

Berjaya Group Berhad
Company No: 7308-X

Date: 30 December 2003

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

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

	3 months ended		Year to date ended	
	31-10-2003 RM'000	31-10-2002 RM'000	31-10-2003 RM'000	31-10-2002 RM'000
REVENUE	1,910,305	1,823,020	3,695,929	3,947,568
PROFIT FROM OPERATIONS	156,318	166,431	273,338	312,285
Results arising from investing activities*	(47,554)	(17,001)	(77,283)	20,567
Finance costs	(94,577)	(83,330)	(195,789)	(207,403)
Share of results in associates	35,025	26,091	73,555	21,975
PROFIT BEFORE TAXATION	49,212	92,191	73,821	147,424
TAXATION	(53,733)	(78,888)	(104,574)	(139,630)
(LOSS)/PROFIT AFTER TAXATION	(4,521)	13,303	(30,753)	7,794
Minority interests	(57,311)	(61,104)	(95,893)	(118,668)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	<u>(61,832)</u>	<u>(47,801)</u>	<u>(126,646)</u>	<u>(110,874)</u>
LOSS PER SHARE (SEN)				
-Basic	(4.13)	(3.19)	(8.45)	(7.40)
-Diluted	N/A	N/A	N/A	N/A

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

N/A denotes "Not Applicable"

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

BERJAYA GROUP BERHAD

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
CONDENSED CONSOLIDATED BALANCE SHEET**

	Group As at 31-10-2003 RM'000	Group As at 30-04-2003 Restated * RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,477,688	2,538,764
Other investments	634,268	606,491
Investment properties	523,711	544,332
Land held for development	956,982	1,026,223
Investment in associated companies	1,173,538	1,243,919
Investment in subsidiary companies	6,944	6,946
Other long term assets	83	321
Intangible assets	<u>1,500,276</u>	<u>1,530,039</u>
	<u>7,273,490</u>	<u>7,497,035</u>
Current Assets		
Development properties	642,617	637,549
Inventories	524,261	770,136
Trade and other receivables	1,442,931	1,563,582
Tax recoverable	105,300	165,216
Short term investments	4	41
Deposits with financial institutions	304,165	271,791
Cash and bank balances	<u>243,218</u>	<u>215,132</u>
	<u>3,262,496</u>	<u>3,623,447</u>
Current Liabilities		
Trade and other payables	1,318,629	1,287,145
Provisions	200,620	194,462
Short term borrowings	1,148,096	1,754,984
Taxation	<u>103,725</u>	<u>68,272</u>
	<u>2,771,070</u>	<u>3,304,863</u>
	<u>491,426</u>	<u>318,584</u>
	<u>7,764,916</u>	<u>7,815,619</u>
NET CURRENT ASSETS		
	<u>491,426</u>	<u>318,584</u>
	<u>7,764,916</u>	<u>7,815,619</u>
FINANCED BY		
Share Capital	1,498,171	1,498,171
Irredeemable Convertible Unsecured Loan Stocks - Equity component	422,097	422,097
Reserves	<u>(1,402,564)</u>	<u>(1,213,853)</u>
Equity funds	517,704	706,415
Minority interests	<u>2,338,767</u>	<u>2,298,586</u>
Capital funds	2,856,471	3,005,001
LONG TERM LIABILITIES		
Irredeemable Convertible Unsecured Loan Stocks - Liability component	617,006	640,298
Long term borrowings	2,740,671	2,651,091
Other long term liabilities	1,348,182	1,310,344
Deferred taxation	135,217	136,645
Insurance reserves	<u>67,369</u>	<u>72,240</u>
	<u>4,908,445</u>	<u>4,810,618</u>
	<u>7,764,916</u>	<u>7,815,619</u>
Basic net tangible assets ("NTA") per share (sen)	(93.76)	(83.15)
Dilutive net tangible assets ("NTA") per share (sen)	(51.17)	(42.89)
Basic net assets per share (sen)	6.38	18.98
Dilutive net assets per share (sen)	26.96	36.79

The Net tangible assets per share is calculated based on the following :

Basic : Equity funds less goodwill on consolidation, other intangible asset and ICULS - equity component divided by the number of outstanding shares in issue.

Dilutive : Equity funds less goodwill on consolidation and other intangible asset divided by the aggregate number of outstanding shares in issue and the potential conversion to shares of the Company's ICULS in issue.

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

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

Dilutive : Equity funds divided by the aggregate number of outstanding shares in issue and the potential conversion to shares of the Company's ICULS in issue.

* Certain comparative figures have been restated to reflect the change in accounting policy following the adoption of MASB 25 : Income Taxes as explained in Note A1 on page 5.

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	ICULS - Equity component	Non-distributable		Accumulated Losses	Total
			Share Premium	Other Reserves		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2003	1,498,171	422,097	734,356	233,540	(2,162,113)	726,051
Prior year adjustment	-	-	-	(21,940)	2,304	(19,636)
As restated	1,498,171	422,097	734,356	211,600	(2,159,809)	706,415
Loss on dilution of shareholding in an associated company	-	-	-	-	(57,760)	(57,760)
Currency translation differences	-	-	-	6,247	-	6,247
Net loss for the period	-	-	-	-	(126,646)	(126,646)
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	(10,552)	(10,552)
Transfer to accumulated losses	-	-	-	(712)	712	-
At 31 October 2003	1,498,171	422,097	734,356	217,135	(2,354,055)	517,704
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	1,498,171	-	734,356	198,549	(1,709,275)	721,801

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

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

	6 months ended	
	31-10-2003	31-10-2002
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	3,089,234	3,874,636
Payments for operating expenses (including taxes)	(2,735,670)	(3,498,280)
Net cash generated from operating activities	<u>353,564</u>	<u>376,356</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of investments in subsidiary companies	40,369	28,072
Cash outflow following the deconsolidation of a subsidiary company	-	(187,023)
Receipts from other investments (include sales of property, plant & equipment)	102,488	226,746
Payment for other investments (include purchase of property, plant & equipment)	(157,033)	(405,454)
Net cash used in investing activities	<u>(14,176)</u>	<u>(337,659)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to minority shareholders of subsidiary companies	1,312	14,705
Dividends paid to minority shareholders of subsidiary companies	(6,419)	(2,396)
Distribution to holders of irredeemable convertible unsecured loan stocks	(10,552)	-
Interest paid	(157,926)	(161,083)
Drawdown of bank and other borrowings	62,046	229,256
Repayment of bank and other borrowings	(158,749)	(231,031)
Net cash used in financing activities	<u>(270,288)</u>	<u>(150,549)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>69,100</u>	<u>(111,852)</u>
OPENING CASH AND CASH EQUIVALENTS	143,229	254,872
Effect of exchange rate changes	4,694	(1,393)
CLOSING CASH AND CASH EQUIVALENTS	<u>217,023</u>	<u>141,627</u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	304,165	289,086
Cash and bank balances	243,218	185,750
Bank overdraft (included under short term borrowings)	(306,778)	(311,892)
	<u>240,605</u>	<u>162,944</u>
Less :		
Remisiers' deposit held in trust	(12,050)	(9,402)
Clients' money held in trust	(11,532)	(11,915)
	<u>217,023</u>	<u>141,627</u>

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

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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 2003.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2003 have been applied in the preparation of the quarterly financial statements except for the adoption of Malaysian Accounting Standards No. 25: Income Taxes ("MASB 25") which has resulted in a change in accounting policy. The change in accounting policy is applied retrospectively and comparatives have been restated accordingly. The effects of the change in accounting policy are as follows:

<u>Balance sheet items</u>	30-04-2003 As previously reported	30-04-2003 As restated
Intangible assets	1,519,792	1,530,039
Reserves	(1,194,217)	(1,213,853)
Deferred taxation	89,628	136,645
Minority interests	2,315,719	2,298,586

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

A3 The following business operations of the Group are affected by seasonal or cyclical factors:

- a. the consumer durables segment are affected by major festive seasons and sales campaign in certain period of the financial year.
- b. the property development segment is affected by the prevailing cyclical economic conditions.
- c. the stockbroking business may be influenced by the performance of the stock market.
- d. the local beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season in the third quarter of the financial year.
- e. the industrial products for overseas markets 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 The following are the unusual items that occurred during the current quarter and financial period under review:

	Quarter ended <u>31/10/03</u> RM '000	6 month period ended <u>31/10/03</u> RM '000
Gain on disposal of properties	-	564
Loss on partial disposal of subsidiaries	(52,214)	(80,533)
Loss on partial disposal of quoted shares in an associated company	-	(4,636)
Loss on disposal of quoted securities	(1,069)	(4,929)
	<u>(53,283)</u>	<u>(89,534)</u>

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
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 October 2003.

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

A7 Segment information for the 6 months ended 31 October 2003:-

<u>REVENUE</u>	<u>External</u> RM'000	<u>Inter- segment</u> RM'000	<u>Total</u> RM'000
Financial services	114,200	713	114,913
Manufacturing	230,071	379	230,450
Property investment and development	154,337	2,621	156,958
Hotel, resort and recreation	154,024	570	154,594
Restaurants	293,962	-	293,962
Gaming	84,417	-	84,417
Marketing of consumer products and services	2,644,930	10,568	2,655,498
Others	19,988	-	19,988
Elimination: Inter-segment Revenue	-	(14,851)	(14,851)
Total revenue	<u>3,695,929</u>	<u>-</u>	<u>3,695,929</u>

<u>RESULTS</u>	Total RM'000
Financial services	23,023
Manufacturing	19,039
Property investment and development	38,163
Hotel, resort and recreation	26,297
Restaurants	(3,287)
Gaming	7,190
Marketing of consumer products and services	161,605
Others	<u>12,259</u>
	284,289
Unallocated corporate expenses	<u>(10,951)</u>
Profit from operations	273,338
Results arising from investing activities	
- Interest income	<u>13,275</u>
- Others	<u>(90,558)</u>
	(77,283)
Finance costs	(195,789)
Share of net profits of associates	<u>73,555</u>
Profit before taxation	73,821
Taxation	<u>(104,574)</u>
Net loss after taxation	<u>(30,753)</u>

A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report with the exception of certain land and buildings deconsolidated due to the changes in the composition of the Group as disclosed in Note A10 below.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
NOTES TO THE INTERIM FINANCIAL REPORT

- A9 Save as disclosed in the audited financial statements of the Company, there were no significant events since the end of this current quarter up to the date of this announcement.
- A10 There were no changes in the composition of the Group for the current quarter 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 14 July 2003, the Company announced that Carlovers, a 96.86% subsidiary company of the Group, together with its subsidiary companies namely Carlovers Carwash (Aust) Pty Limited, The Carwash Kings Pty Limited and Carlovers (Maroochydore) Pty Limited ("Carlovers Group") have entered into Voluntary Administration pursuant to Section 436A of the Corporations Act 2001 of Australia. Carlovers Group have appointed Stuart Ariff as the Voluntary Administrator ("VA").

The object of voluntary administration is to provide for a procedure for the reorganisation of companies that are insolvent. The appointment of the VA is a preferred option to minimise any potential liability for the Company and Carlovers and to put the Carlovers Group back on a stronger footing.

- b) On 26 June 2003, Unza Holdings Berhad through its wholly owned subsidiary company, Unza Company Pte Ltd incorporated Unza (Thailand) Ltd in Thailand. Its principal activity is trading of personal care and household products in Thailand.
- c) The dilution of the Group's equity interest in Berjaya Sports Toto Berhad ("BToto") from 37.44% as at 30 April 2003 to 33.99% as at 31 October 2003.
- d) On 10 September 2003, Berjaya Forest Products (Cayman) Limited ("B-Forest") completed the disposal of 1,400,000 common shares representing approximately 17.95% of the issued and paid up share capital of Taiga Forest Products Ltd ("TFPL") for a consideration of CAD8 per share amounting to CAD11.2 million or approximately RM31.11 million to 3Cs Investment Limited ("3Cs"), a Cayman Islands corporation.

As an integral part of the disposal, B-Forest granted an option ("TFPL Option") to 3Cs to acquire a further 388,000 common shares representing 4.98% of the issued and paid up capital of TFPL at the same consideration of CAD8 per share. The TFPL Option is valid for a period of 6 months from the date of the sale and purchase agreement dated 8 September 2003.

TFPL was previously a 58.56% subsidiary company of B-Forest. With the completion of the disposal, the Group's equity interest was reduced from 58.56 to 40.61%, thus resulting in TFPL being an associated company of the Group. If the TFPL Option is exercised then the Group's equity interest will be further reduced to 35.63%.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
NOTES TO THE INTERIM FINANCIAL REPORT

A10 (continued)

- e) On 30 May 2003, the Company announced that it had entered into a share sale cum subscription agreement ("SSSA") with Foowood International Sdn Bhd ("Foowood") for the proposed disposal of 4,468,248 ordinary shares of RM1.00 each representing 41.82% of the issued and paid-up capital in Finewood Forest Products Sdn Bhd ("FFP"), a wholly owned subsidiary company of the Company, for a cash consideration of RM500,000. As part of the proposal, Foowood will subsequently subscribe for 2 million new ordinary shares of RM1.00 each representing 15.76% of the enlarged share capital in FFP. As a consequence of the proposed subscription by Foowood, the Company's interest in FFP will be diluted to 49%.

On 19 September 2003, the Company announced that the Company entered into a supplemental agreement to vary some of the principal terms of the SSSA as follows:

- i) The Company will now dispose of 2,504,852 ordinary shares representing 23.45% of the issued and paid-up capital of FFP.
- ii) Foowood will now subscribe for 1,000,000 shares in FFP.

On 23 September 2003, these variations were completed and the Company's equity interest in FFP was reduced from 100% to 70%.

- f) On 30 September 2003, Securexpress Services Sdn Bhd ("Securexpress"), a subsidiary company of the Group had subscribed for 5,099 new ordinary shares of RM1.00 each representing 51% of the enlarged issued and paid-up share capital of Securexpress (Sabah) Sdn Bhd ("SSSB") for a cash consideration of RM5,099 or at par.

SSSB was incorporated on 5 August 2003 and it will undertake the courier and transport business in East Malaysia, involving the inbound and outbound pickup and delivery services.

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.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
ADDITIONAL INFORMATION REQUIRED BY THE KLSE LISTING REQUIREMENTS

B1 For the quarter ended 31 October 2003, the Group registered a revenue of RM1.9 billion and pre-tax profit of RM49.2 million as compared to RM1.8 billion and RM92.2 million in the preceding year corresponding quarter respectively.

The slight increase in revenue was mainly due to higher vehicle sales registered from the automotive distribution business and strong consistent demand for building materials in Canada and the US for the building material retail business, that boosted the sales revenue of Taiga Forest Products Ltd ("Taiga"); despite only consolidating approximately two and a half months of Taiga's results (please refer A10(d)) in this quarter under review. However, the pre-tax profit was lower than the preceding year corresponding quarter mainly due to losses incurred arising from partial disposals of quoted shares in subsidiary companies and also the full effect of deconsolidation of BToto following the dilution of the Group's equity interest in BToto to that of an associated company effective 1 September 2002.

As for the 6-month period ended 31 October 2003, the Group reported a revenue of RM3.7 billion and a pre-tax profit of RM73.8 million as compared to RM3.9 billion and RM147.4 million in the same period last year. The decrease in revenue was mainly due to the full effect of deconsolidation of BToto as mentioned above. The lower pre-tax profit was mainly due to losses incurred arising from partial disposals of shares in subsidiary companies during the current period under review. In addition, in the previous year's corresponding period, the Group realised some exceptional gains on disposals of investments (namely BHLB Pacific Trust Management Berhad and BHLB Asset Management Sdn Bhd) and a major piece of property in Batu Pahat, Johor.

B2 As compared to the preceding quarter ended 31 July 2003, the Group's revenue increased to approximately RM1.9 billion from RM1.8 billion while the Group achieved a pre-tax profit of approximately RM49.2 million as compared to RM24.6 million in the previous quarter. The increase in Group revenue and pre-tax profit were mainly due to:

- (a) strong consistent demand for building materials in North America that boosted the sales revenue of Taiga;
- (b) higher room sales and pre-tax profit reported by the hotels, resort and recreation division from the Group's local and overseas resorts;
- (c) higher sales of residential properties recorded by the property development division;
- (d) higher sales coupled with lower prize payout ratio of the gaming business in Sarawak operated by Natural Avenue Sdn Bhd; and
- (e) higher sales of motor vehicle recorded by the automotive distribution business.

B3 Given the prevailing economic conditions and barring unforeseen circumstances, the Directors anticipate that the operating performance of the Group's core businesses in the remaining quarters for the financial year ending 30 April 2004 will be satisfactory.

The proposal of the Company's restructuring exercise has been submitted to the Securities Commission ("SC") for consideration and the Directors are confident that the approval from the SC would be forthcoming. The Company's restructuring exercise is anticipated to be completed in the second quarter of calendar year 2004.

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
ADDITIONAL INFORMATION REQUIRED BY THE KLSE LISTING REQUIREMENTS

B5 The taxation charge for the quarter and financial period ended 31 October 2003 is detailed as follows:

	<u>Current Quarter</u> RM'000	<u>Financial Year to date</u> RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	43,960	90,865
- Outside Malaysia	9,882	14,861
Deferred tax	27	(1,182)
(Under)/over - provision in prior years	<u>(136)</u>	<u>30</u>
	<u><u>53,733</u></u>	<u><u>104,574</u></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 For the period ended 31 October 2003, there are no gains on disposal of unquoted investments. The gain on disposal of properties are disclosed in Note A4.

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
Total sale proceeds of quoted investment	<u>15,693</u>	<u>25,732</u>
Total gain on disposals of quoted investment	<u>12,842</u>	<u>12,893</u>
Total loss on disposals of quoted investment	<u>-</u>	<u>(4,983)</u>

(b) Investments in quoted securities : -

	<u>At end of current quarter</u> RM'000
(i) at cost;	<u>99,907</u>
(ii) at carrying value/book value;	<u>49,249</u>
(iii) at market value.	<u>65,326</u>

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 2003 except for the following:-

a) With regard to Note 41(B)(2), on 30 October 2003, the Company completed the disposal of Sun Media Corporation Sdn Bhd ("SMCSB") comprising 21,485,310 ordinary shares of RM1.00 each, representing 19.53% equity interest in SMCSB, to Nexnews Berhad ("Nexnews") for a sale consideration of RM7,812,000 satisfied by the issuance of RM7,812,000 new Irredeemable Convertible Preference Shares ("ICPS") in Nexnews at an issue price of RM1.00 per ICPS. The Company's rights to allotment of the ICPS was disposed on even date to Net Edge Online Sdn Bhd for a consideration of RM7,812,000.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2003
ADDITIONAL INFORMATION REQUIRED BY THE KLSE LISTING REQUIREMENTS

B8 (continued)

- a) On even date, the Company's subsidiary companies, namely Inter-Pacific Trading Sdn Bhd, Regnis Industries (M) Sdn Bhd and Prime Credit Leasing Sdn Bhd (collectively "DS-SubCos") completed debt settlement agreements ("DSAs") with SMCSB and 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 utilise the proceeds from the cash settlement to subscribe for new ICPS in Nexnews. The DS-SubCos will then participate in a proposed offer for sale of the ICPS to the minority shareholders of Nexnews and bumiputra investors at an indicative offer price of RM1.00. The proposed offer for sale is pending completion.
- b) With regard to Note 40(A)(20), on 11 November 2003, trading in the Hyundai-Berjaya Corporation Berhad ("HBCB") 13,000,000 existing shares have resumed and HBCB additional 100,000,000 new ordinary shares of RM1.00 each issued pursuant to the acquisition and mandatory offer of Hyundai-Berjaya Sdn Bhd have been granted listing and quotation on the KLSE.

The acceptance and payment of the Rights Issue of Shares with Warrants has been successfully closed with over subscription on 16 December 2003 and now pending allotment, issue, listing and quotation on the KLSE.

The Proposed Transfer of Listing Status to the Main Board of KLSE is currently pending implementation.

The status of the corporate proposals announced subsequent to the audited financial statements of the Group for the financial year ended 30 April 2003 are as follows:

- a) On 21 November 2003, Matrix International Berhad ("Matrix"), announced that it has received letters of offer from the shareholders of Berjaya Times Square Sdn Bhd ("BTSSB") namely, YBhg. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), and other shareholders of BTSSB offering to sell their entire equity interest totaling 100% in BTSSB comprising 320.614 million ordinary shares of RM1.00 each for a total purchase consideration of RM993.902 million to be satisfied by the issuance of 709.93 million new ordinary shares of RM1.00 each in Matrix at an issue price of RM1.40 per Matrix share ("Proposed Acquisition").

As an integral part of the Offer, Matrix will settle on behalf of BTSSB the claims which arose from the liquidated ascertained damages ("LAD") due to the late delivery of vacant possession of their units in Berjaya Times Square ("BTS") ("Proposed Debt Settlement") amounting to RM266.661 million by the issuance of 190.472 million new ordinary shares of RM1.00 each in Matrix at an issue price of RM1.40 per Matrix share to the property purchasers of BTS. ("LAD creditors")

The proposed BTSSB Acquisition and the Proposed Debts Settlement shall be collectively known as the "Proposals".

Following the completion of the proposals, the direct shareholdings of TSVT and the parties acting in concert (excluding B-Land) with him in Matrix will increase from 1.7% to approximately 59%. Accordingly, TSVT will undertake to extend a mandatory general offer ("MO") for the remaining Matrix shares which are not already held by him upon the completion of the Proposed Acquisition at the same price as the issue price of the new Matrix shares. The remaining Matrix shares also include those held by B-Land.

The completion of the Proposals will result in an increase of 900.402 million in Matrix's issued and paid up share capital. This will cause a dilution in the equity interest of B-Land in Matrix. Currently, B-Land has an equity interest of about 51.99% and it will be diluted to about 10.85%.

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B8 (continued)

- a) Therefore, upon the completion of the Proposals, Matrix will cease to become a subsidiary company of BLand and as such, BLand will not be able to consolidate the future earnings of Matrix.
- b) On 14 August 2003, BLand announced that its Board of directors is considering a placement of up to 200 million Berjaya Sports Toto Berhad ("BToto") shares with the primary objective of raising cash to pay down the inter-company advances owing to BToto. However, details of the proposed placement and repayment will be announced in due course.

On 21 November 2003, BLand announced that Securities Commission via its letter dated 19 November 2003, approved the proposed exemption to BLand and Parties Deemed Acting in Concert with ("PAC") from the obligation to undertake a mandatory offer for all the remaining ordinary shares of RM1.00 each in BToto and 8% BToto ICULS not already owned by them upon the conversion of the BToto ICULS subject to the following conditions:

- i) the BToto ICULS, which have not been converted and were obtained via excess applications pursuant to the renounceable rights issue by BToto of up to RM751,348,605 BToto ICULS at 100% of its nominal amount on the basis of RM27 nominal amount of BToto ICULS for every 20 BToto shares held which was completed on 27 August 2002 ("Rights Issue") and from purchases of BToto ICULS, will be required to be disposed to non-related parties, prior to the proposed conversion of the BToto ICULS; and
 - ii) the total amount of BToto ICULS which were obtained via excess applications pursuant to the Rights Issue and from purchases of BToto ICULS and which have been subsequently converted, should be excluded from the total BToto ICULS which were obtained from subscriptions to the Rights Issue for the purposes of the said exemption after the disposal of the BToto ICULS as stated in (i) above is undertaken.
- c) On 8 December 2003, Transwater Technologies Sdn. Bhd. ("TTSB"), a wholly owned subsidiary company of HCB group had subscribed an additional 400,000 ordinary shares of RM1.00 each in Transwater Cooling Towers Sdn. Bhd. ("TWTCT"), thereby increasing its interest in TWTCT from 95.5% to 96.79%.

On 8 December 2003, TTSB, a wholly owned subsidiary company of Hyundai-Berjaya Corporation Berhad and TWTCT have entered into an agreement with Truwater Sdn. Bhd., Mr. Tan Ee Peng and Mr. Chew Kok Siang (Guarantor) for the disposal by TTSB of its entire 96.79% equity interest in TWTCT comprising 1,355,000 ordinary shares of RM1.00 each for a total cash consideration of RM90,436 or about RM0.07 per share.

- d) On 12 December 2003, Dunham-Bush (Malaysia) Bhd ("DBM") announced that the company is proposing a private placement of 9,036,000 new ordinary shares of RM1.00 each representing about 10% of the issued and paid-up share capital of DBM.
- e) On 23 December 2003, the Company announced that Inter-Pacific Trading Sdn Bhd, a 70% owned subsidiary company, entered into a share sale agreement for the disposal of its entire shareholdings of 140,000 ordinary shares of RM1.00 representing 70% equity interest in Pacific Horseland Sdn Bhd ("PHSB") to Suet Jin Yeow for a cash consideration of RM522,200 or approximately RM3.75 per share.

Suet Jin Yeow is the shareholder of the remaining 30% in PHSB.

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B9 Group borrowings and debt securities as at 31 October 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>		
Ringgit Malaysia		618,710
USD	37,408 *	142,150
GBP	3,923 *	25,346
SGD	14,213 *	31,084
JPY	534,554 *	18,688
AUD	1,586 *	4,241
		840,219
Unsecured		
	<u>Foreign currency amount</u>	
	<u>'000</u>	
<u>Denominated in</u>		
Ringgit Malaysia		303,810
JPY	129,000 *	4,067
		307,877
		1,148,096
Long term borrowings		
Secured		
	<u>Foreign currency amount</u>	
	<u>'000</u>	
<u>Denominated in</u>		
Ringgit Malaysia		2,230,720
USD	47,846 *	181,815
SGD	7,113 *	15,556
AUD	96 *	258
SLRs	42,867 *	1,724
		2,430,073
Unsecured		
	<u>Foreign currency amount</u>	
	<u>'000</u>	
<u>Denominated in</u>		
Ringgit Malaysia		310,598
		310,598
		2,740,671
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 in the following manner:

- a) USD 5 million by 12 January 2004.
- b) the balance of USD 27 million by September 2004.

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 October 2003.

B10 There is no off balance sheet financial instruments as at the date of this announcement.

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B11 There is no pending material litigation since the last annual balance sheet date up to the date of this announcement except for the following:-

- a) Hyundai-Berjaya Corporation Berhad (formerly known as Transwater Corporation Berhad) ("HBCB") commenced a winding up petition against Idris Hydraulic (Malaysia) Bhd ("IHB") on 29 January 1999 for the recovery of RM40,641,000 in relation to the assignment and novation of rights to acquire 11,408,000 shares in Prime Utilities Berhad for a total cash consideration of RM42,780,000. The winding up petition was struck off by the High Court on 24 March 2000. HBCB has filed a notice of appeal to the Court of Appeal on 20 April 2000 via Court of Appeal Civil Appeal No. W-02-269-2000 ("the Appeal") against the striking out order by the High Court. The hearing date for the Appeal has yet to be fixed. On 26 March 2002, HBCB, IHB and Idaman Unggul Sdn Bhd ("Idaman") entered into a Debt Settlement Agreement ("DSA") to settle the above claim which requires, inter alia, HBCB not to pursue its legal rights for the duration of the DSA subject to all approvals being obtained by 30 June 2002. Subsequently on 26 June 2003, a supplemental DSA was executed to extend the deadline to 30 September 2003.

HBCB shareholders' approval on the DSA was obtained at an Extraordinary General Meeting held on 26 September 2003. The final agreed settlement sum is RM18,086,000 and it will be satisfied by a cash payment of RM3,113,000 and the balance by the issuance of 14,973,000 zero coupon irredeemable convertible unsecured loan stocks-A ("ICULS-A") of Idaman, a company which would assume over the listing status of IHB upon completion of IHB's proposed restructuring exercise. Under the terms of the settlement, Idaman will issue a further 748,650 Idaman shares to HBCB as a settlement of the ICULS-A's yield of 5% for the entire 3-year tenure of the said security. On 26 September 2003, HBCB announced that a mutual agreement has been reached between HBCB and IHB to extend the cut-off date to fulfil the conditions precedent of the DSA from 30 September 2003 to 31 October 2003.

On 20 November 2003, IHB had fully settled with HBCB all its debts and obligations pursuant to the debt settlement agreement. HBCB has proceeded to withdraw and discontinue all its legal actions pending before the Court.

B12 No dividend is declared for the current period under review (31 October 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		Financial Year-to-date	
	31-10-2003	31-10-2002	31-10-2003	31-10-2002
Net loss for the period (RM'000)	(61,832)	(47,801)	(126,646)	(110,874)
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>(4.13)</u>	<u>(3.19)</u>	<u>(8.45)</u>	<u>(7.40)</u>

No diluted loss per share is presented for the period ended 31 October 2003 as the effect on the basic loss per share is anti-dilutive.