

Berjaya Group Berhad
Company No: 7308-X

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2003**

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BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2003
CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		9 months ended	
	31-01-2003 RM'000	31-01-2002 RM'000	31-01-2003 RM'000	31-01-2002 RM'000
REVENUE	1,605,059	1,947,881	5,552,627	6,211,369
PROFIT FROM OPERATIONS	57,360	135,422	369,645	457,044
Non-operating (expenses)/income	(9,685)	(67,075)	10,882	(138,099)
Finance costs	(122,161)	(95,621)	(329,564)	(301,309)
Share of results in associates	39,394	(6,042)	61,369	(12,728)
(LOSS) / PROFIT BEFORE TAXATION	(35,092)	(33,316)	112,332	4,908
TAXATION	(33,076)	(40,679)	(172,706)	(160,874)
LOSS AFTER TAXATION	(68,168)	(73,995)	(60,374)	(155,966)
Minority interests	(17,985)	(17,462)	(136,653)	(123,484)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(86,153)	(91,457)	(197,027)	(279,450)
LOSS PER SHARE (SEN)				
-Basic	(5.75)	(6.10)	(13.15)	(18.65)
-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 JANUARY 2003
CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31-01-2003 RM'000	Group As at 30-4-2002 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,640,086	2,760,040
Other investments	648,531	364,549
Investment properties	548,409	565,895
Land held for development	1,050,479	1,066,660
Investment in associated companies	1,331,734	250,215
Other long term assets	1,430	401
Intangible assets	1,629,310	2,442,240
	<u>7,849,979</u>	<u>7,450,000</u>
Current Assets		
Development properties	647,203	726,545
Inventories	777,315	735,196
Trade and other receivables	1,752,885	1,733,519
Tax recoverable	165,837	196,739
Deposits with financial institutions	254,803	351,437
Cash and bank balances	228,871	248,571
	<u>3,826,914</u>	<u>3,992,007</u>
Current Liabilities		
Trade and other payables	1,476,319	1,974,374
Provisions	179,118	157,887
Short term borrowings	1,482,298	1,699,465
Taxation	110,407	115,268
	<u>3,248,142</u>	<u>3,946,994</u>
NET CURRENT ASSETS		
	<u>578,772</u>	<u>45,013</u>
	<u>8,428,751</u>	<u>7,495,013</u>
FINANCED BY		
Share Capital	1,498,171	1,498,171
Reserves	(831,997)	(633,457)
Shareholders' funds before premium on BLB ICULS 1999/2009 purchased	666,174	864,714
Premium on BLB ICULS 1999/2009 purchased	(40,879)	-
Shareholders' funds after premium on BLB ICULS 1999/2009 purchased	625,295	864,714
Irredeemable convertible unsecured loan stocks	1,066,090	1,326,913
Minority interests	2,364,807	2,470,839
Capital funds	4,056,192	4,662,466
LONG TERM LIABILITIES		
Long term borrowings	2,838,857	2,407,128
Other long term liabilities	1,365,206	269,594
Deferred taxation	92,336	104,707
Insurance reserves	76,160	51,118
	<u>4,372,559</u>	<u>2,832,547</u>
	<u>8,428,751</u>	<u>7,495,013</u>
Net tangible assets ("NTA") per share (sen)	(67.02)	(105.30)
Fully adjusted NTA after minority interests (sen)	11.79	8.93
Net assets per share (sen)	41.74	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 JANUARY 2003
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Non-distributable Share Premium</u>	<u>Other Reserves</u>	<u>Distributable Accumulated Losses and Other Reserves</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	-	-	(929)	929	-
Currency translation differences	-	-	80,887	-	80,887
Reserve on acquisition on subsidiaries	-	-	12,398	-	12,398
Net loss for the nine month period	-	-	-	(197,027)	(197,027)
Premium on BLB ICULS 1999/2009 purchased	-	-	-	(40,879)	(40,879)
Loss arising from dilution of equity interest in subsidiary company	-	-	-	(94,699)	(94,699)
Under provision of dividends	-	-	-	(99)	(99)
At 31 January 2003	<u>1,498,171</u>	<u>734,356</u>	<u>246,847</u>	<u>(1,854,079)</u>	<u>625,295</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.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2003
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended 31-01-2003 RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from operations	5,701,460
Payments for operating expenses (including taxes)	(5,391,044)
Net cash generated from operating activities	<u>310,416</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Sales of investments in subsidiary companies	59,754
Net cash outflow following the dilution of equity interest in a subsidiary company	(212,882)
Acquisition of investments in subsidiary companies (net of cash acquired)	(23,048)
Receipts from other investments (include sales of property, plant & equipment)	399,093
Payment for other investments (include purchase of property, plant & equipment)	(494,377)
Repayment of advances to an associated company	(75,108)
Net cash used in investing activities	<u>(346,568)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Issuance of share capital to minority shareholders of subsidiary companies	12,372
Dividends paid to minority shareholders of subsidiary companies	(1,733)
Interest paid	(156,313)
Bank and other borrowings	73,378
Net cash used in financing activities	<u>(72,296)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(108,448)</u>
CASH AND CASH EQUIVALENTS AT 01 MAY 2002	254,872
Effect of exchange rate changes	(1,634)
CASH AND CASH EQUIVALENTS AT 31 JANUARY 2003	<u><u>144,790</u></u>
	RM'000
Cash and cash equivalents carried forward comprise:	
Deposits with financial institutions	254,803
Cash and bank balances	228,871
Bank overdraft	(315,359)
	<u>168,315</u>
Less :	
Remisiers' deposit held in trust	(13,110)
Clients' money held in trust	(10,415)
	<u><u>144,790</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.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2003
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 industrial products and lumber trading operations overseas are traditionally affected by the winter and festivity period in the third quarter of the financial year.
- f. the gaming 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 and those listed below:

	Financial period ended <u>31/01/03</u> RM '000
Gain on disposal of quoted securities	110,555
Gain on disposal of properties	2,184
Writeback of provision of amount due from an associate	1,230
Writedown in value of other investments	(7,894)
Impairment in value of properties	(54,507)
Writedown of goodwill	(35,235)
Cessation of Dunham-Bush (Malaysia) Bhd's Air Handling Units manufacturing facilities in Mexico	(11,578)
Pension cost of a US subsidiary company	<u>(8,856)</u>
	<u>(4,101)</u>

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 2003.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2003
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 9 months ended 31 January 2003:-

REVENUE

	<u>External</u> RM'000	<u>Inter- segment</u> RM'000	<u>Total</u> RM'000
Financial services	184,498	2,013	186,511
Manufacturing	476,082	478	476,560
Property investment and development	274,291	2,746	277,037
Hotel, resort and recreation	212,353	855	213,208
Restaurants	428,584	-	428,584
Toto betting and related activities	804,193	-	804,193
Marketing of consumer products and services	3,107,386	13,724	3,121,110
Others	65,240	1,151	66,391
Elimination: Inter-segment Revenue	-	(20,967)	(20,967)
Total revenue	<u>5,552,627</u>	<u>-</u>	<u>5,552,627</u>

RESULTS

	Total RM'000
Financial services	(13,499)
Manufacturing	37,028
Property investment and development	85,513
Hotel, resort and recreation	33,411
Restaurants	(9,976)
Toto betting and related activities	124,593
Marketing of consumer products and services	126,856
Others	<u>12,377</u>
	396,303
Unallocated corporate expenses	<u>(26,658)</u>
Profit from operation	369,645
Interest income	21,588
Interest expense	(329,564)
Other non operating expense	(10,706)
Share of net profits of associates	<u>61,369</u>
Profit before taxation	112,332
Taxation	<u>(172,706)</u>
Net profit after taxation	<u>(60,374)</u>

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

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

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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, then 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 27 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 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. For the current quarter ended 31 January 2003, the issued and paid up share capital of BToto was further increased due to the conversion of an additional RM 35.677 million nominal value of BToto ICULS. Following the dilutions, BToto became a 41.1% associated company of the Group as at 31 January 2003.
- 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. Both of these companies commenced business during the quarter under review.

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NOTES TO THE INTERIM FINANCIAL REPORT

A10 CONT'D

- i) On 1 April 2002, Taiga Forest Products Limited ("TFP"), a 59% owned subsidiary company of the Group acquired an additional 50% of the paid-up share capital of Envirofor Preserves (Alta) Ltd ("EPA"), a company incorporated in Canada, converting EPA to a 100% owned subsidiary company from a 50% owned associated company.

- j) On 10 October 2002, TFP incorporated Taiga Forest Products Inc ("TFP Inc"), in the USA. On 18 November 2002, TFP Inc acquired a major building products distribution center from Louisiana-Pacific Corporation.

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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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1 For the quarter ended 31 January 2003, the Group registered a consolidated revenue of RM1.6 billion and pre-tax loss of RM35.1 million as compared to RM1.9 billion and RM33.3 million in the preceding year corresponding quarter respectively. For the nine months period under review, the Group recorded a consolidated revenue of RM5.6 billion and pre-tax profit of RM112.3 million as compared to RM6.2 billion and RM4.9 million in the previous year corresponding period respectively.

The lower revenue for both the third quarter and the nine months period ended 31 January 2003 was mainly attributed to the deconsolidation of BToto as a subsidiary company since the second quarter due to the dilution of the Group's equity interest in BToto as explained in Note A10 (f). The Group did not consolidate BToto's results for the quarter and only consolidated 4 months of BToto's results for the nine months period ended 31 January 2003.

The Board is pleased to note that the decrease in revenue resulting from BToto's deconsolidation is mitigated by the increased revenue from the lumber trading business in North America and higher sales recorded by the motor vehicles trading business.

The pre-tax loss for the third quarter was mainly attributed to those negative items mentioned in Note A4 above. The higher pre-tax profit for the nine months period ended 31 January 2003 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 October 2002, the Group incurred a pre-tax loss of approximately RM35.1 million while revenue decreased to RM1.6 billion from RM1.8 billion. With the deconsolidation of BToto as a subsidiary company in the previous quarter due to the dilution of the Group's equity interest as explained in Note A10 (f), the Group equity accounted BToto's results for the full 3 months' duration of this current quarter under review. This accounts for the reduction in Group revenue. The pre-tax loss for the third quarter was mainly attributed to those negative items mentioned in Note A4 above, the lower occupancy rates registered by the Group's beach resorts located on the East Coast of Peninsular Malaysia due to the seasonal onset of the monsoon season and lower sales and progress billings from the properties division.

B3 As there is still much uncertainties surrounding the global economy and geo-political scenarios and that the Group's proposed restructuring plan has not yet been implemented, the Directors anticipate that the operating performance of the Group for the remaining quarter ending 30 April 2003 may be less favourable than the current period ended 31 January 2003.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2003.

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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 January 2003 is detailed as follows:

	Current <u>Quarter</u> RM'000	Financial <u>Year to date</u> RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	34,949	166,457
- Outside Malaysia	2,178	17,898
Deferred tax	(4,088)	(13,544)
Under - provision in prior years	37	1,895
	<u>33,076</u>	<u>172,706</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 January 2003, 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) Gain/(loss) on disposal of properties is as follows:

	Current <u>Quarter</u> RM'000	Financial <u>Year to date</u> RM'000
Gain on disposal of properties	317	15,800
Loss on disposal of property	<u>(101)</u>	<u>(101)</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:

	Current <u>Quarter</u> RM'000	Financial <u>Year to date</u> RM'000
Cost of purchase	<u>2,498</u>	<u>21,333</u>

(b) Investments in quoted securities : -

	At end of <u>current quarter</u> RM'000
(i) at cost;	<u>142,289</u>
(ii) at carrying value/book value;	<u>67,855</u>
(iii) at market value.	<u>38,094</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)(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.
- c) With regards to Note 41(B)(8), the Company announced on 31 December 2002 that Transwater Corporation Berhad ("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.
- d) With regards to Note 41(B)(5), BLand announced on 17 January 2003 and 28 January 2003 that Immediate Capital Sdn Bhd ("ICSB") will acquire an additional RM37.728 million and RM3 million nominal amount of BLB ICULS respectively. As a result of the additional purchases, the quantum of BLB ICULS to be offered for sale by ICSB will increase from RM212.735 million to RM253.464 million whereas the financial institutions will offer RM544.747 million pursuant to the proposed offer for sale.
- e) With regards to Note 41(B)(6), Berjaya Land Berhad ("BLand") announced on 10 January 2003 that due to the complexity of its proposed restructuring exercise, its application to the SC will be made within six months from 10 January 2003.

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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B8 CONT'D

- f) With regards to Note 41(A)(6), on 23 January 2002 BLand gave BToto a written undertaking relating to the settlement arrangement for the inter-company advances. On 27 January 2003 and 29 January 2003, BLand announced that its wholly owned subsidiary company, Gateway Benefit Sdn Bhd ("GBSB") has disposed of an aggregate of RM40.226 million BToto ICULS at an average price of RM3.03 per BToto ICULS. The entire net proceeds were applied towards part repayment of the outstanding inter-company balances owing to BToto. As at 31 January 2003, the balance due to BToto from the Group was RM1,087.8 million after deducting the cash repayment of RM75 million by the Group from the disposal of RM25.0 million ICULS on 27 January 2003. Further net proceeds from the disposal of RM15.226 million ICULS on 29 January 2003 received in the fourth quarter has also been applied towards part repayment of the inter-company balances due to BToto by the Group.

On 24 September 2002, BToto announced that an application has been submitted to the SC for a further 6 months extension of time for BLand to fulfil the SC's condition that BLand will ensure at least 50% of the BToto ICULS beneficially owned by the BLand group will be redeemed from the relevant lenders of the Group within 60 days after the listing of and quotation for the BToto ICULS on the KLSE ("the Undertaking").

On 13 March 2003, BToto announced that the SC has, vide its letter dated 8 March 2003 informed that it was unable to consider the request of a further extension of time for BLand to fulfill the Undertaking, in view that the Undertaking given was irrevocable and unconditional.

Notwithstanding the above, BToto has on 19 February 2003 announced that BLand has fulfilled the Undertaking. To date, the BLand group would have had a total of RM200.278 million nominal value of BToto ICULS free from encumbrances, had it not disposed of some of the BToto ICULS.

Accordingly, as of to date, after the placement of RM40.226 million BToto ICULS mentioned above, the BLand group now beneficially owns RM160.052 million nominal value of BToto ICULS which are free from encumbrances pursuant to the Undertaking.

The status of the corporate proposal announced subsequent to the audited financial statements of the Group for the financial year ended 30 April 2002 is as follows:

On 18 March 2003, the Company announced that Premier Merchandise Sdn Bhd ("PMSB"), the Group's wholly owned subsidiary company, has entered into a share subscription agreement with Intan Utilities Berhad ("IUB"). It is proposed that IUB will subscribe for 99,998 new ordinary shares in PMSB at the par value of RM1.00 each and 90,000,000 new redeemable preference shares of RM0.01 each in PMSB at an issue price of RM1.00 per preference share. The ordinary share capital of PMSB will be enlarged to RM100,000 upon completion of this subscription.

PMSB is an investment holding company and its wholly owned subsidiary company, Convenience Shopping Sdn Bhd ("CSSB"), operates the "7-Eleven" chain of convenience stores. PMSB was acquired by Global Empires Sdn Bhd ("GESB") on 10 March 2003 and PMSB acquired CSSB from GESB on 12 March 2003.

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The Company has provided a profit guarantee of RM31.882 million, which is based on 90% of CSSB's consolidated profit after tax ("ConPAT") of RM35.424 million for the three financial years ending 30 April 2005 to 2007 ("PGPeriod"). In addition to the profit guarantee, the Company has granted PMSB a put option, which is exercisable if the ConPAT for the PGPeriod falls below RM25.4 million, to sell the entire CSSB shares back to the Company or its nominee for a consideration of RM90 million plus holding costs at 7% per annum compounded. The Company has requested for a call option, which is exercisable if the ConPAT for the PGPeriod falls below RM20.9 million and PMSB decides to claim for the shortfall below RM20.9 million under the profit guarantee, to acquire from PMSB the entire CSSB shares for a consideration of RM90 million plus holding costs at 7% per annum compounded.

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B9 Group borrowings and debt securities as at 31 January 2003 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>	
	<u>Ringgit Malaysia</u>	
USD	56,760 *	215,689
GBP	4,041 *	24,357
CAD	112,005 *	278,669
SGD	16,589 *	36,362
JPY	1,117,546 *	35,795
AUD	1,428 *	3,196
		1,264,731
Unsecured		
	<u>Denominated in</u>	
	<u>Ringgit Malaysia</u>	
		217,567
		217,567
		1,482,298
Long term borrowings		
Secured		
	<u>Foreign currency amount</u>	
	<u>'000</u>	
	<u>Denominated in</u>	
	<u>Ringgit Malaysia</u>	
USD	53,359 *	202,763
CAD	13,621 *	33,890
SGD	8,957 *	19,634
AUD	112 *	251
SLRs	44,950 *	1,759
		2,530,899
Unsecured		
	<u>Denominated in</u>	
	<u>Ringgit Malaysia</u>	
		307,958
		2,838,857
Debt securities		
Secured		
	<u>Foreign currency amount</u>	RM'000
	<u>USD'000</u>	
Short term	32,000	121,600

The repayment of the debt securities of USD32 million will be made by 31 December 2003.

The Board of Directors is 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 January 2003.

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- 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 under review (2002: nil).
- B13 The loss per share is calculated by dividing the loss after taxation and minority interests by the weighted average number of ordinary shares in issue as follows:

	3 months ended		9 months ended	
	31-01-2003	31-01-2002	31-01-2003	31-01-2002
Net loss for the period (RM'000)	(86,153)	(91,457)	(197,027)	(279,450)
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>(5.75)</u>	<u>(6.10)</u>	<u>(13.15)</u>	<u>(18.65)</u>

No diluted loss per share is presented for the quarter and nine months ended 31 January 2003 as the effect on the basic loss per share is anti-dilutive.

c.c. Securities Commission