

**Berjaya Group Berhad**  
**Company No: 7308-X**

Date: 30 March 2004

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2004**

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**BERJAYA GROUP BERHAD**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2004**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	3 months ended		Year to date ended	
	31-01-2004 RM'000	31-01-2003 RM'000	31-01-2004 RM'000	31-01-2003 RM'000
REVENUE	1,037,811	1,605,059	4,733,740	5,552,627
PROFIT FROM OPERATIONS	129,541	57,360	402,879	369,645
Results arising from investing activities*	20,170	(9,685)	(57,113)	10,882
Finance costs	(95,837)	(122,161)	(291,626)	(329,564)
Share of results in associates	37,100	39,394	110,655	61,369
PROFIT/(LOSS) BEFORE TAXATION	90,974	(35,092)	164,795	112,332
TAXATION	(61,030)	(33,076)	(165,604)	(172,706)
PROFIT/(LOSS) AFTER TAXATION	29,944	(68,168)	(809)	(60,374)
Minority interests	(59,856)	(17,985)	(155,749)	(136,653)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(29,912)	(86,153)	(156,558)	(197,027)
LOSS PER SHARE (SEN)				
-Basic	(2.00)	(5.75)	(10.45)	(13.15)
-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 JANUARY 2004**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	Group As at 31-01-2004 RM'000	Group As at 30-04-2003 Restated * RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,364,200	2,538,764
Other investments	649,447	606,491
Investment properties	519,737	544,332
Land held for development	953,248	1,026,223
Investment in associated companies	1,339,244	1,243,919
Investment in subsidiary companies	16,385	6,946
Other long term assets	320	321
Intangible assets	<u>1,369,735</u>	<u>1,530,039</u>
	<u>7,212,316</u>	<u>7,497,035</u>
<b>Current Assets</b>		
Development properties	646,041	637,549
Inventories	403,602	770,136
Trade and other receivables	1,256,140	1,563,582
Tax recoverable	85,543	165,216
Short term investments	-	41
Deposits with financial institutions	256,399	271,791
Cash and bank balances	<u>156,657</u>	<u>215,132</u>
	<u>2,804,382</u>	<u>3,623,447</u>
<b>Current Liabilities</b>		
Trade and other payables	1,183,828	1,287,145
Provisions	188,619	194,462
Short term borrowings	1,070,202	1,754,984
Taxation	<u>84,936</u>	<u>68,272</u>
	<u>2,527,585</u>	<u>3,304,863</u>
<b>NET CURRENT ASSETS</b>	<u>276,797</u>	<u>318,584</u>
	<u>7,489,113</u>	<u>7,815,619</u>
<b>FINANCED BY</b>		
Share Capital	1,498,171	1,498,171
Irredeemable Convertible Unsecured Loan Stocks - Equity component	422,097	422,097
Reserves	<u>(1,444,902)</u>	<u>(1,213,853)</u>
Equity funds	475,366	706,415
Minority interests	<u>2,299,059</u>	<u>2,298,586</u>
Capital funds	2,774,425	3,005,001
<b>LONG TERM LIABILITIES</b>		
Irredeemable Convertible Unsecured Loan Stocks - Liability component	616,998	640,298
Long term borrowings	2,625,046	2,651,091
Other long term liabilities	1,269,139	1,310,344
Deferred taxation	138,494	136,645
Insurance reserves	<u>65,011</u>	<u>72,240</u>
	<u>4,714,688</u>	<u>4,810,618</u>
	<u>7,489,113</u>	<u>7,815,619</u>
Basic net tangible assets ("NTA") per share (sen)	(87.87)	(83.15)
Dilutive net tangible assets ("NTA") per share (sen)	(46.58)	(42.89)
Basic net assets per share (sen)	3.56	18.98
Dilutive net assets per share (sen)	24.76	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 assets 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 then 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 JANUARY 2004**  
**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	-	-	-	-	(61,335)	(61,335)
Currency translation differences	-	-	-	2,673	-	2,673
Net loss for the period	-	-	-	-	(156,558)	(156,558)
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	(15,829)	(15,829)
Transfer to accumulated losses	-	-	-	(10,821)	10,821	-
At 31 January 2004	1,498,171	422,097	734,356	203,452	(2,382,710)	475,366
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)
Loss arising from dilution of equity interest in subsidiary company	-	-	-	-	(94,699)	(94,699)
Under provision of dividends	-	-	-	-	(99)	(99)
At 31 January 2003	1,498,171	-	734,356	246,847	(1,813,200)	666,174

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 JANUARY 2004**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>9 months ended</b>	
	<b>31-01-2004</b>	<b>31-01-2003</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	4,726,047	5,701,460
Payments for operating expenses (including taxes)	(4,271,769)	(5,391,044)
Net cash generated from operating activities	<u>454,278</u>	<u>310,416</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales of investments in subsidiary companies	117,691	59,754
Cash outflow following the deconsolidation of a subsidiary company	-	(212,882)
Receipts from other investments (include sales of property, plant & equipment)	260,031	376,045
Payment for other investments (include purchase of property, plant & equipment)	(402,763)	(569,485)
Net cash used in investing activities	<u>(25,041)</u>	<u>(346,568)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital to minority shareholders of subsidiary companies	39,474	12,372
Dividends paid to minority shareholders of subsidiary companies	(13,897)	(1,733)
Distribution to holders of irredeemable convertible unsecured loan stocks	(21,104)	-
Interest paid	(257,237)	(156,313)
Drawdown of bank and other borrowings	214,109	392,676
Repayment of bank and other borrowings	(378,339)	(319,298)
Net cash used in financing activities	<u>(416,994)</u>	<u>(72,296)</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>12,243</u>	<u>(108,448)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	143,229	254,872
Effect of exchange rate changes	3,416	(1,634)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>158,888</u>	<u>144,790</u>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	256,399	254,803
Cash and bank balances	156,657	228,871
Bank overdraft (included under short term borrowings)	(232,830)	(315,359)
	<u>180,226</u>	<u>168,315</u>
Less :		
Remisiers' deposit held in trust	(12,450)	(13,110)
Clients' money held in trust	(8,888)	(10,415)
	<u>158,888</u>	<u>144,790</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 JANUARY 2004**  
**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	(1,194,216)	(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 that are 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>31/01/04</u> RM '000	9 month period ended <u>31/01/04</u> RM '000
Gain on disposal of properties	481	1,045
Gain on disposal of subsidiary	25,988	25,988
Gain on partial disposal of subsidiary	24,243	24,243
Loss on partial disposal of subsidiaries	(56,955)	(137,488)
Loss on partial disposal of quoted shares in an associated company	-	(4,636)
Gain/(Loss) on disposal of quoted securities	234	(4,695)
	<u>(6,009)</u>	<u>(95,543)</u>

**BERJAYA GROUP BERHAD**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2004**  
**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 2004.

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 2004:-

<u>REVENUE</u>	<u>External</u> RM'000	<u>Inter- segment</u> RM'000	<u>Total</u> RM'000
Financial services	190,541	1,031	191,572
Manufacturing	318,196	495	318,691
Property investment and development	246,381	2,889	249,270
Hotel, resort and recreation	228,080	855	228,935
Restaurants	437,699	-	437,699
Gaming	131,010	-	131,010
Marketing of consumer products and services	3,151,285	15,148	3,166,433
Others	30,548	-	30,548
Elimination: Inter-segment Revenue	-	(20,418)	(20,418)
Total revenue	<u>4,733,740</u>	<u>-</u>	<u>4,733,740</u>

<u>RESULTS</u>	Total RM'000
Financial services	62,553
Manufacturing	21,709
Property investment and development	83,977
Hotel, resort and recreation	31,521
Restaurants	(4,548)
Gaming	13,368
Marketing of consumer products and services	214,185
Others	<u>17,329</u>
	440,094
Unallocated corporate expenses	<u>(37,215)</u>
Profit from operations	402,879
Results arising from investing activities	
- Interest income	<u>21,630</u>
- Others	<u>(78,743)</u>
	(57,113)
Finance costs	(291,626)
Share of net profits of associates	<u>110,655</u>
Profit before taxation	164,795
Taxation	<u>(165,604)</u>
Net loss after taxation	<u>(809)</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 JANUARY 2004**  
**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 Group's equity interest in Berjaya Sports Toto Berhad ("BToto") was diluted from 37.44% as at 30 April 2003 to 33.12% as at 28 January 2004. On 29 January 2004, Berjaya Land Berhad converted RM50.0 million nominal value of BToto 8% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 to 50.0 million new BToto ordinary shares of RM1.00 each, thus increasing the Group's equity interest in BToto to 36.81% at 31 January 2004.
- 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 was not exercised during the option period, which was 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.



**BERJAYA GROUP BERHAD**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2004**  
**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.

- g) On 5 December 2003, the Company announced that Finewood Forest Products Sdn Bhd ("FFP"), a 70% owned subsidiary company, has acquired 2 existing ordinary shares of RM1.00 each representing 100% equity interest in Finewood KD Sdn Bhd (formerly known as Flowell Ventures Sdn Bhd) ("FKD") for a cash consideration of RM2.00.

FKD was incorporated on 7 October 2003 and the intended principal activity of FKD will be kiln drying of timber.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2004**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

A10 (continued)

- h) On 3 December 2003, the Company announced that its 60% owned subsidiary company, Successline (M) Sdn Bhd ("SMSB") completed the purchase of 7,000 ordinary shares of RM1.00 each representing 70% of the issued and paid-up capital of Successline Haulers Sdn Bhd (formerly known as Radius Quest Sdn Bhd) ("SHSB") for a cash consideration of RM7,000 from Chan Kin Mun.

SHSB was incorporated on 11 November 2003 and is a dormant company. It is acquired with the intention to undertake ancillary courier businesses which will complement and complete the range of products currently undertaken by SMSB.

- i) On 8 December 2003, Transwater Technologies Sdn Bhd ("TTSB"), a wholly owned subsidiary company of HBCB 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. The disposal was completed on 8 December 2003.

- j) On 15 January 2004, CCB announced that Unza Holdings Berhad ("UHB") ceased to be its subsidiary company following the successful closure of the ("offer") from Unza Nusantara Sdn Bhd (formerly known as Annexe Profile Sdn Bhd) ("UNSB") to acquire CCB's entire 51.01% equity interest in UHB which is held through Noble Creation Sdn Bhd, for a cash consideration of RM5.00 per share totalling RM186.37 million.

Consequently, CCB completed its investment in 25% of the ordinary shares and 100% of the irredeemable convertible preference shares in Unza Holdings Pte Ltd (formerly known as Kat Kiera Pte Ltd) ("UHPL") for a total consideration of RM67.8 million. UHPL is a company incorporated in the Republic of Singapore and has 100% equity interest in UNSB.

- k) On 19 January 2004, the Company announced that Bizurai Bijak (M) Sdn Bhd, its wholly owned subsidiary company, has placed out 15 million ordinary shares of RM1.00 each representing an 8.3% interest in Hyundai-Berjaya Corporation Berhad ("HBCB") at a cash consideration of approximately RM39.45 million or RM2.63 per share. Consequently, HBCB is now a 37.17% associated company of the Group.

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 JANUARY 2004**  
**ADDITIONAL INFORMATION REQUIRED BY THE MSEC LISTING REQUIREMENTS**

B1 For the quarter ended 31 January 2004, the Group registered a revenue of RM1.0 billion and pre-tax profit of RM91.0 million as compared to the preceding year corresponding quarter's revenue of RM1.6 billion and pre-tax loss of RM35.1 million.

The lower revenue was mainly attributed to :

- (a) disposal of Unza Holdings Berhad ("Unza"); as a result only two months of its results was consolidated.
- (b) partial disposal of Hyundai-Berjaya Corporation Berhad ("HBCorp") and only two and half a months results was consolidated. It is now the Group's associated company.
- (c) partial disposal of Taiga Forest Products Ltd ("Taiga") in previous quarter which changed the status of Taiga from a subsidiary company of the Group to being an associated company. Taiga's result was equity accounted for in this quarter under review.

However, the Group registered a pre-tax profit in this quarter under review which was mainly due to the gains realised on disposal of Unza, partial disposal of HBCorp, recovery of HBCorp's debts from Idris Hydraulic (Malaysia) Berhad, increased property sales attained by the property development and investment segment and also due to improved results achieved by the "Marketing of consumer products and services" segment.

As for the 9-month period ended 31 January 2004, the Group reported a revenue of RM4.7 billion and a pre-tax profit of RM164.8 million as compared to RM5.6 billion and RM112.3 million in the same period last year. The decrease in revenue was mainly due to 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 and also the disposal and partial disposals of subsidiary companies mentioned above. The factors which contributed to the higher pre-tax profit in the current period are similar to those mentioned above.

B2 As compared to the preceding quarter ended 31 October 2003, the Group's revenue decreased to approximately RM1.0 billion from RM1.9 billion while the Group achieved a pre-tax profit of approximately RM91.0 million as compared to RM49.2 million in the previous quarter. The decrease in revenue was mainly due to lower sales consolidated subsequent to the disposal of a subsidiary company and changes in status of subsidiary companies to associated companies as mentioned in note B1 above. The increase in pre-tax profit was due to those factors mentioned in B1 above.

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 quarter for the financial year ending 30 April 2004 will be satisfactory.

The proposal of the Company's restructuring exercise has been approved by the Securities Commission ("SC") and is anticipated to be completed in the second half of calendar year 2004.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2004.

**BERJAYA GROUP BERHAD**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2004**  
**ADDITIONAL INFORMATION REQUIRED BY THE MSEB LISTING REQUIREMENTS**

B5 The taxation charge for the quarter and financial period ended 31 January 2004 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	43,326	134,191
- Outside Malaysia	678	15,539
Deferred tax	3,108	1,926
Under- provision in prior years	13,918	13,948
	<u>61,030</u>	<u>165,604</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 January 2004, 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>2,485</u>	<u>28,217</u>
Total gain on disposals of quoted investment	<u>182</u>	<u>13,075</u>
Total loss on disposals of quoted investment	<u>(24)</u>	<u>(5,007)</u>
Total cost of purchase	<u>187</u>	<u>187</u>

(b) Investments in quoted securities : -

	<u>At end of current quarter</u> RM'000
(i) at cost;	<u>163,589</u>
(ii) at carrying value/book value;	<u>112,972</u>
(iii) at market value.	<u>171,935</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 40(A)(20), on 11 November 2003, trading in the Hyundai-Berjaya Corporation Berhad ("HBCB") 13,000,000 existing shares have resumed and HBCB's 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 MSEB.

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B8 (continued)

- a) The RM67.8 million Rights Issue of Shares with free Warrants has been successfully completed and was granted listing and quotation on the MSEB on 13 January 2004.

The listing status of the entire issued and paid up ordinary share capital and outstanding Warrants of HBCB was transferred to the Main Board of MSEB on 2 March 2004.

- b) With regard to Note 40 (B)(2), on 24 February 2004, Berjaya Capital Berhad announced that the Securities Commission had approved the Proposed Capital Repayment and Consolidation.
- c) 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 of RM0.10 each ("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.

On even date, the subsidiary companies of the Group, namely Inter-Pacific Trading Sdn Bhd ("IPT"), Regnis Industries (M) Sdn Bhd ("Regnis") and Prime Credit Leasing Sdn Bhd ("PCL") (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 utilised the proceeds from the cash settlement to subscribe for new ICPS in Nexnews. IPT subscribed for 13,535,170 units, Regnis subscribed for 7,352,899 units and PCL subscribed for 25,031,495 units of ICPS at the subscription price of RM1.00 per ICPS. The DS-SubCos then participated in an offer for sale of the ICPS to the minority shareholders of Nexnews and bumiputra investors at an indicative offer price of RM1.00.

The offer for sale and listing of the ICPS was completed on 30 December 2003 and 16 January 2004 respectively. After the offer for sale, IPT owns 12,807,568 units, Regnis owns 6,957,634 units and PCL owns 23,685,892 units of ICPS.

- d) With regard to Note 41(B)(4), on 8 August 2003, DBM announced its intention to enter into a Memorandum of Understanding ("MOU") with European Industrial Acquisition Corporation LLC ("EIAC") in relation to the grant of options to EIAC to acquire the entire 21,057,200 ordinary shares of 2.5 pence each representing 51% equity interest in Dunham-Bush (Europe) plc ("DBE") from DB-Cayman for a cash consideration of RM6.25 and the purchase of the net inter-company debts owing by DBE and its subsidiary companies ("DBE Group") to the Group excluding DBE Group of approximately RM8.04 million as at 30 April 2003 for a cash consideration of RM6.25.

One of the pre-conditions of the Proposed Disposal is the upliftment of a bank guarantee amounting to GBP750,000 (RM4.69 million equivalent), which was arranged and secured by DBM's corporate guarantee.

However, it did not prove possible to progress further on the proposed disposal.

- e) With regard to Note 41(B)(5), on 6 February 2004, the Company announced that it received approvals from Bank Negara Malaysia and the Ministry of International Trade and Industry. On 16 February 2004, the Company further announced that the Securities Commission has approved the Proposed Members Scheme, subject to certain conditions that are stated in detail in the said MSEB announcement. It was also announced that the valuation of Bukit Tinggi Resort Berhad has been revised to RM1,350 million from RM1,475 million.

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B8 (continued)

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 Debt Settlement shall be collectively known as the "BTSSB Proposals".

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

Therefore, upon the completion of the BTSSB 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.

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B8 (continued)

- b) 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.
- c) 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.

- d) On 29 January 2004, BLand announced that it has repaid RM100.0 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM50.0 million nominal value of BToto ICULS. BLand has on 29 January 2004 converted RM50.0 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 32.77% to 36.47%.
- e) On 9 February 2004, the Company announced that it has entered into a share sale agreement ("CosdaSSA") to dispose of its entire 51% equity interest in Cosda (M) Sdn Bhd ("Cosda") comprising 3,570,000 ordinary shares of RM1.00 each to Hillmax Development Sdn Bhd ("HDSB") for a cash consideration of RM2 million. HDSB also undertakes to repay the Company, on behalf of Cosda, a sum of RM8 million as a full and final settlement of the inter-company debt owing by Cosda to the Company. This transaction is deemed completed upon signing of the CosdaSSA.
- f) On 27 February 2004, BLand announced that Berjaya Golf Resort Berhad, a subsidiary company of BLand, has on even date entered into a sales and purchase agreement ("BTSSPA") with Berjaya Times Square Sdn Bhd ("BTSSB") for the acquisition of one unit of penthouse measuring 7,555 sq ft located at Berjaya Times Square, an integrated shopping mall in Kuala Lumpur, for a cash consideration of RM4.76 million or at approximately RM630 per sq ft.

BTSSB is a company controlled by TSVT.

- g) On 14 August 2003, BLand announced its intention to undertake 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. Subsequently, on 11 February 2004, BLand announced a revision of the aforementioned proposal to a placement of up to 200 million BToto shares and/or up to RM200 million nominal value of BToto ICULS ("Proposed BToto Placement"). The shareholders of BLand approved the Proposed BToto Placement at an Extraordinary General Meeting held on 15 March 2004.

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B9 Group borrowings and debt securities as at 31 January 2004 were as follows:

		At end of current quarter RM'000
<b>Short term borrowings</b>		
Secured		
	<u>Foreign currency amount</u>	
	'000	
<u>Denominated in</u>		
Ringgit Malaysia		641,242
USD	31,009 *	117,834
GBP	3,639 *	25,149
SGD	13,612 *	30,349
JPY	521,927 *	18,685
		833,259
Unsecured		
<u>Denominated in</u>		
Ringgit Malaysia		232,876
JPY	126,270 *	4,067
		236,943
		1,070,202
<b>Long term borrowings</b>		
Secured		
	<u>Foreign currency amount</u>	
	'000	
<u>Denominated in</u>		
Ringgit Malaysia		2,120,841
USD	46,761 *	177,692
SGD	6,896 *	15,374
SLRs	37,797 *	1,479
		2,315,386
Unsecured		
<u>Denominated in</u>		
Ringgit Malaysia		309,660
		2,625,046
<u>Debt securities</u>		
Secured		
	<u>Foreign currency amount</u>	RM'000
	<u>USD'000</u>	
Short term	27,000	102,600

The repayment of the debt securities of USD27 million will be made 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 January 2004.

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 withdrawn and discontinued all its legal actions against IHB.

B12 No dividend is declared for the current period under review (31 January 2003: 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	
	31-01-2004	31-01-2003	31-01-2004	31-01-2003
Net loss for the period (RM'000)	(29,912)	(86,153)	(156,558)	(197,027)
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)	(2.00)	(5.75)	(10.45)	(13.15)

No diluted loss per share is presented for the period ended 31 January 2004 as the effect on the basic loss per share is anti-dilutive.

c.c. Securities Commission