

Berjaya Group Berhad

Company No: 7308-X

Date: 29 September 2005

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JULY 2005**

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BERJAYA GROUP BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended	
	31-07-2005	31-07-2004
	RM'000	RM'000
REVENUE	664,615	838,343
PROFIT FROM OPERATIONS	40,218	71,801
Results arising from investing activities#	(15,386)	(10,306)
Finance costs	(78,708)	(84,254)
Share of results in associates	74,874	72,649
PROFIT BEFORE TAXATION	20,998	49,890
TAXATION	(40,373)	(43,762)
(LOSS) /PROFIT AFTER TAXATION	(19,375)	6,128
Minority interests	(21,517)	(33,595)
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(40,892)	(27,467)
LOSS PER SHARE (SEN)		
-Basic	(2.73)	(1.83)
-Diluted	*	*

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

* No diluted loss per share is presented as the effect on the basic loss per share is anti-dilutive.

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 2005
 CONDENSED CONSOLIDATED BALANCE SHEET

	Group As at 31-07-2005 RM'000	Group As at 30-04-2005 Audited RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,967,533	1,980,165
Other investments	395,229	407,416
Investment properties	630,387	631,075
Land held for development	837,970	840,763
Investment in unconsolidated subsidiary company	6,582	6,601
Investment in associated companies	1,888,307	1,860,147
Deferred tax assets	18,204	15,892
Other long term assets	1,061	1,030
Intangible assets	971,872	975,039
	<u>6,717,145</u>	<u>6,718,128</u>
Current Assets		
Development properties	713,332	690,314
Inventories	402,760	398,657
Trade and other receivables	1,228,627	1,150,804
Tax recoverable	74,698	63,760
Deposits with financial institutions	297,115	308,542
Cash and bank balances	196,337	230,351
	<u>2,912,869</u>	<u>2,842,428</u>
Current Liabilities		
Trade and other payables	1,732,493	1,642,278
Provisions	180,292	172,378
Short term borrowings	1,591,236	1,562,277
Taxation	45,591	32,878
	<u>3,549,612</u>	<u>3,409,811</u>
NET CURRENT LIABILITIES	<u>(636,743)</u>	<u>(567,383)</u>
	<u>6,080,402</u>	<u>6,150,745</u>
FINANCED BY		
Share capital	1,498,173	1,498,173
Irredeemable Convertible Unsecured Loan Stocks - Equity component	422,095	422,095
Reserves	(1,459,251)	(1,428,069)
Equity funds	461,017	492,199
Minority interests	2,451,542	2,428,998
Capital funds	2,912,559	2,921,197
LONG TERM LIABILITIES		
Irredeemable Convertible Unsecured Loan Stocks	428,716	432,874
Long term borrowings	2,179,587	2,270,424
Other long term liabilities	313,287	288,489
Deferred taxation	136,865	136,609
Provisions	29,717	30,683
Insurance reserves	79,671	70,469
	<u>3,167,843</u>	<u>3,229,548</u>
	<u>6,080,402</u>	<u>6,150,745</u>
Basic net tangible assets ("NTA") per share (sen)	(62.27)	(60.40)
Dilutive net tangible assets ("NTA") per share (sen)	(26.60)	(25.14)
Basic net assets per share (sen)	2.60	4.68
Dilutive net assets per share (sen)	24.01	25.63

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

Basic : Equity funds less goodwill on consolidation, other intangible assets 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 number of outstanding shares in issue add potential conversion of the Company's ICULS in issue to shares.

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 of the Company's ICULS in issue to shares.

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 2005
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Non-distributable		Foreign currency translation reserves RM'000	Accumulated losses RM'000	Total RM'000
			ICULS - equity component RM'000	Capital reserves RM'000			
At 1 May 2005	1,498,173	734,356	422,095	12,487	67,884	(2,242,796)	492,199
Exchange difference on translation of net assets of foreign subsidiary companies and associated companies	-	-	-	(1)	3,653	-	3,652
Gain on accretion of an associated company	-	-	-	-	-	11,334	11,334
Net loss for the period	-	-	-	-	-	(40,892)	(40,892)
Distribution to holders of irredeemable convertible unsecured loan stocks	-	-	-	-	-	(5,276)	(5,276)
Transfer to accumulated losses	-	-	-	-	(17)	17	-
At 31 July 2005	<u>1,498,173</u>	<u>734,356</u>	<u>422,095</u>	<u>12,486</u>	<u>71,520</u>	<u>(2,277,613)</u>	<u>461,017</u>
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>

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 2005
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	
	31-07-2005 RM'000	31-07-2004 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	646,078	755,088
Payments for operating expenses (including taxes)	(601,366)	(702,322)
Net cash generated from operating activities	<u>44,712</u>	<u>52,766</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of investments in subsidiary companies	-	18,278
Acquisition of investments in subsidiary companies	(2,565)	(1,657)
Receipts from investments (include sales of property, plant & equipment)	109,020	154,288
Payment for investments (include purchase of property, plant & equipment and BLand ICULS bought back)	(41,421)	(132,551)
Net cash generated from investing activities	<u>65,034</u>	<u>38,358</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to minority shareholder of a subsidiary company	2,000	-
Dividends paid to minority shareholders of subsidiary companies	(143)	(2,391)
Distribution to holders of ICULS	(5,276)	(5,276)
Interest paid	(64,039)	(93,800)
Drawdown of bank and other borrowings	112,908	164,324
Repayment of bank and other borrowings	(240,337)	(101,488)
Net cash used in financing activities	<u>(194,887)</u>	<u>(38,631)</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(85,141)	52,493
OPENING CASH AND CASH EQUIVALENTS	292,587	128,494
Effect of exchange rate changes	(3,954)	495
CLOSING CASH AND CASH EQUIVALENTS	<u>203,492</u>	<u>181,482</u>
	RM'000	RM'000
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	297,115	307,412
Cash and bank balances	196,337	145,077
Bank overdraft (included under short term borrowings)	(257,538)	(250,397)
	<u>235,914</u>	<u>202,092</u>
Less :		
Remisiers' deposit held in trust	(13,289)	(10,932)
Clients' money held in trust	(19,133)	(9,678)
	<u>203,492</u>	<u>181,482</u>

Certain 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 JULY 2005
 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 2005.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2005 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 stock and futures broking businesses 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.

A4 The following are the unusual items that occurred during the current quarter and financial period to date under review:

	Current Quarter RM'000
Impairment in value of investment in an associated company	(17,291)
Impairment in value of other investments	(483)
	(17,774)

There was no material change in estimates during the financial period under review.

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 2005.

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

BERJAYA GROUP BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 NOTES TO THE INTERIM FINANCIAL REPORT

A7 Segment information for the financial period ended 31 July 2005:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Financial services	76,054	-	76,054
Manufacturing	119,051	246	119,297
Property investment and development	33,309	1,050	34,359
Hotel, resort and recreation	82,302	240	82,542
Restaurants	140,207	-	140,207
Marketing of consumer products and services	205,612	1,721	207,333
Others	8,080	-	8,080
Elimination: Inter-segment Revenue	-	(3,257)	(3,257)
Total revenue	<u>664,615</u>	<u>-</u>	<u>664,615</u>

RESULTS

	Total RM'000
Financial services	6,206
Manufacturing	7,310
Property investment and development	6,398
Hotel, resort and recreation	5,693
Restaurants	(5,052)
Marketing of consumer products and services	19,785
Others	<u>3,676</u>
	44,016
Unallocated corporate expenses	<u>(3,798)</u>
Profit from operations	40,218
Results arising from investing activities	
-Interest income	2,632
-Others	<u>(18,018)</u>
	(15,386)
Interest expense	(78,708)
Share of net profits of associates	<u>74,874</u>
Profit before taxation	20,998
Taxation	<u>(40,373)</u>
Net loss after taxation	<u>(19,375)</u>

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

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

BERJAYA GROUP BERHAD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
NOTES TO THE INTERIM FINANCIAL REPORT

A10 There were no changes in the composition of the Group for the current quarter ended 31 July 2005, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-

(a) On 28 June 2005, the Company announced that Berjaya Forest Products (Cayman) Limited ("BFP"), a wholly owned subsidiary company of the Group, had on 27 June 2005 completed a re-domiciliation exercise by deregistering itself in the Cayman Islands and, on the same day, registered by way of continuation to the Grand Duchy of Luxembourg under a new name Berjaya Forest Products (Luxembourg) S.a.r.l. This entire exercise shall not affect the property or rights of BFP and the rationale of this exercise is to optimise the return on investment in BFP.

(b) On 22 July 2005, Cosway Corporation Berhad announced that its wholly owned subsidiary company Cosway (M) Sdn Bhd has on even date acquired 12 ordinary shares of AUD1.00 each representing 100% of the issued and paid up share capital of Cosway Value Club (Australia) Pty Ltd ("CVCA") for a total cash consideration of AUD12.00 or approximately RM34.37.

CVCA is presently dormant and it will serve as a vehicle for Cosway (M) Sdn Bhd to introduce its products into Australia in the future.

(c) The acquisition of an additional 20% equity interest in Topgroup M&E Service Sdn Bhd by Dunham-Bush (Malaysia) Bhd (DBM); and

(d) The deregistration of a wholly-owned dormant subsidiary company, Dunham-Bush International Brazil S.C.LTDA by DBM pursuant to a voluntary liquidation.

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

A12 There is no material additional capital commitment since the last annual balance sheet date.

BERJAYA GROUP BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 For the current quarter ended 31 July 2005, the Group registered a consolidated revenue of RM664.6 million and pre-tax profit of RM21.0 million as compared to RM838.3 million revenue and RM49.9 million pre-tax profit in the preceding year corresponding quarter. The drop in revenue and pre-tax profit was mainly due to the following:
- i) the full effect of deconsolidation of Convenience Shopping Sdn Bhd ("CSSB") upon its divestment;
 - ii) the deconsolidation of Matrix International Berhad ("Matrix") arising from the dilution of the Group's equity interest in Matrix in the previous financial year;
 - iii) the lower progress billings invoiced by the property development division following the completion of its major property development projects in the previous year; and
 - iv) the lower occupancy rates recorded by the Group's overseas hotels resulting from the lower tourists arrivals particularly in the Republic of Seychelles due to the aftermath of Tsunami in the Indian Ocean in December 2004.
- B2 As compared to the preceding quarter ended 30 April 2005, the Group revenue increased slightly to RM664.6 million from RM655.3 million whilst pre-tax profit improved to RM21.0 million from a pre-tax loss of RM56.6 million. The current quarter revenue is comparable to the preceding quarter. The turnaround in profitability was mainly due to:
- i) higher underwriting profit recorded by general insurance business; and
 - ii) lower exceptional losses incurred in the current quarter under review as compared to the higher impairment in value of certain assets and goodwill and higher provisions incurred in the preceding quarter.
- B3 The implementation of the Group restructuring exercise has commenced on 29 September 2005 with the announcement of the relevant book closure and entitlement dates and is expected to be completed in the third quarter of this financial year. Barring any unforeseen circumstances, the Directors anticipate that the Group's operating results for the forthcoming financial quarters ending 30 April 2006 will be satisfactory.
- B4 There is no profit forecast or profit guarantee for the financial period ended 31 July 2005.
- B5 The taxation charge for the quarter and financial period ended 31 July 2005 is detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	35,970
- Outside Malaysia	5,446
Deferred tax	(1,682)
Under - provision in prior years	639
	<u>40,373</u>

The disproportionate tax charge of 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.

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 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6 There were no profits / (losses) on sales of unquoted investment and properties for the current quarter under review.

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 Bursa Securities were as follows :

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

	Current Quarter RM'000
Cost of purchase	<u>1,136</u>

(ii) There was no disposal of quoted shares in the current quarter and financial period ended 31 July 2005

(b) Investments in quoted securities : -

	At end of current quarter RM'000
(i) at cost;	<u>136,858</u>
(ii) at carrying value/book value;	<u>76,286</u>
(iii) at market value.	<u>81,340</u>

B8 There has been no further developments for those corporate proposals disclosed in Notes 38 and 39 to the audited financial statements of the Group for the financial year ended 30 April 2005 except for the following:-

(a) With regard to Note 38(B)(4), on 6 September 2005, BLand announced that BLCL has agreed to extend further advance of SGD3 million for Informatics' operational needs. The total InfoAdvance would be SGD7 million.

Informatics revised its proposed renounceable non-underwritten rights issue to two new ordinary shares of SGD0.05 each together with one free warrant for every two existing shares held at an issue price of SGD0.05 per share ("InfoRightsIssue"). The InfoAdvance will be repaid in full by Informatics by applying the credit of the InfoAdvance partially against BLand group's entitlement to the InfoRightsIssue or on 31 December 2005 whichever is the earlier.

Status of corporate proposals announced subsequent to the audited financial statements:

(i) On 14 September 2005, the Company announced that its wholly owned subsidiary company, Berjaya Books Sdn Bhd ("BBooks"), has proposed to grant a call option to Borders International Services, Inc ("Borders") to acquire up to 50% equity interest in BBooks. BBooks holds the franchise from Borders to develop and operate Borders stores in Malaysia.

BERJAYA GROUP BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B9 Group borrowings and debt securities as at 31 July 2005 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			1,150,741
USD	18,402	*	69,008
SGD	13,490	*	30,451
GBP	1,878	*	12,277
SLRs	5,000	*	188
Euro	17,253	*	78,630
			1,341,295
Unsecured			
Denominated in Ringgit Malaysia			245,366
JPY	129,000	*	4,575
			249,941
			1,591,236
Long term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia			1,911,183
USD	12,303	*	46,138
SGD	3,636	*	8,208
GBP	1,869	*	12,220
SLRs	20,133	*	751
			1,978,500
Unsecured			
Denominated in Ringgit Malaysia			201,087
			2,179,587
Total borrowings			3,770,823

* Converted at the respective exchange rate prevailing as at 31 July 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.

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

B11 There is no pending material litigation since the last annual balance sheet date up to the date of this announcement.

BERJAYA GROUP BERHAD
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2005
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B12 No dividend is declared for the current period ended 31 July 2005 (2004: nil).

B13 The basic and diluted loss per share are calculated as follows:

	Group (3-months period)			
	31-07-2005	31-07-2004	31-07-2005	31-07-2004
	RM'000		sen	
Net loss for the period	(40,892)	(27,467)		
Impact on income statement upon conversion of ICULS (there is no impact as the Company's ICULS are of equity in nature)	-	-		
Adjusted net loss for the period	<u>(40,892)</u>	<u>(27,467)</u>		
Basic loss per share			<u>(2.73)</u>	<u>(1.83)</u>
Weighted average number of ordinary shares in issue ('000)	1,498,173	1,498,171		
Number of shares from ICULS conversion	422,095	422,097		
Number of shares used in the calculation of diluted earnings per share	<u>1,920,268</u>	<u>1,920,268</u>		
Diluted loss per share			<u>*</u>	<u>*</u>

* No diluted loss per share is presented as the effect on the basic loss per share is anti-dilutive.