

Berjaya Group Berhad
Company No: 7308-X

Date: 29 September 2004

Subject: **UNAUDITED FIRST QUARTER RESULTS FOR
THE PERIOD ENDED 31 JULY 2004**

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

	3 months ended	
	31-07-2004	31-07-2003
	RM'000	RM'000
REVENUE	838,343	1,785,624
PROFIT FROM OPERATIONS	71,801	117,020
Results arising from investing activities*	(10,306)	(29,729)
Finance costs	(84,254)	(101,212)
Share of results in associates	72,649	38,530
PROFIT BEFORE TAXATION	49,890	24,609
TAXATION	(43,762)	(50,841)
PROFIT/(LOSS) AFTER TAXATION	6,128	(26,232)
Minority interests	(33,595)	(38,582)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	<u>(27,467)</u>	<u>(64,814)</u>
LOSS PER SHARE (SEN)		
-Basic	(1.83)	(4.33)
-Diluted	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 JULY 2004
CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31-07-2004 RM'000	Group As at 30-04-2004 Audited RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,156,831	2,173,058
Other investments	703,854	639,196
Investment properties	645,969	645,891
Land held for development	893,305	965,719
Investment in unconsolidated subsidiary company	14,345	14,378
Investment in associated companies	1,515,332	1,484,315
Deferred Tax assets	10,859	10,985
Other long term assets	927	825
Intangible assets	1,128,322	1,149,048
	<u>7,069,744</u>	<u>7,083,415</u>
Current Assets		
Development properties	648,816	562,539
Inventories	412,937	393,798
Trade and other receivables	1,191,338	1,185,974
Tax recoverable	94,791	96,802
Deposits with financial institutions	307,412	279,919
Cash and bank balances	145,077	151,625
	<u>2,800,371</u>	<u>2,670,657</u>
Current Liabilities		
Trade and other payables	1,217,122	1,086,708
Provisions	169,770	163,358
Short term borrowings	1,244,757	1,278,991
Taxation	52,584	57,706
	<u>2,684,233</u>	<u>2,586,763</u>
NET CURRENT ASSETS	<u>116,138</u>	<u>83,894</u>
	<u>7,185,882</u>	<u>7,167,309</u>
FINANCED BY		
Share Capital	1,498,171	1,498,171
Irredeemable Convertible Unsecured Loan Stocks - Equity component	422,097	422,097
Reserves	(1,644,670)	(1,612,490)
Equity funds	275,598	307,778
Minority interests	2,373,862	2,342,671
Capital funds	2,649,460	2,650,449
LONG TERM LIABILITIES		
Irredeemable Convertible Unsecured Loan Stocks	577,185	586,995
Long term borrowings	2,475,335	2,472,904
Other long term liabilities	1,210,080	1,184,913
Deferred taxation	174,698	174,856
Provisions	30,449	30,449
Insurance reserves	68,675	66,743
	<u>4,536,422</u>	<u>4,516,860</u>
	<u>7,185,882</u>	<u>7,167,309</u>
Basic net tangible assets ("NTA") per share (sen)	(85.09)	(84.33)
Dilutive net tangible assets ("NTA") per share (sen)	(44.41)	(43.81)
Basic net assets per share (sen)	(9.78)	(7.63)
Dilutive net assets per share (sen)	14.35	16.03

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 number of outstanding shares in issue add 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 divided by the number of outstanding shares in issue.

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

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Non-distributable</u>							
	<u>Share capital</u>	<u>Share premium</u>	<u>ICULS - equity component</u>	<u>Capital reserves</u>	<u>Foreign currency translation reserves</u>	<u>Accumulated losses</u>	<u>Total</u>	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2004	1,498,171	734,356	422,097	-	52,061	(2,398,907)	307,778	
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	(528)	-	(528)	
Loss on deemed disposal of an associated company	-	-	-	-	-	1,091	1,091	
Net loss for the period	-	-	-	-	-	(27,467)	(27,467)	
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	-	(5,276)	(5,276)	
Transfer from accumulated losses	-	-	-	12,487	(764)	(11,723)	-	
At 31 July 2004	<u>1,498,171</u>	<u>734,356</u>	<u>422,097</u>	<u>12,487</u>	<u>50,769</u>	<u>(2,442,282)</u>	<u>275,598</u>	
At 1 May 2003	1,498,171	734,356	422,097	(4,437)	47,629	(2,182,349)	515,467	
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	-	1,871	-	1,871	
Loss on deemed disposal of an associated company	-	-	-	-	-	(10,049)	(10,049)	
Net loss for the period	-	-	-	-	-	(64,814)	(64,814)	
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	-	(5,276)	(5,276)	
Transfer to accumulated losses	-	-	-	4,437	(4,719)	282	-	
At 31 July 2003	<u>1,498,171</u>	<u>734,356</u>	<u>422,097</u>	<u>-</u>	<u>44,781</u>	<u>(2,262,206)</u>	<u>437,199</u>	

The comparative figures have been reclassified to conform with the current quarter'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 JULY 2004
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 31-07-2004 RM'000	3 months ended 31-07-2003 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	755,088	1,775,810
Payments for operating expenses (including taxes)	(707,598)	(1,608,982)
Net cash generated from operating activities	<u>47,490</u>	<u>166,828</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of investments in subsidiary companies	18,278	17,457
Acquisition of investments in subsidiary companies (net of cash acquired)	(1,657)	-
Receipts from other investments (include sales of property, plant & equipment)	58,701	36,516
Payment for other investments (include purchase of property, plant & equipment)	(132,551)	(52,015)
Net cash (used in)/generated from investing activities	<u>(57,229)</u>	<u>1,958</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to minority shareholders of subsidiary companies	-	293
Dividends paid to minority shareholders of subsidiary companies	(2,391)	(6,549)
Interest paid	(93,800)	(78,888)
Bank and other borrowings	158,423	(85,230)
Net cash generated from/(used in) financing activities	<u>62,232</u>	<u>(170,374)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	52,493	(1,588)
OPENING CASH AND CASH EQUIVALENTS	128,494	143,229
Effect of exchange rate changes	495	3,680
CLOSING CASH AND CASH EQUIVALENTS	<u><u>181,482</u></u>	<u><u>145,321</u></u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	307,412	286,991
Cash and bank balances	145,077	147,710
Bank overdraft (included under short term borrowings)	(250,397)	(258,522)
	<u>202,092</u>	<u>176,179</u>
Less :		
Remisiers' deposit held in trust	(10,932)	(11,959)
Clients' money held in trust	(9,678)	(18,899)
	<u><u>181,482</u></u>	<u><u>145,321</u></u>

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

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

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2004 have been applied in the preparation of the quarterly financial statements under review.

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 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 gaming business that may be favourably impacted by the festive seasons.

A4 The following, other than the disposals as disclosed in note B6, are the unusual items that occurred during the current quarter and financial year under review:

	Quarter ended <u>31/07/04</u> RM '000
Gain on disposal of quoted securities	1,345
Loss on partial disposal of subsidiary company	(25,981)
Gain on disposal of subsidiaries	12,579
Provision for diminution in value of investment in quoted securities	<u>(1,500)</u>
	<u><u>(13,557)</u></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 July 2004.

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
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 3 months ended 31 July 2004:-

<u>REVENUE</u>	<u>External</u> RM'000	<u>Inter- segment</u> RM'000	<u>Total</u> RM'000
Financial services	66,710	-	66,710
Manufacturing	216,115	(612)	215,503
Property investment and development	85,400	3,438	88,838
Hotel, resort and recreation	101,634	192	101,826
Restaurants	124,743	-	124,743
Gaming and related activities	38,562	-	38,562
Marketing of consumer products and services	195,507	584	196,091
Others	9,672	-	9,672
Elimination: Inter-segment Revenue	-	(3,602)	(3,602)
Total revenue	<u>838,343</u>	<u>-</u>	<u>838,343</u>

RESULTS

	Total RM'000
Financial services	14,805
Manufacturing	7,753
Property investment and development	17,069
Hotel, resort and recreation	10,218
Restaurants	(5,692)
Gaming and related activities	4,218
Marketing of consumer products and services	18,099
Others	<u>6,565</u>
	73,035
Unallocated corporate expenses	<u>(1,234)</u>
Profit from operations	71,801
Results arising from investing activities	
-Interest income	<u>1,946</u>
-Others	<u>(12,252)</u>
	(10,306)
Interest expense	(84,254)
Share of net profits of associates	<u>72,649</u>
Profit before taxation	49,890
Taxation	<u>(43,762)</u>
Net profit after taxation	<u>6,128</u>

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
NOTES TO THE INTERIM FINANCIAL REPORT

- 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.
- A10 There were no changes in the composition of the Group for the current quarter ended 31 July 2004, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- a) On 7 May 2004, the Company announced that Berjaya Group (Cayman) Limited ("BGCL"), its wholly owned subsidiary company, acquired 100% equity interest in SIG Holdings (Cayman) Limited ("SIGC") comprising 1,000 ordinary shares of USD1.00 each from Dewangsa Holdings Sdn Bhd, a 60% owned subsidiary company of the Group, for a consideration of RM1.00.

BGCL holds an equity interest of 40% in Berjaya Engineering & Construction (HK) Limited ("BECHK") while SIGC holds 25% in BECHK. As a consequence of the aforesaid acquisition of SIGC, BGCL effectively holds 65% equity interest in BECHK, thus making BECHK a subsidiary company of the Group.
 - b) On 18 May 2004, the Company completed the disposal of 1,100,000 ordinary shares of RM1.00 each representing the Company's entire equity interest in My2020.com Sdn Bhd to Mr Poh Hee Hong @ Foo Hee Hong for a cash consideration of RM1.00.
 - c) Bland announced that its wholly owned subsidiary company, Berjaya Leisure Capital (Cayman) Limited ("BLCCL"), has become a substantial shareholder of Informatics Holdings Ltd ("Informatics"), a company listed on the Main Board of the Singapore Stock Exchange. As at 31 July 2004, BLCCL owned a total of 83.471 million ordinary shares of SGD0.05 each representing 26.62% of the then existing issued and paid up share capital of Informatics at a cost of investment of approximately RM71.398 million. The total equity interest held by the Group is 29.07%.

Informatics is a multinational corporation providing learning services in information technology and business management.
 - d) On 22 July 2004, the Company completed the disposal of 8,483,000 ordinary shares of RM1.00 each, representing an equity interest of approximately 49.9% of the enlarged share capital of Berjaya Starbucks Coffee Company Sdn Bhd (formerly known as Berjaya Coffee Company (M) Sdn Bhd), for a cash consideration of approximately RM16.5 million to Starbucks Coffee International, Inc.
- A11 There were no material changes in contingent liabilities or contingent asset since the last annual balance sheet date.
- A12 There were no material changes in the capital commitment since the last annual balance sheet date.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B1 For the current quarter ended 31 July 2004, the Group registered a consolidated revenue of RM838.3 million and pre-tax profit of RM49.9 million as compared to RM1.8 billion and RM24.6 million in the preceding year corresponding quarter respectively. The lower revenue was mainly due to the deconsolidation of Hyundai-Berjaya Corporation Berhad ("HBCB") and Taiga Forest Products Ltd ("Taiga") as a result of the partial disposals of HBCB and Taiga as well as the disposal of Unza Holdings Berhad ("UHB"). Despite the lower revenue achieved, the Group registered a higher pre-tax profit mainly attributed to higher profit contribution arising from higher progress billings of certain property projects and the improved results reported by its associated companies, Berjaya Sports Toto Berhad and Taiga.

B2 As compared to the preceding quarter ended 30 April 2004, the Group registered a higher pre-tax profit of RM49.9 million from RM12.2 million, showing an increase of 319% and a marginal increase in revenue from RM834.4 million to RM838.3 million. Despite the insignificant increase in revenue, the pre-tax profit for the current quarter is significantly higher as the previous quarter's pre-tax profit was reduced by substantial impairment provisions.

B3 The Directors anticipate that, if the various corporate proposals complete as planned, the results of the Group for the remaining quarters of the financial year will show improvement.

The proposal of the Company's restructuring exercise is anticipated to be completed in the second half of the financial year ending 30 April 2005.

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

B5 The taxation charge for the quarter and financial year ended 31 July 2004 is detailed as follows:

	<u>Current Quarter</u> RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	44,703
- Outside Malaysia	(2,499)
Deferred tax	(301)
Under - provision in prior years	<u>1,859</u>
	<u><u>43,762</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 a) There were no disposals of unquoted investments for the financial period ended 31 July 2004.

b) Gain on disposal of property for the current quarter under review amounted to approximately RM363,000.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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) (i) The total purchase consideration of quoted securities are as follows:

	<u>Current Quarter</u> RM'000
Cost of purchase	<u>71,398</u>

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

	<u>Current Quarter</u> RM'000
Sale proceeds of quoted securities	<u>9,417</u>
Gain on disposal of quoted securities	<u>1,345</u>

(b) Investments in quoted securities : -

	<u>At end of current quarter</u> RM'000
(i) at cost;	<u>231,302</u>
(ii) at carrying value/book value;	<u>178,583</u>
(iii) at market value.	<u>193,943</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 2004 except for the following:-

- a) On 27 August 2004, it was announced that Matrix International Berhad ("Matrix") has been informed by the Board of Directors of BTSSB that on even date BTSSB had obtained the requisite approval of the LAD Creditors. Matrix will now proceed to seek the approval of its shareholders and other relevant authorities.
- b) On 7 September 2004, the Company announced that it had on 3 September 2004 entered into a sale and purchase agreement with Ms Gan Chai Fang for the proposed acquisition of 1,000,000 ordinary shares of RM1.00 each representing 70% of the issued and paid up share capital of Country Farms Sdn Bhd ("CFSB") for a total cash consideration of approximately RM3.0 million.

CFSB's principal activity is in the wholesale and distribution of organic food products.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B9 Group borrowings and debt securities as at 31 July 2004 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		
USD	66,789	*	738,622
GBP	1,876	*	253,799
SGD	792	*	13,027
			1,778
			1,007,226
Unsecured			
	<u>Denominated in</u>		
	Ringgit Malaysia		
JPY	129,000	*	233,100
			4,431
			237,531
			1,244,757
Long term borrowings			
Secured			
	<u>Foreign currency amount</u>		
	<u>'000</u>		
	<u>Denominated in</u>		
	Ringgit Malaysia		
USD	32,873	*	2,054,261
SGD	6,550	*	124,918
GBP	1,960	*	14,434
SLRs	35,133	*	13,611
			1,299
			2,208,523
Unsecured			
	<u>Denominated in</u>		
	Ringgit Malaysia		
			266,812
			2,475,335
<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 now be made by 31 March 2005.

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 July 2004.

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2004
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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 quarter ended 31 July 2004 (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	
	31-07-2004	31-07-2003
Net loss for the period (RM'000)	(27,467)	(64,814)
Weighted average number of ordinary shares in issue ('000)	1,498,171	1,498,171
Basic loss per share (sen)	<u>(1.83)</u>	<u>(4.33)</u>

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

c.c. Securities Commission