as Berjaya General Insurance Berhad) ("BSI"), for a cash consideration of RM101 million to Sompo Japan Insurance, Inc ("Sompo").
- (k) On 31 January 2007, the Company announced that Country Farms Sdn Bhd ("CFSB"), a 70% owned subsidiary company of the Group, had on even date acquired two ordinary shares of SGD1.00 each representing 100% equity interest in Country Farms Pte Ltd for a cash consideration of SGD2.00 from Ms Gan Chai Fang ("Selina Gan"). Selina Gan is a director and substantial shareholder of CFSB.

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 except as follows:

	Current Quarter RM'000
Proposed acquisition of shares (as detailed in Note B8(viii))	<u>132,421</u>

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B1 For the current quarter ended 31 January 2007, the Group registered a consolidated revenue of RM692.2 million (RM580.5 million from continuing operations, RM111.7 million from discontinued operations) and pre-tax profit of RM59.6 million (RM54.3 million from continuing operations, RM5.3 million from discontinued operations) as compared to the revenue of RM629.6 million and pre-tax loss of RM439.4 million in the preceding year corresponding quarter. The increase in revenue was mainly due to higher sales made by the property, financial services and manufacturing segments. The turnaround in profitability was mainly attributed to the gain on part disposal of the insurance subsidiary company (as disclosed in Note A10(j)) and higher share of profits from associated companies. In addition, the preceding year corresponding quarter results included the Group restructuring cost of RM384.5 million.

For the cumulative 9 months ended 31 January 2007, the Group reported a revenue of RM2.3 billion (RM1.9 billion from continuing operations, RM360.4 million from discontinued operations) and pre-tax profit of RM180.5 million (RM161.9 million from continuing operations, RM18.6 from discontinued operations) as compared to a revenue of RM2.0 billion and pre-tax loss of RM402.4 million reported in the previous year corresponding period. The higher revenue was mainly attributed to the higher sales recorded by property and manufacturing segments. The turnaround in profitability was mainly a result of profits from sales of certain properties, and realised gains from disposals of quoted investments, associated and subsidiary companies notwithstanding the impairment of various assets (as detailed in Note A4). The previous year corresponding period results included the Group restructuring cost of RM384.5 million.

B2 As compared to the preceding quarter ended 31 October 2006, the Group revenue decreased 12.95% from RM795.2 million to RM692.2 million. In the current quarter under review, the drop in revenue was mainly attributed to lower sales recorded by the property segment. The higher pre-tax profit was mainly due to the gain on part disposal of the insurance subsidiary company, higher profits from the financial services business as well as higher share of profits from associated companies (particularly from Berjaya Sports Toto Berhad as a result of improved performance).

B3 Barring unforeseen circumstances, the Directors envisaged that the Group's financial results for the remaining financial quarter is expected to be sustainable at a satisfactory level in view of certain corporate proposal as stated in Note B8(i) which is expected to be completed before the end of the financial year ending 30 April 2007.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2007.

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B5 The taxation charge for the quarter ended 31 January 2007 is detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the period:-		
<u>Continuing Operations</u>		
Current period provision		
- In Malaysia	17,968	77,837
- Outside Malaysia	2,093	3,602
Deferred tax	(1,617)	3,882
(Over) - provision in prior years	<u>(7,083)</u>	<u>(24,000)</u>
	<u>11,361</u>	<u>61,321</u>
<u>Discontinued Operations</u>		
Current period provision		
- In Malaysia	1,203	2,902
- Outside Malaysia	913	1,774
Deferred tax	21	21
Under - provision in prior years	<u>28</u>	<u>28</u>
	<u>2,165</u>	<u>4,725</u>
	<u>13,526</u>	<u>66,046</u>

The effective tax rate on the Group's profit for the current quarter was lower than the statutory tax rate mainly due to the recognition of capital gains which are not taxable.

The disproportionate tax charge of the Group for the financial period ended 31 January 2007 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 other than the following:-

	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal of property	<u>169</u>	<u>169</u>

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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>13,481</u>	<u>18,741</u>

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

Proceeds of quoted securities disposed	<u>17,299</u>	<u>22,751</u>
Gain on disposal of quoted securities	<u>16,264</u>	<u>16,759</u>
Loss on disposal of quoted securities	<u>(2,036)</u>	<u>(2,036)</u>

(b) Investments in quoted securities : -

	At end of current quarter RM'000
(i) at cost;	<u>134,781</u>
(ii) at carrying value/book value;	<u>93,198</u>
(iii) at market value.	<u>114,288</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 except for the following:-

(a) With regard to Note 40(B)(1), on 13 December 2006, the approval from the shareholders of BLand was obtained for the proposed subscription into Berjaya (China) Great Mall Co. Ltd and the proposal is now pending completion.

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

(i) On 8 December 2006, the Company announced that the Company and its subsidiary companies have entered into an agreement with Agromash Holding B.V. for the proposed divestment of all the Dunham-Bush (Malaysia) Bhd ("DBM") shares, totalling approximately 51.57 million shares or 56.75% of the equity interest in DBM, held by the Company's unlisted subsidiary companies, Berjaya Capital Berhad's subsidiary companies and Cosway Corporation Berhad's ("CCB") subsidiary company for a total cash consideration of approximately RM180.5 million or RM3.50 per DBM share.

The Company has been notified by the purchaser that it has obtained approval from the Securities Commission and the Ministry of International Trade and Industry for the proposed divestment. The proposed divestment is now pending completion upon the fulfillment of other conditions precedent.

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B8 (ii) On 15 December 2006, BCapital announced that its subsidiary companies, Inter-Pacific Securities Sdn Bhd ("IPS"), BGI and Prime Credit Leasing Sdn Bhd ("PCL") will be receiving an offer from Vista Meranti Sdn Bhd ("Vista") for the acquisition of all the Intan Utilities Berhad ("Intan") shares not already owned by Vista at a cash consideration of RM2.10 per share. IPS, BGI and PCL together holds a total of 14,962,320 Intan shares. The BCapital shareholders' approval was obtained on 15 January 2007. The disposal was completed upon the close of the offer on 19 January 2007.

(iii) On 8 January 2007, BLand announced that it has entered into an agreement with Abkid Ltd ("Abkid"), a company incorporated in Mauritius, to dispose of 2,400,000 ordinary shares of MUR100.00 each representing 100% equity interest in Berjaya Hotels & Resort (Mauritius) Limited ("BMauritius"), a wholly owned subsidiary company of BLand, for a sale consideration of USD25 million. Abkid will also undertake a final settlement of amounts owing by BMauritius to BLand for USD8 million.

On even date, Berjaya Vacation Club Berhad ("BVC"), a wholly owned subsidiary company of BLand, entered into an agreement with Askdb Ltd ("Askdb"), a company incorporated in Mauritius, to dispose of 13,500,000 ordinary shares of USD1.00 each representing 100% equity interest in Berjaya Mahe (Cayman) Limited ("BMahe"), a wholly owned subsidiary company of BVC, for a sale consideration of USD5.5 million.

Abkid and Askdb are subsidiary companies of Rocky Real Estate LLC, a company incorporated in Dubai, which specialises in real estate management.

The disposal of BMahe is conditional upon the disposal of BMauritius. The disposal of BMauritius is subject to approvals of the various relevant authorities.

(iv) On 5 February 2007, the Company announced that the Ministry of Education has granted Berjaya International Schools Sdn Bhd (formerly known as Berjaya Digital Sdn Bhd) ("BISSB"), a 70% owned subsidiary company of the Group, a licence to set up an international boarding school in Berjaya Hills, Pahang.

(v) On 14 February 2007, BCapital announced that it proposes to undertake a special issue of 48,015,948 new ordinary shares of RM1.00 each to Bumiputra investors to be identified at a price to be determined later so that it could comply with the 30% Bumiputra equity condition imposed by the Foreign Investment Committee. This proposal is conditional upon approvals of the relevant authorities.

(vi) On 16 January 2007, BLand announced that Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly owned subsidiary company of BLand, had on 8 January 2007 entered into a joint venture contract with Hanoi Investment & Development Joint Stock Co. No. 12 ("Handico12") for the establishment of a new joint venture company to jointly undertake the development of a parcel of land in Hanoi City, Vietnam. The parcel of land is approximately 31 hectares and is located in Thach Ban Ward, Long Bien District, Hanoi City, Vietnam. The proposed development consist of the construction of apartments, service apartments, terrace bungalows, an office block and a shopping mall. On 22 February 2007, BLand announced that the Licensing Authority of Vietnam has granted its approval for the joint venture.

B8 (vii) On 23 February 2007, BCapital announced that its wholly owned subsidiary company, Rantau Embun Sdn Bhd ("RESB"), had on 22 February 2007 acquired a total of 4 million shares of RM0.50 each in Silver Bird Group Berhad ("SilverBird") for a total cash consideration of approximately RM1.76 million or at RM0.44 per share. Together with the shareholding of 10,488,000 held by BSI, another subsidiary company of BCapital, the BCapital Group collectively holds 14,488,000 shares, or an equity interest of 6.88%, in SilverBird at a total cost of approximately RM7.46 million.

(viii) On 8 January 2007, the Company announced that it, being the ultimate holding company of CCB, had submitted a proposal to the board of CCB to request CCB to undertake a voluntary withdrawal of its listing from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed CCB De-listing"). To facilitate the Proposed CCB De-listing, the Company, via its wholly owned subsidiary company, Global Empires Sdn Bhd ("GESB"), proposes to make a voluntary general offer ("CCB - VGO Acquisition") to acquire all the remaining ordinary shares of RM1.00 each in CCB which are not already owned by GESB, Bizurai Bijak (M) Sdn Bhd, Garima Holdings Sdn Bhd and Juara Sejati Sdn Bhd, all of which are wholly owned subsidiary companies of the Company, at an offer price of RM1.20 per share to be paid in cash.

The Proposed CCB De-listing is subject to approvals of the various relevant authorities and the shareholders of CCB. On 1 March 2007, the Company announced that the Securities Commission has approved the proposed CCB - VGO Acquisition. An extraordinary general meeting will be held on 11 April 2007 to obtain CCB shareholders' approval.

(ix) On 6 March 2007, BLand announced that it has repaid a further RM20.0 million cash to Berjaya Sports Toto Berhad ("BToto") to partially settle the inter-company advances owing by BLand to BToto.

(x) On 6 March 2007, BCapital announced that its subsidiary companies, BSI, Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd and Inter-Pacific Capital Sdn Bhd, being current shareholders of BLand, had together with RESB, another subsidiary company of BCapital continued to purchase additional ordinary shares of RM1.00 each in BLand in the open market. As at 28 February 2007, the BCapital group collectively owns 52,298,453 shares, or an equity interest of 5.84%, in BLand.

(xi) On 9 March 2007, BLand announced that its wholly owned subsidiary company Berjaya Vacation Club Berhad ("BVC") completed the disposal to NPC Resources Berhad ("NPC") of its 100% equity interest in Berjaya Resort (Sabah) Sdn Bhd ("BRS") to NPC and the settlement of the amount due from BRS to BVC. BVC disposed its entire 19 million ordinary shares of RM1.00 each representing 100% equity interest in BRS for a cash consideration of RM11.0 million and as part of the terms, NPC has agreed to settle the amount due by BRS to BVC of approximately RM10.0 million.

(xii) On 13 March 2007, BLand announced that Dian Kristal Sdn Bhd, a wholly owned subsidiary company of the BLand group, has completed the acquisition of 175 units of fully furnished service suites and 6 units of penthouse service suites in Berjaya Times Square for a total cash consideration of RM90.0 million from Berjaya Times Square Sdn Bhd, a wholly owned subsidiary company of Matrix International Berhad.

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B9 Group borrowings and debt securities as at 31 January 2007 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in Ringgit Malaysia		502,580
USD	28,200 *	98,743
EURO	9,964 *	45,212
SLRs	6,078 *	196
		646,731
Unsecured		
Denominated in Ringgit Malaysia		147,455
		794,186
Long term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in Ringgit Malaysia		1,236,513
USD	22,374 *	78,343
SGD	3,788 *	8,625
		1,323,481
Unsecured		
Denominated in Ringgit Malaysia		177,725
		1,501,206
Total bank borrowings		2,295,392
8% Exchangeable bonds (secured)		900,000

* Converted at the respective exchange rate prevailing as at 31 January 2007

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 except as follows:

Cosway (M) Sdn Bhd ("CMSB"), a wholly owned subsidiary company of the Group has on 24 January 2007 became aware of the potential writ of summons filed by Innovation Scientifique Dermatologique ("ISD") summoning CMSB to appear before the Tribunal de Commerce (Commercial Court) of Paris for a hearing to be held on 4 April 2007.

ISD is claiming for an alleged sum of Euros 2,035,000 or equivalent to approximately RM9.36 million with interest for amongst others, arising from the alleged loss of license fee for the period from 1 August 2004 till 31 December 2007 and damages arising from unfair competition.

B12 No dividend is declared for the current period ended 31 January 2007 (previous year corresponding quarter ended 31 January 2006 : nil).

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

	Group (3-months period)			
	31/01/2007	31/01/2006	31/01/2007	31/01/2006
	RM'000		sen	
Net profit/(loss) for the period from continuing operations	14,970	(392,478)		
Net profit for the period from discontinued operations	1,522	-		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS have a zero coupon rate)	-	-		
Adjusted net earnings/(loss) for the period	<u>16,492</u>	<u>(392,478)</u>		
Basic earnings/(loss) per share				
- from continuing operations			0.38	(19.36)
- from discontinued operations			0.04	-
			<u>0.42</u>	<u>(19.36)</u>
Weighted average number of ordinary shares in issue ('000)	2,248,383	1,321,786		
Number of shares to be issued upon conversion of a mandatorily convertible ICULS	<u>1,644,338</u>	<u>705,974</u>		
Number of shares used in the calculation of basic earnings/(loss) per share	<u>3,892,721</u>	<u>2,027,760</u>		
Diluted earnings/(loss) per share			<u>+</u>	<u>+</u>

	Group (9-months period)			
	31/01/2007	31/01/2006	31/01/2007	31/01/2006
	RM'000		sen	
Net profit/(loss) for the period from continuing operations	53,368	(451,201)		
Net profit for the period from discontinued operations	6,843	-		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS have a zero coupon rate)	-	-		
Adjusted net earnings/(loss) for the period	<u>60,211</u>	<u>(451,201)</u>		
Basic earnings/(loss) per share				
- from continuing operations			1.38	(46.81)
- from discontinued operations			0.18	-
			<u>1.56</u>	<u>(46.81)</u>
Weighted average number of ordinary shares in issue ('000)	2,220,846	728,596		
Number of shares to be issued upon conversion of a mandatorily convertible ICULS	<u>1,644,338</u>	<u>235,325</u>		
Number of shares used in the calculation of basic earnings/(loss) per share	<u>3,865,184</u>	<u>963,921</u>		
Diluted earnings/(loss) per share			<u>+</u>	<u>+</u>

+ The diluted earnings per share for the period ended 31 January 2007 has not been presented as there was no potential ordinary share outstanding.