

Berjaya Group Berhad
Company No: 7308-X

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 OCTOBER 2002**

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BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		6 months ended	
	31-10-2002 RM'000	31-10-2001 RM'000	31-10-2002 RM'000	31-10-2001 RM'000
REVENUE	1,823,020	2,110,025	3,947,568	4,263,488
PROFIT FROM OPERATIONS	166,431	171,728	312,285	321,622
Non-operating income / (expenses)	(17,001)	(66,969)	20,567	(71,024)
Finance costs	(83,330)	(74,750)	(207,403)	(205,688)
Share of results in associates	26,091	(6,390)	21,975	(6,686)
PROFIT BEFORE TAXATION	92,191	23,619	147,424	38,224
TAXATION	(78,888)	(65,171)	(139,630)	(120,195)
PROFIT / (LOSS) AFTER TAXATION	13,303	(41,552)	7,794	(81,971)
Minority interests	(61,104)	(54,885)	(118,668)	(106,022)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(47,801)	(96,437)	(110,874)	(187,993)
LOSS PER SHARE (SEN)				
-Basic	(3.19)	(6.44)	(7.40)	(12.55)
-Diluted	N/A	N/A	N/A	N/A

N/A denotes "Not Applicable"

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31-10-2002 RM'000	Group As at 30-4-2002 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,586,138	2,760,040
Other investments	688,410	364,549
Investment properties	561,668	565,895
Land held for development	1,058,418	1,066,660
Investment in associated companies	1,345,102	250,215
Other long term assets	1,327	401
Intangible assets	1,642,466	2,442,240
	<u>7,883,529</u>	<u>7,450,000</u>
Current Assets		
Development properties	653,592	726,545
Inventories	674,297	735,196
Trade and other receivables	1,778,056	1,733,519
Tax recoverable	157,509	196,739
Deposits with financial institutions	289,086	351,437
Cash and bank balances	185,750	248,571
	<u>3,738,290</u>	<u>3,992,007</u>
Current Liabilities		
Trade and other payables	1,271,185	1,974,374
Provisions	170,694	157,887
Short term borrowings	1,532,853	1,699,465
Taxation	94,749	115,268
	<u>3,069,481</u>	<u>3,946,994</u>
NET CURRENT ASSETS	<u>668,809</u>	<u>45,013</u>
	<u>8,552,338</u>	<u>7,495,013</u>
FINANCED BY		
Share Capital	1,498,171	1,498,171
Reserves	(743,349)	(633,457)
Shareholders' funds before premium on BLB ICULS 1999/2009 purchased	754,822	864,714
Premium on BLB ICULS 1999/2009 purchased	(33,021)	-
Shareholders' funds after premium on BLB ICULS 1999/2009 purchased	721,801	864,714
Irredeemable convertible unsecured loan stocks	1,102,615	1,326,913
Minority interests	2,316,555	2,470,839
Capital funds	4,140,971	4,662,466
LONG TERM LIABILITIES		
Long term borrowings	2,714,722	2,407,128
Other long term liabilities	1,537,382	269,594
Deferred taxation	91,162	104,707
Insurance reserves	68,101	51,118
	<u>4,411,367</u>	<u>2,832,547</u>
	<u>8,552,338</u>	<u>7,495,013</u>
Net tangible assets ("NTA") per share (sen)	(61.45)	(105.30)
Fully adjusted NTA after minority interests (sen)	14.98	8.93
Net assets per share (sen)	48.18	57.72

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Non-distributable Share Premium</u>	<u>Other Reserve</u>	<u>Distributable Accumulated Losses</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2002	1,498,171	734,356	154,491	(1,522,304)	864,714
Transfer to capital reserve	-	-	1,275	(1,275)	-
Currency translation differences	-	-	75,804	-	75,804
Net loss for the six month period	-	-	-	(110,874)	(110,874)
Premium on BLB ICULS 1999/2009 purchased	-	-	(33,021)	-	(33,021)
Loss arising from dilution of equity interest in subsidiary company	-	-	-	(74,723)	(74,723)
Under provision of dividends	-	-	-	(99)	(99)
At 31 October 2002	<u>1,498,171</u>	<u>734,356</u>	<u>198,549</u>	<u>(1,709,275)</u>	<u>721,801</u>

There are no comparative figures for the same period of the preceding year since this is the first time a condensed consolidated statement of changes in equity is prepared.

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 31-10-2002 RM'000
Net cash generated from operating activities	306,372
Net cash used in investing activities	(590,778)
Net cash generated from financing activities	172,554
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(111,852)</u>
CASH & CASH EQUIVALENTS AT 01 MAY 2002	254,872
Effect of exchange rate changes	(1,393)
CASH & CASH EQUIVALENTS AT 31 OCT 2002	<u><u>141,627</u></u>
	6 months ended 31-10-2002 RM'000
Cash and cash equivalents carried forward comprise:	
Deposits with financial institutions	289,086
Cash & bank balances	185,750
Bank overdraft	<u>(311,892)</u>
	162,944
Less :	
Remisiers' deposit held in trust	(9,402)
Clients' money held in trust	<u>(11,915)</u>
	<u><u>141,627</u></u>

There are no comparative figures for the same period of the preceding year since this is the first time a condensed consolidated cash flow statement is presented.

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
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 the Company for the year ended 30 April 2002.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2002 have been applied in the preparation of the quarterly financial statements under review, except for the change of presentation of segmental information resulting from the adoption of MASB 22, Segment Reporting.

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

A3 The Group's business operations are not significantly affected by seasonal or cyclical factors except for the following segments:

- 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 stockbroking business may be affected by the economic conditions and the stock market performance.
- 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.
- e. the overseas operations of industrial products and lumber trading are traditionally affected by the winter and festivity period in the third quarter of the financial year.
- f. the Toto betting business that may be favourably impacted by the festive seasons.

A4 There was no material change in estimate or unusual items during the interim period under review other than the disposals as disclosed in note B6.

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 October 2002.

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the 6 months ended 31 Oct 2002:-

<u>REVENUE</u>	<u>External</u> RM'000	<u>Inter- segment</u> RM'000	<u>Total</u> RM'000
Financial services	126,010	1,341	127,351
Manufacturing	297,596	349	297,945
Property investment and development	212,337	1,738	214,075
Hotel, resort and recreation	147,733	570	148,303
Restaurants	286,585	(0)	286,585
Toto betting and related activities	765,173	(0)	765,173
Marketing of consumer products and services	2,055,068	9,864	2,064,932
Others	57,066	776	57,842
Elimination: Inter-segment Revenue	-	(14,638)	(14,638)
Total revenue	<u>3,947,568</u>	<u>-</u>	<u>3,947,568</u>

RESULTS

	Total RM'000
Financial services	(10,318)
Manufacturing	23,503
Property investment and development	66,131
Hotel, resort and recreation	26,509
Restaurants	(6,815)
Toto betting and related activities	119,845
Marketing of consumer products and services	98,597
Others	9,164
	<u>326,616</u>
Unallocated corporate expenses	(14,331)
Profit from operation	<u>312,285</u>
Interest income	18,896
Interest expense	(207,403)
Other non operating income	1,671
Share of net profits of associates	21,975
Profit before taxation	<u>147,424</u>
Taxation	(139,630)
Net profit after taxation	<u>7,794</u>

A8 The valuation of land and building have been brought forward without amendment from the previous annual report as no revaluation has been carried out since 30 April 2002.

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
NOTES TO THE INTERIM FINANCIAL REPORT

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

- a) On 16 May 2002, Carlovers Carwash Limited, an 88% owned subsidiary company of the Group, completed the disposal of its 60% equity interest in Video Ezy Australasia Pty Limited for AUD12.29 million.
- b) On 24 September 2002, Matrix International Berhad ("Matrix"), a 56% owned subsidiary company of the Group, completed the disposal of its 99.99% equity interest in Sabah Flour and Feedmill Sdn Bhd ("SFFM") for a total cash consideration of RM26,000,000.
- c) On 30 September 2002, Matrix completed the acquisition of the entire equity interest in Sublime Cartel Sdn Bhd ("Sublime") for a total cash consideration of RM28,000,000.
- d) On 30 September 2002, Berjaya Group (Cayman) Limited ("BGCL"), a wholly owned subsidiary company of the Company, completed the subscription of 8.3 million shares of new common stock in Roadhouse Grill, Inc ("RHG") for a total cash consideration of approximately USD3.0 million (equivalent to approximately RM11.4 million) or at a subscription price of USD0.36 per share.

In conjunction with and as an integral part of the above subscription, BGCL received 4.2 million shares of new RHG common stock at the same issue price for the repayment of an existing loan owing to BGCL of USD1.5 million. BGCL also received an additional 0.9 million shares of new RHG common shares based on BGCL's existing shareholding of 6.0 million RHG shares pursuant to the reorganisation plan of RHG which involves issuing 0.15 new share for each existing RHG share held.

The total shareholding after the share subscription and additional allotment amounted to 19.4 million shares representing approximately 66.4% of the enlarged share capital of RHG. This represents an increase of 4.2% over its previous interest of 62.2%.

- e) The cessation of the business operated by Sports Toto (Fiji) Limited and its subsidiary company Waidroka Trust Estate Limited following the completion of the disposal of the Berjaya Hotel, Suva, Fiji on 8 July 2002.
- f) The dilution of the Group's equity interest in Berjaya Sports Toto Berhad ("BToto") from 51.86% as at 31 July 2002 to 42.52% as at 31 October 2002. The increase in the issued and paid-up share capital of BToto was due to the conversion of RM112.17 million nominal value of 8% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 ("BToto ICULS") into BToto shares during the quarter ended 31 October 2002. Following the dilution, BToto became a 42.52% associated company of the Group.
- g) On 21 October 2002, the Group completed the subscription of 60% in the enlarged share capital of Dewangsa Holdings Sdn Bhd thus making it a subsidiary company of the Group.
- h) On 30 September 2002, Unza Holdings Berhad through its wholly owned subsidiary, Unza International Limited incorporated two new subsidiary companies in the British Virgin Islands, that is Unza Middle East Limited and Unza Overseas Ltd. The principal activity of both newly incorporated companies is trading of personal care and household products.

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

A12 There were no material changes in the capital commitment since the last annual balance sheet date.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1 For the quarter ended 31 October 2002, the Group registered a consolidated revenue of RM1.82 billion and pre-tax profit of RM92.2 million as compared to RM2.11 billion and RM23.6 million in the preceding year corresponding quarter respectively. For the six months period under review, the Group recorded a consolidated revenue of RM3.95 billion and pre-tax profit of RM147.4 million as compared to RM4.26 billion and RM38.2 million in the previous year corresponding period respectively.

The lower revenue for both the second quarter and the first half of the financial year ended 31 October 2002 was mainly attributed to:

- i) The deconsolidation of BToto as a subsidiary company in the current quarter due to the dilution of the Group's equity interest in BToto as explained in Note A10 (f). The Group only consolidated 1 month of BToto's results for the quarter and 4 months of BToto's results for the six months period ended 31 October 2002; and
- ii) The lower sales reported by the "manufacturing" segment resulting mainly from the closure of the manufacturing facilities at Harrisonburg, USA by a related company involved in the manufacturing of chillers.

The increase in pre-tax profit for both the second quarter and the first half of the financial year ended 31 October 2002 was mainly due to:

- i) Higher profits generated by the lumber trading operations in North America;
- ii) Higher sales recorded by the motor vehicles trading business;
- iii) Improved margins from the smart-card manufacturing activities;
- iv) The realisation of profits on disposal of a major piece of property in Batu Pahat, Johor by the property development division; and
- v) The exceptional gains on disposal of investments namely BHLB Pacific Trust Management Berhad ("Pacific Trust") and BHLB Asset Management Sdn Bhd ("Asset Management").

B2 As compared to the preceding quarter ended 31 July 2002, the Group achieved an increase in pre-tax profit of approximately RM37 million although revenue reduced by approximately RM302 million. The reduction in revenue was mainly due to the deconsolidation of BToto as a subsidiary company in the current quarter due to the dilution of the Group's equity interest in BToto as explained in Note A10 (f). The increase in pre-tax profit was mainly due to the commendable results generated by the lumber trading operations and motor vehicles trading business, improved margins from the smart-card manufacturing activities, the realisation of profits on disposal of a major piece of property in Batu Pahat, Johor by the property development division and the exceptional gains made on disposal of investments namely Pacific Trust and Asset Management.

B3 As there is still much uncertainty in the global economic conditions and coupled with the deconsolidation of BToto as a subsidiary company following the dilution of the Group's equity interest in BToto to an associated company, the Directors anticipate that the performance of the Group for the remaining quarters ending 30 April 2003 may be less favourable than the current period ended 31 October 2002.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 October 2002.

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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B5 The taxation charge for the quarter and financial period ended 31 October 2002 is detailed as follows:

	<u>Current Quarter</u> RM'000	<u>Financial Year to date</u> RM'000
Based on the results for the year:-		
Current year provision		
- In Malaysia	72,456	131,508
- Outside Malaysia	10,801	15,720
Deferred tax	(6,726)	(9,456)
Under - provision in prior years	2,357	1,858
	<u>78,888</u>	<u>139,630</u>

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

B6 a) During the current quarter and financial year-to-date ended 31 October 2002, the Company and its subsidiary company, Inter-Pacific Capital Sdn Bhd, disposed of its unquoted investments in Pacific Trust and Asset Management for a total consideration of approximately RM135 million. The Group realised an exceptional gain of RM72.16 million.

b) Profit on disposal of properties is as follows:

	<u>Current Quarter</u> RM'000	<u>Financial Year to date</u> RM'000
The gain on disposal of properties	<u>12,728</u>	<u>15,483</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 the Exchange were as follows :

(a) There were no purchase and disposal of quoted securities during the current quarter and financial year-to-date except for the following:

	<u>Current Quarter</u> RM'000	<u>Financial Year to date</u> RM'000
Cost of purchase	<u>18,835</u>	<u>18,835</u>

(b) Investments in quoted securities : -

	<u>At end of current quarter</u> RM'000
(i) at cost;	<u>139,800</u>
(ii) at carrying value/book value;	<u>65,366</u>
(iii) at market value.	<u>37,757</u>

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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B8 There has been no further developments for those corporate proposals disclosed in Notes 40 and 41 to the audited financial statements of the Group for the financial year ended 30 April 2002 except for the following:-

- a) With regards to Note 41(B)(1), the Company had on 2 December 2002, announced that its subsidiary companies, namely Inter-Pacific Trading Sdn Bhd, Regnis Industries (Malaysia) Sdn Bhd and Prime Credit Leasing Sdn Bhd (collectively "DS-SubCos"), have entered into debt settlement agreements ("DSAs") with Sun Media Corporation Sdn Bhd and Nexnews Berhad ("Nexnews") for the cash settlement of approximately RM45.9 million of debts due to DS-SubCos. As part of the terms of the DSAs, the DS-SubCos will undertake to utilise the proceeds from the proposed debt settlement to subscribe for new Irredeemable Convertible Preference Shares ("ICPS") in Nexnews. The Company also entered into a conditional sale and purchase agreement with Net Edge Online Sdn Bhd for the proposed sale of rights to allotment of 7,812,000 new ICPS in Nexnews for a consideration of RM7,812,000.

Upon the completion of the abovementioned proposals, the Company and DS-SubCos will collectively own approximately 26.4% of the total ICPS to be issued by Nexnews. The DS-SubCos will participate in a proposed offer for sale of the ICPS to the minority shareholders of Nexnews and bumiputra investors at an indicative price of RM1.00 each. A total of about 75.57 million ICPS will be offered for sale.

The abovementioned proposals are subject to the approvals from the relevant authorities.

- b) With regards to Note 41(B)(7), RHG emerged from Chapter 11 of the U.S. Bankruptcy Court for the Southern District of Florida on 20 September 2002.
- c) With regards to Note 41(B)(10), the Company announced on 11 December 2002 that the proposed disposal of its 51% equity interest in Cosda (M) Sdn Bhd has been rescinded due to the failure of the purchaser to pay the deposit under the conditional sale and purchase agreement.
- d) With regards to Note 41(B)(2), the Company announced on 27 December 2002 that the due to the complexity of the proposed restructuring exercise and the on-going negotiations with the relevant bankers with regard to the securitisation of part of their loans, the Board estimates that the application to the Securities Commission ("SC") can be made within six months from 27 December 2002.
- e) With regards to Note 41(B)(8), the Company was informed by Transwater Corporation Berhad ("Transwater") that Transwater had obtained the approval from SC with regards to Transwater's proposed acquisition of Hyundai-Berjaya Sdn Bhd ("HBSB") subject to the conditions imposed by SC and approvals from amongst others, the shareholders of Transwater.

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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B9 Group borrowings and debt securities as at 31 October 2002 were as follows:

		At end of current quarter	
		RM'000	
Short term borrowings			
Secured			
	<u>Foreign currency amount</u>		
	<u>'000</u>		
<u>Denominated in</u>			
Ringgit Malaysia			771,233
USD	63,561	*	241,531
GBP	4,292	*	25,446
CAD	81,236	*	196,916
SGD	14,013	*	30,036
JPY	1,844,718	*	56,928
AUD	129	*	270
			1,322,360
Unsecured			
<u>Denominated in</u>			
Ringgit Malaysia			210,354
SGD	65	*	139
			210,493
			1,532,853
Long term borrowings			
Secured			
	<u>Foreign currency amount</u>		
	<u>'000</u>		
<u>Denominated in</u>			
Ringgit Malaysia			2,164,716
USD	55,685	*	211,603
CAD	4,342	*	10,526
SGD	8,985	*	19,259
AUD	127	*	266
SLRs	44,950	*	1,775
			2,408,145
Unsecured			
<u>Denominated in</u>			
Ringgit Malaysia			306,577
			2,714,722
<u>Debt securities</u>			
Secured			
	<u>Foreign currency amount</u>		RM'000
	<u>USD'000</u>		
Short term portion	3,000		11,400
Long term portion	32,000		121,600

The repayment terms of the debt securities of USD35 million are as follows:

- i) The repayment for USD3 million will be made by 10 January 2003; and
- ii) The repayment for USD32 million will be made by 31 December 2003.

The Board of Directors are of the opinion that the Group has the ability to meet its short term obligations including those relating to the Company's existing 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009.

* Converted at the respective exchange rate prevailing as at 31 October 2002.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2002
ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

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 to the date of this announcement.

B12 No dividend is declared for the current period under review (2001: nil).

B13 The loss per share is calculated by dividing loss after taxation and minority interests by the weighted average number of ordinary shares in issue as follows:

	3 months ended		6 months ended	
	31-10-2002	31-10-2001	31-10-2002	31-10-2001
Net loss for the period (RM'000)	(47,801)	(96,437)	(110,874)	(187,993)
Weighted average number of ordinary shares in issue ('000)	1,498,171	1,498,171	1,498,171	1,498,171
Basic loss per share (sen)	<u>(3.19)</u>	<u>(6.44)</u>	<u>(7.40)</u>	<u>(12.55)</u>

No diluted loss per share is presented for the quarter and six months ended 31 October 2002 as the effect on the basic loss per share is anti-dilutive.

c.c. Securities Commission