HYUNDAI - BERJAYA
Corporation Berhad

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Abdul Rahim bin Haji Din
(Chairman)
Datuk Wan Lokman bin Dato' Wan Ibrahim
(Executive Director)
Freddie Pang Hock Cheng
Lee Kok Chuan
Yeoh Choon San
Dato' Mohd Salleh bin Ahmad
Lim Hock Chye

AUDIT COMMITTEE

Lim Hock Chye
(Chairman/Independent Non-Executive)
Dato' Mohd Salleh bin Ahmad
(Independent Non-Executive)
Lee Kok Chuan
(Non-Independent Non-Executive)

SECRETARIES

Tan Peng *(MIA 6063)*
Su Swee Hong *(MAICSA NO: 0776729)*

SHARE REGISTRARS

Berjaya Registration Services Sdn Bhd
Lot C1-C3, Block C
2nd Floor, KL Plaza
179 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 03-2145 0533
Fax : 03-2145 9702

AUDITORS

Arthur Andersen & Co
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

REGISTERED OFFICE

83 Jalan SS25/2
Taman Bukit Emas
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7803 3131
Fax : 03-7803 9989

PRINCIPAL BANKERS

Affin Bank Berhad
Bumiputra-Commerce Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Second Board of Kuala Lumpur
Stock Exchange

STOCK SHORT NAME

HBJCorp (8915)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

TAN SRI DATUK ABDUL RAHIM BIN HAJI DIN
Chairman
(Non-Independent/Non-Executive)
64 years of age, Malaysian

He was appointed to the Board on 12 February 1997. He graduated with a degree in Bachelor of Arts from University Malaya in 1963 and obtained his Masters of Business Administration from the University of Detroit, United States of America in 1976. Prior to joining Berjaya Group Berhad, he served as the Secretary-General in the Ministry of Home Affairs from 1992 until his retirement in September 1996. From 1987 to 1991, he was the General Manager of the Employees Provident Fund before becoming the Deputy Group Chief Executive Officer of Permodalan Nasional Berhad, a post he held from 1991 to 1992.

He is also a Director of Berjaya Group Berhad and Prudential Assurance Malaysia Berhad and several other private limited companies.

DATUK WAN LOKMAN BIN DATO' WAN IBRAHIM
(Executive Director)
57 years of age, Malaysian

He was appointed to the Board on 11 September 1996. He holds a Master of Agricultural Business Management from University of Philippines and has served as an Assistant Manager in Bank Pertanian Malaysia from 1970 to 1992. Later, he joined Bridgecon Berhad as a Business Development Manager. He was appointed as an Executive Director of the Company since October 1997 and he also sits on the board of Gadang Holdings Berhad.

He is the brother of the late Dato' Wan Adli Bin Dato' Wan Ibrahim, a substantial shareholder of the Company.

FREDDIE PANG HOCK CHENG
(Non-Independent/ Non-Executive)
48 years of age, Malaysian

He was appointed to the Board on 29 April 1998. He worked with Messrs Ernst & Young for seven years until 1982 during which he qualified for entry as a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants. In 1982, he joined the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad where he was actively involved in a wide variety of corporate exercises in an advisory capacity until his departure in 1990 to join Berjaya Group Berhad.

He is currently an Executive Director of Berjaya Group Berhad and Berjaya Sports Toto Berhad. He also holds directorships in MOL.com Berhad, Unza Holdings Berhad, Dunham-Bush (Malaysia) Bhd, Intan Utilities Berhad, Berjaya Vacation Club Berhad and several other private limited companies in the Berjaya Group of Companies. He is also an Alternate Director of Nexnews Berhad.

LEE KOK CHUAN
(Non-Independent/ Non-Executive)
44 years of age, Malaysian

He was appointed to the Board on 30 April 2003. He graduated with a Bachelor of Economics (Accounting Major) from Monash University, Melbourne in 1983 and is an Associate member of the Institute of Chartered Accountants in Australia. He has over 10 years of working experience in the fields of accounting, auditing and corporate services with major international accounting firms including Messrs Ernst & Whinney (Kuala Lumpur) [now known as Ernst & Young], Arthur Young (Melbourne) and subsequently Ernst & Young (Melbourne). He joined Berjaya Land Berhad as Senior Manager, Internal Audit in 1994 and was responsible for its internal audit functions. He was an Executive Director of Berjaya Group Berhad from January 2000 to September 2001. He is currently an Executive Director of Berjaya Capital Berhad and a Director of MOL Accessportal Berhad. He is also a Director of several other private limited companies in the Berjaya Group of Companies.

YEOH CHOON SAN
(Non-Independent/ Non-Executive)
52 years of age, Malaysian

He was appointed to the Board on 30 April 2003. He graduated with a Higher National Diploma in Automotive Engineering. He has over 30 years of experience in the motor industry holding various portfolio from Technical Manager to Executive Director. His last appointment prior to joining Hyundai-Berjaya Sdn Bhd was as Executive Director of Proton Corporation Sdn Bhd where he was responsible for the Business Operation and International Export Activities. He is presently the Executive Director of Hyundai-Berjaya Sdn Bhd.

DATO' MOHD SALLEH BIN AHMAD
(Independent/Non-Executive)
62 years of age, Malaysian

He was appointed to the Board on 7 July 2003. He graduated with a degree in Bachelor of Arts (Second Class Honours) from University of Malaya. He began his career with the Ministry of Finance as Assistant Secretary in 1966. He was promoted to Principal Assistant Secretary in 1969 and was the Deputy Head of Division prior to his departure in 1988. Thereafter, he joined the Ministry of Defence and was the Director of Establishment and Services prior to his current appointment as the Chief Executive Officer of Koperasi Serbaguna Anak-Anak Selangor Berhad (KOSAS) in 1991. He is also a Director in several private companies.

LIM HOCK CHYE
(Independent/Non-Executive)
48 years of age, Malaysian

He was appointed to the Board on 7 July 2003. He holds a LLB (Hons) from University of London. He was previously a Deputy Editor with the Star Newspaper, where he wrote for the Business Section. He has 22 years of experience and exposure in the media industry during which he has travelled extensively overseas to cover government functions and trade missions. He is currently a consultant with a private organisation. He is also a Director of Silver Bird Group Berhad and Juan Kuang (M) Industrial Berhad.

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.

Hyundai Coupe

Corporate Profile

Hyundai-Berjaya Corporation Berhad ("HBCB") was incorporated on 19 February 1981 as a private limited company under the Companies Act, 1965 Malaysia, under the name of Transwater Bina Sdn Bhd. On 3 April 1986, the name was changed to Transwater Corporation Sdn Bhd. The Company was converted to a public limited company on 3 May 1991. On 28 September 1993, the Company was listed on the Second Board of the Kuala Lumpur Stock Exchange and adopted its present name on 11 July 2003.

The principal activities of HBCB are that of investment holding and provision of management services. Pursuant to a regularisation plan announced on 30 August 2002, the Company had on 11 April 2003 acquired 100% equity interest in a new core and profitable company, Hyundai-Berjaya Sdn Bhd ("HBSB"), which is principally involved in the management of sales and distribution of passenger and light commercial vehicles in Malaysia. Today, HBSB has approximately 80 appointed dealers located throughout Malaysia to market and distribute HBSB's products.

The Group's core business is concentrated into 2 main divisions:-

- Sale and distribution of passenger and light commercial vehicles; and
- Specialist engineers for the oil and gas industry.

On 29 July 2003, the Company was reclassified from the Practice Note 4 Condition sector to the Trading/ Services sector on the Kuala Lumpur Stock Exchange following the regularisation of its financial condition and no longer triggers the criteria under Paragraph 2.0 of the Practice Note 4/2001.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Hyundai-Berjaya Corporation Berhad ("HBCB") (formerly known as Transwater Corporation Berhad) for the financial period ended 30 April 2003.

Hyundai XG

FINANCIAL RESULTS

HBCB and its subsidiaries ("the Group") adopted a new financial year-end of 30 April in order to be co-terminous with the financial year-end of the Group's new holding company, Berjaya Group Berhad ("BGroup"). Thus, the new financial period ended 30 April 2003 under review covered a period of 14 months.

The Group recorded a total revenue of RM100.8 million for the financial period ended 30 April 2003 compared to RM69.8 million in the previous financial year ended 28 February 2002. The increase in revenue was due to higher revenue recorded by its subsidiaries in the oil and gas related industry and the contribution from its newly acquired subsidiaries, Hyundai-Berjaya Sdn Bhd ("HBSB") and Berjaya Systems Integrators Sdn Bhd ("BSI") ("BSI Group") during the period under review. The Group reported a lower operating loss of RM6.6 million for the financial period under review compared to the previous year's loss of RM10.7 million.

The Group's non-operating expenses of RM54.2 million for the financial period under review was mainly attributed to the write-off of the goodwill arising from the acquisition of the BSI Group amounting to RM52.8 million and expenses related to the implementation of the corporate proposals in relation to the regularisation of the Group's financial condition pursuant to Practice Note 4 of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements ("Corporate Proposals").

DIVIDEND

The Board did not recommend any dividend to be paid for the financial period ended 30 April 2003.

CORPORATE DEVELOPMENTS

On 30 August 2002, the Company announced the following corporate proposals :

a. Acquisition of 100% equity interest in BSI comprising 2 ordinary shares of RM1.00 each ("shares") by the Company from BGroup for a total cash consideration of RM2.00 and the undertaking to repay RM51 million due to BGroup pursuant to the acquisition of 51% equity interest in HBSB by BSI, which was repaid via an issue of 51 million new HBCB shares at an issue price of RM1.00 each ("Indebtedness") ("Acquisition of BSI"). The acquisition was completed on 11 April 2003.

b. Mandatory offer to acquire the remaining 49% equity interest in HBSB not already owned by HBCB Group after the Acquisition of BSI, which was satisfied by the issuance of 40 new HBCB shares credited as fully paid-up at an issue price of RM1.00 per share for every 9 shares held in HBSB ("Take-Over Offer"). The Take-Over Offer was completed on 29 April 2003.

c. Increase in authorised share capital from RM100 million comprising 100 million shares to RM500 million comprising 500 million shares. The increase in authorised share capital was completed on 9 April 2003.

d. Proposed rights issue of 67.8 million new shares ("Rights Shares") each together with 67.8 million new free detachable warrants ("Warrants") at an issue price of RM1.00 per Rights Share together with 1 free Warrant on the basis of three new Rights Shares of the Company together with three Warrants attached thereto for every five existing shares ("Proposed Rights Issue"). The Proposed Rights Issue is pending implementation.

e. Proposed transfer of the listing and quotation for the entire enlarged issued and paid-up share capital of HBCB from the Second Board to the Main Board of KLSE upon the completion of the Proposed Rights Issue with Warrants is subject to HBCB meeting the profit track record requirement for the listing on the Main Board of the KLSE ("Proposed Transfer"). (hereinafter collectively referred to as "Corporate Proposals")

On 30 September 2002, the Company submitted its applications on the Corporate Proposals to the Securities Commission ("SC") and Foreign Investment Committee ("FIC"). The FIC approved the Acquisitions of BSI and Take-Over on 26 November 2002. On 24 December 2002, the Company received conditional approval from SC on the Corporate Proposals.

On 1 April 2003, the approval-in-principle was obtained from the KLSE for the listing and quotation of all the new HBCB shares/Warrants to be issued pursuant to the Acquisition of BSI, Take-Over Offer, Proposed Rights Issue with Warrants and/or exercise of the Warrants and the admission to the Official List for the Warrants arising from the Proposed Rights Issue with Warrants.

The Corporate Proposals were approved by the Company's shareholders at an extraordinary general meeting held on 9 April 2003.

On 29 July 2003, the Company was reclassified from the PN 4 Condition sector to the Trading/Services sector on the KLSE following the regularisation of its financial condition.

On 26 June 2003, the Company entered into a supplemental debt settlement agreement with Idris Hydraulic (Malaysia) Berhad ("Idris") and Idaman Unggul Sdn Bhd to extend the validity period of the debt settlement agreement from 30 June 2002 to 30 September 2003.

The above agreement was pertaining to a debt settlement agreement dated 26 March 2002 between HBCB, Idris and Idaman Unggul Sdn Bhd for the proposed settlement of debt owing by Idris pursuant to a promissory note issued to HBCB arising from the novation-cum-assignment dated 12 September 1997. The debt settlement is for a sum of RM18.1 million to be satisfied by RM3.1 million cash and RM14.9 million nominal amount of RM1.00 Irredeemable Convertible Unsecured Loan Stocks of Idris.

On 4 July 2003, the shareholders of HBCB approved the resolution for the change of the Company's name to Hyundai-Berjaya Corporation Berhad. The change of name is to better reflect the Company's strategic focus on the automotive business following the acquisition of 100% equity interest in HBSB which is primarily involved in the management of the sale and distribution activities of Hyundai/Inokom passenger vehicles and light commercial vehicles in Malaysia.

REVIEW OF OPERATIONS

The Group reported an operating loss of RM6.6 million mainly due to the losses incurred by its subsidiaries involved in the construction, cooling towers and fabrication related industries as a result of lower revenue in these industries and the economic slowdown. The Group's non-operating loss for the financial period ended 30 April 2003 was mainly attributed to the write-off of the goodwill arising from the acquisition of BSI Group amounting to RM52.8 million and expenses relating to the implementation of the Corporate Proposals. Share of losses of an associated company engaged in the construction related industry has also contributed to the loss of the Group.

Our newly acquired subsidiary, HBSB contributed approximately 20% of the Group's revenue and RM1.35 million in pre-tax profit for the financial period under review.

The Group will focus on its newly acquired business namely the sale and distribution of passenger and light commercial vehicles and will also seek to expand its market presence in its specialist engineering business for the oil and gas industry.

MARKET OUTLOOK

The recent corporate proposals undertaken by the Company have resulted in the injection of a new and profitable core business into the Group i.e the management of sale and distribution of Hyundai/Inokom passenger vehicles and light commercial vehicles in Malaysia. Going forward, this new core business is expected to contribute a major portion of the consolidated earnings of the Company in the future whilst our oil and gas division is also expected to perform remarkably well.

The final phase of the Corporate Proposals involving the implementation of a Proposed Rights with Warrants, which will raise a total cash proceeds of RM67.8 million will be mainly utilised to repay borrowings and also for working capital to fund its operations and business expansion.

Hyundai Getz

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my appreciation to the management and staff for their dedication and commitment in their work. I also wish to thank all our customers, shareholders, business associates, financiers and the government authorities for their co-operation and support and look forward to their continued support in the future.

Tan Sri Datuk Abdul Rahim bin Haji Din
Chairman
18 August 2003

The Board of Directors of Hyundai-Berjaya Corporation Berhad is pleased to present the report of the Audit Committee for the financial period ended 30 April 2003.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES
The current members of the Audit Committee comprises the following:-

Lim Hock Chye
(appointed on 7.7.2003)
Chairman/Independent Non-Executive

Dato' Mohd Salleh bin Ahmad
(appointed on 7.7.2003)
Independent Non-Executive

Lee Kok Chuan
(appointed on 7.7.2003)
Non-Independent Non-Executive

The Audit Committee held eight (8) meetings during the financial period ended 30 April 2003. The details of attendance of the Audit Committee members are as follows:-

Name	Attendance
Tan Sri Datuk Abdul Rahim bin Haji Din (resigned on 7.7.2003)	8/8
Freddie Pang Hock Cheng (resigned on 7.7.2003)	7/8
Low Ah Ha (resigned on 7.7.2003)	8/8
Lim Hock Chye (appointed on 7.7.2003)	-
Dato' Mohd Salleh bin Ahmad (appointed on 7.7.2003)	-
Lee Kok Chuan (appointed on 7.7.2003)	-

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE
The Audit Committee has during the financial period ended 30 April 2003 undertaken the following activities in accordance with its terms of reference:-

a) Reviewed quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;

b) Reviewed the external auditors' scope of work and audit plan for the year;

c) Reviewed the internal audit reports presented and considered the audit findings in the Group's operating subsidiaries and actions taken by the management in response to the audit findings;

d) Reviewed the adequacy and effectiveness of the system of internal controls and procedures of the Group's subsidiaries by reviewing the internal audit reports and management responses thereto and ensuring significant audit findings are adequately addressed by management;

e) Reviewed the shareholders' circular in relation to the recurrent related party transactions.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is carried out by an independent professional consulting firm, which is responsible for reviewing the effectiveness of the system of controls in the Group, highlighting weaknesses and providing suitable recommendations for improvements, support and reports to the Audit Committee.

During the financial period, 4 audit assignments were carried out on the Company's business units/operations and its active subsidiary companies. These assignments were carried out in accordance with the audit plan.

Internal Audit reports were issued to the Audit Committee and the management of the respective operations and its active subsidiary companies, incorporating audit recommendations and management responses with regards to audit findings relating to the weaknesses in the system and controls of the respective operations and its active subsidiary companies audited.

TERMS OF REFERENCE

1. Membership

The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom shall be Independent Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Kuala Lumpur Stock Exchange.

A quorum shall consist of two members and a majority of the members present must be Independent Directors.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

3. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Committee members and to the other members of the Board of Directors.

4. Frequency of meetings

Meetings shall be held not less than four times a year and will normally be attended by the Officer charged with the responsibilities of the Group's finance and the representatives of the Internal Auditors from the professional firm. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors excluding the attendance of the executive members of the Committee, wherever deemed necessary.

6 Duties

The duties of the Committee shall be:-

(a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;

(b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;

(c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:-

- going concern assumption
- compliance with accounting standards and regulatory requirements
- any changes in accounting policies and practices
- significant issues arising from the audit
- major judgemental areas

(d) To prepare Audit Committee Report at the end of each financial year;

(e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management's response;

(g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To do the following in respect of the internal audit function:-

- review the adequacy of scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- review internal audit programme;
- ensure coordination of external audit with internal audit;
- consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of the staff of the internal audit function;
- approve any appointment or termination of senior staff member of the internal audit function;
- keep itself informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;
- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board from time to time;

(j) In compliance with Paragraph 15.17 of the Kuala Lumpur Stock Exchange ("the Exchange") Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to the Exchange.

Statement On Corporate Governance

The Malaysian Code of Corporate Governance ("Code") introduced in March 2000, sets out the principles and best practices for compliance by each organisation. Under the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements, listed companies are required to state the extent of such compliance or provide alternative measures in areas where there are deviations from the principles and/or best practices.

The following statement sets out the Company's compliance with the principles of the Code.

A) Directors

i) The Board

The Board is primarily responsible for the strategic direction of the Group. The Board meets at least four (4) times a year, with additional meetings being convened when necessary. During the financial period ended 30 April 2003, the Board met seven (7) times. The details of the Directors attendance at these Board meetings are set out as follows:-

Name	Attendance
Tan Sri Datuk Abdul Rahim bin Haji Din (Chairman) Non-Independent/Non-Executive	7/7
Datuk Wan Lokman bin Dato' Wan Ibrahim Executive Director	4/7
Kong Keng Ling (Resigned on 31.8.2003) Executive Director	7/7
Freddie Pang Hock Cheng Non-Independent/Non-Executive	6/7
Low Ah Ha (Resigned on 31.8.2003) Non-Independent/Non-Executive	7/7
Lee Kok Chuan (Appointed on 30.4.2003) Non-Independent/Non-Executive	-
Yeoh Choon San (Appointed on 30.4.2003) Non-Independent/Non-Executive	-
Dato' Mohd Salleh bin Ahmad (Appointed on 7.7.2003) Independent/Non-Executive	-
Lim Hock Chye (Appointed on 7.7.2003) Independent/Non-Executive	-

ii) Board Balance

The Board currently comprises seven (7) Directors with varied experience and out of these, six (6) are non-executive. Of the non-executive directors, two are independent. The profiles of the Directors are set out on pages 3 and 4 of the Annual Report.

Pursuant to Paragraph 15.02 of the KLSE Listing Requirements, a listed issuer must ensure that at least a minimum of two (2) or one third ($\frac{1}{3}$)of the board of directors, whichever is higher, are independent directors. During the financial period ended 30 April 2003, the composition of the Board does not meet the said requirement.

However, the Company had since complied with the Board composition requirement following the appointments of two (2) new independent directors on 7 July 2003 and the resignations of two (2) non-independent Directors on 31 August 2003.

Dato' Mohd Salleh bin Ahmad has been identified as the Senior Independent Director of the Board to whom concerns may be conveyed.

iii) Supply of Information

All Directors have full and timely access to information concerning the Company and the Group. Board papers and reports include the Group performance and major operational, financial and corporate information are distributed to the Directors prior to Board Meetings and to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

All Directors have access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in furtherance of their duties.

iv) Appointment to the Board

The Nomination Committee currently comprises the following members:-

a) Tan Sri Datuk Abdul Rahim bin Haji Din (Chairman/Non-Independent Non-Executive)
b) Lim Hock Chye (Independent Non-Executive)
c) Dato' Mohd Salleh bin Ahmad (Independent Non-Executive)

The Committee is empowered by its terms of reference to perform amongst others the following primary functions:-

a) Recommend new nominations to the Board;
b) Recommend to the Board, Directors to fill the seats on Board Committees;
c) Review annually the required mix of skills and experience and other qualities including core competencies which the Non-Executive Directors should bring to the Board.

v) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analyst Malaysia (RIIAM), an affiliate company of the KLSE. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge on a continuous basis in compliance with the Practice Note 15/2003 of the KLSE Listing Requirements on the Continuing Education Programme.

vi) Re-election of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Articles also requires that one-third of the Directors including the Managing Director, if any, to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election once every three years.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

B) Directors' Remuneration

i) Remuneration Committee

The Remuneration Committee currently comprises the following members:-

a) Tan Sri Datuk Abdul Rahim bin Haji Din (Chairman/Non-Independent Non-Executive)
b) Lim Hock Chye (Independent Non-Executive)
c) Lee Kok Chuan (Non-Independent Non-Executive)

The primary function of the Remuneration Committee is to set up the policy framework and to make recommendations to the Board on all elements of the remuneration package and other terms of employment. Non-Executive Directors' Remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration.

ii) Details of the Directors' Remuneration

The Directors are satisfied that the current level of remuneration are in line with the responsibilities expected.

The aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components for the financial period ended 30 April 2003 are as follows:-

	RM'000				
	Fees	**Salaries and other emoluments**	**Bonus**	**Benefit in kind**	**Total**
Executive	12	361	13	7	393
Non-Executive	22	-	-	-	22
	34	361	13	7	415

The number of Directors of the Company who served during the financial period and whose total remuneration from the Group falling within the respective band are as follows:-

	Number of Directors	
	Executive	**Non-Executive**
Below RM50,000	1	3
RM350,001 – RM400,000	1	-
	2	3

C) Relations with Shareholders and Investors

The Company recognises the importance of timely and regular dissemination of information to shareholders and investors of the Company via annual report and financial statements, circulars to shareholders, quarterly financial reports and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations. The AGM also provides an opportunity for the shareholders to seek and clarify any issues relevant to the Company. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

D) Accountability and Audit

i) Financial Reporting

The Directors aim to provide a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual report and quarterly financial statements.

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved Accounting Standards in Malaysia.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

ii) Statement of Directors' Responsibility in respect of the Financial Statements

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:-

(a) select suitable accounting policies and then apply them consistently;
(b) state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
(c) make judgements and estimates that are reasonable and prudent; and
(d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

iii) Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on internal control of the Group is set out in pages 17 and 18 of the Annual Report.

iv) Relationship with the auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Group's auditors, both internal and external. From time to time, the auditors highlight to the Audit Committee and the Board on matters that require the Board's attention.

Statement On Internal Control

Introduction

Pursuant to paragraph 15.27(b) of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements, the Board of Directors of Hyundai-Berjaya Corporation Berhad is pleased to provide the following statement on the state of internal control of the Company and its subsidiaries ("Group") for the financial period ended 30 April 2003, which has been prepared in accordance with the "Statement of Internal Control – Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by the KLSE.

Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control, and for reviewing its adequacy and integrity. However, the Board recognises that reviewing of the Group's systems of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Group's system of internal controls comprises the following key elements:

- **Control procedures**
  Operating Procedures Manuals that set out the policies, procedures and practices to be adopted by the Group to ensure clear accountabilities and control procedures are in place for its business units. The Group will formalise additional standard written policies and procedures for certain operative functions for formal adoption by the Board.

- **Organisational structure and accountability levels**
  The Group has a well defined organisational structure with clear lines of accountability and authority that sets out the decisions that need to be taken, and the appropriate authority levels of Management including matters that require Board approval.

- **Reporting and review**
  Paramount to the Group's system of internal control is the role played by the Executive Directors as the channel of communication between the Board and management. The Executive Directors who are assigned to manage the businesses of the Group implement the Board's expectations of the system of internal control.

  The Executive Directors, together with their respective management team, attend various management and operations meetings, and carry out monthly monitoring and review of financial results and budgets for all businesses within the Group, including monitoring and reporting thereon, of performance against the operating plans and annual budgets. The Group's management teams communicate regularly to monitor operational and financial performance as well as formulate action plans to address any areas of concern.

  The Executive Directors, in turn, will update the Board of any significant matters which require the latter's attention. Those monitoring and reporting processes present the ideal platform for the timely identification of the Group's risk, as well as systems to manage those risks.

- **Internal audit and Audit Committee**
  Regular internal audits are carried out by an independent professional services firm to review the adequacy and integrity of the internal control systems of the business units. The internal audit team advises executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The reports are submitted to the Audit Committee, which reviews the findings with management at its quarterly meetings. The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Further, any cases for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters or articulated at its Audit Committee meetings. In assessing the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Group, the Audit Committee reports to the Board of Directors its activities, significant results, findings and the necessary recommendations or changes.

- **Risk Management**
  The Group has for the financial period ended 30 April 2003, carried out risk assessment and identified the risks faced by the Group. The risk assessment process involved risk identification, risk prioritisation and formulation of action plans to enhance the internal controls system and better manage the critical risks. The main objective for the risk assessment is to achieve a better management of the risks and controls through formulation of action plans to be implemented and championed by identified members of the management. In addition, risk exposure were identified from the scoped internal audit reviews carried out by the internal audit team and are managed by the Management via the formulation and implementation of internal controls to address the risks identified. These internal controls are appropriate and effectively implemented by the Management to achieve acceptable risk exposures.

  The Group has an informal risk management process in place. Senior Management will assess and appraise the cost and benefits, impact on the Group, review the financial implications before any investment or significant expenditure is made. Adequacy of the system of internal control is regularly evaluated by the Audit Committee through their review of the internal audit reports during the financial period.

  The Group's interests are served through representations on the boards of the respective associated companies and receipt and review of management accounts, and enquiries thereon. These representations also provide the Board with information for timely decision-making on the continuity of the Group's investments based on the performance of the associated companies. The extent of responsibility for internal control does not include that of the associated companies and jointly controlled entities as not being part of the Group for the purpose of this review.

The nature of risks means that events may occur which would give rise to unanticipated or unavoidable losses. The Group's system of internal controls is designed to provide reasonable but not absolute assurance against the risk of material errors, fraud or losses from occurring. It is possible that internal control may be circumvented or overridden. Furthermore, because of changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The rationale of the system of internal controls is to enable the Group to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all risks.

The Board is of the view that there are no significant breakdown or weaknesses in the system of internal control of the Group that may result in material losses incurred by the Group for the financial period ended 30 April 2003. The Group continues to take the necessary measures to strengthen its internal controls.

FINANCIAL STATEMENTS

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 April 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period other than the additional activities of the subsidiaries acquired as stated in Note 13 to the financial statements.

CHANGE OF YEAR END

During the financial period, the Company and its subsidiaries changed their financial year ends from 28 February to 30 April to be co-terminous with the financial year end of the Group's new holding company, Berjaya Group Berhad ("BGB").

RESULTS

	Group RM	Company RM
(Loss)/profit after taxation	(61,865,948)	3,551,207
Minority interests	(364,262)	-
Net (loss)/profit for the period	(62,230,210)	3,551,207

There were no material transfers to or from reserves or provisions during the financial period.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature other than the change in accounting policy with respect to the treatment on goodwill arising from consolidation as disclosed in Note 31 to the financial statements. Consequent to the change, goodwill arising from the acquisition of Berjaya Systems Integrators Sdn. Bhd. ("BSISB") and Hyundai-Berjaya Sdn. Bhd. ("HBSB"), which are collectively known as the BSISB group, amounting to RM52,755,980, was written off immediately to the income statement, increasing the Group's net loss for the period by the said amount.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk Abdul Rahim bin Haji Din
Datuk Wan Lokman bin Dato' Wan Ibrahim
Kong Keng Ling
Freddie Pang Hock Cheng
Low Ah Ha
Yeoh Choon San (appointed on 30 April 2003)
Lee Kok Chuan (appointed on 30 April 2003)

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options granted to the directors of the Company by its related company pursuant to the Employees' Share Option Scheme of the said related companies.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares and debentures of the Company and its related corporations during the financial period were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 March 2002/ Date of Appointment	**Bought**	**Sold**	**30 April 2003**
The Company				
Direct Interest				
Yeoh Choon San	11,000,000	-	-	11,000,000

	Number of Ordinary Shares of RM1 Each			
	1 March 2002/ Date of Appointment	**Bought**	**Sold**	**30 April 2003**
Holding Company				
Berjaya Group Berhad				
Direct Interest				
Tan Sri Datuk Abdul Rahim bin Haji Din	72,000	-	-	72,000
Freddie Pang Hock Cheng	7,500	-	-	7,500
Low Ah Ha	-	20,000	-	20,000
Lee Kok Chuan	14,000	-	-	14,000

DIRECTORS' INTERESTS (Cont'd)

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 of RM1 Nominal Value Each			
	1 March 2002/ Date of Appointment	Bought	Converted/ Sold	30 April 2003
Holding Company				
Berjaya Group Berhad				
Tan Sri Datuk Abdul Rahim bin Haji Din	36,000	-	-	36,000
Lee Kok Chuan	33,000	-	-	33,000

	Number of Warrants			
	1 March 2002/ Date of Appointment	Bought	Sold	30 April 2003
Holding Company				
Berjaya Group Berhad				
Tan Sri Datuk Abdul Rahim bin Haji Din	144,000	-	-	144,000
Lee Kok Chuan	32,000	-	-	32,000

	Number of Options Over Ordinary Shares of RM1 Each			
	1 March 2002/ Date of Appointment	Granted	Exercised	30 April 2003
Other Related Company				
Berjaya Land Berhad				
Lee Kok Chuan	125,000	-	-	125,000

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 of RM1 Nominal Value Each			
	1 March 2002/ Date of Appointment	Bought	Converted/ Sold	30 April 2003
Other Related Company				
Berjaya Land Berhad				
Lee Kok Chuan	5,000	-	-	5,000

DIRECTORS' INTERESTS (Cont'd)

	Number of Ordinary Shares of RM1 Each			
	1 March 2002/ Date of Appointment	Bought	Sold	30 April 2003
Other Related Company				
Unza Holdings Berhad				
Direct Interest				
Datuk Wan Lokman bin Dato' Wan Ibrahim	36,000	-	-	36,000
Freddie Pang Hock Cheng	10,000	-	-	10,000
Other Related Company				
Berjaya Capital Berhad				
Direct Interest				
Freddie Pang Hock Cheng	10,000	-	-	10,000
Lee Kok Chuan	2,000	-	-	2,000
Other Related Company				
Cosway Corporation Berhad				
Direct Interest				
Lee Kok Chuan	4,000	-	-	4,000
Other Related Company				
Dunham-Bush (Malaysia) Bhd				
Kong Keng Ling	2,092	-	-	2,092
Other Related Company				
Matrix International Berhad				
Low Ah Ha	-	8,000	-	8,000
Subsidiary				
Transwater Cooling Towers Sdn. Bhd.				
Direct Interest				
Kong Keng Ling	19,000	-	-	19,000

Other than the above, none of the directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

ISSUE OF SHARES

During the financial period, the Company increased its:

(a) authorised share capital from RM100,000,000 to RM500,000,000 through the creation of 400,000,000 ordinary shares of RM1 each; and

(b) issued and paid-up share capital from RM13,000,000 to RM113,000,000 by way of the issuance of 100,000,000 ordinary shares of RM1 each at an issue price of RM1 per share as consideration for the acquisition of the BSISB group. The new ordinary shares rank pari passu in all respects with existing ordinary shares.

OTHER STATUTORY INFORMATION

(a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

   (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial period.

OTHER STATUTORY INFORMATION (Cont'd)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

CORPORATE PROPOSALS

The Group is currently undertaking a Corporate Exercise to regularise its financial condition pursuant to Practice Note 4/2001 of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE").

The details of the corporate proposals are as disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENTS

During the financial period, the Company entered and completed a Share Sale Agreement to acquire the entire BSISB group.

The significant events during the financial period are as disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

The subsequent event is as disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Arthur Andersen & Co., retire and do not seek re-appointment. A resolution to appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution of the directors

DATUK WAN LOKMAN BIN DATO' WAN IBRAHIM **KONG KENG LING**

Petaling Jaya, Malaysia
23 June 2003

Statement By Directors Pursuant to Section 169(15) of the Companies Act, 1965

We, DATUK WAN LOKMAN BIN DATO' WAN IBRAHIM and KONG KENG LING, being two of the directors of TRANSWATER CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 28 to 78 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2003 and of the results and the cash flows of the Group and of the Company for the period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

DATUK WAN LOKMAN BIN DATO' WAN IBRAHIM

KONG KENG LING

Petaling Jaya, Malaysia
23 June 2003

Statutory Declaration Pursuant to Section 169(16) of the Companies Act, 1965

I, TAN PENG, being the officer primarily responsible for the financial management of TRANSWATER CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 28 to 78 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed TAN PENG at)
Petaling Jaya in Selangor Darul Ehsan)
on 23 June 2003)

TAN PENG

Before me,

Karam Singh A/L Sudagar Singh
Commissioner for Oaths

Report Of The Auditors to the Members of Transwater Corporation Berhad (Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 28 to 78. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:

  (i) the financial position of the Group and of the Company as at 30 April 2003 and of the results and the cash flows of the Group and of the Company for the period then ended; and

  (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

ARTHUR ANDERSEN & CO.
AF: 0103
Chartered Accountants

NIK RAHMAT KAMARULZAMAN BIN NIK AB. RAHMAN
1759/02/04(J)
Partner

Kuala Lumpur, Malaysia
23 June 2003

Income Statements for the period ended 30 April 2003

	Note	Group 1.3.2002 to 30.4.2003 RM	Group 1.3.2001 to 28.2.2002 RM	Company 1.3.2002 to 30.4.2003 RM	Company 1.3.2001 to 28.2.2002 RM
Revenue	3	100,851,043	69,757,127	12,047,200	297,600
Other operating income		1,864,478	2,218,683	1,655,959	3,013,098
		102,715,521	71,975,810	13,703,159	3,310,698
Contract costs expensed		(32,897,362)	(33,880,386)	-	-
Cost of goods and services sold		(51,183,809)	(21,882,061)	-	-
Changes in inventories		(316,664)	(1,265,748)	-	-
Staff costs	4	(9,562,926)	(8,939,201)	(1,342,122)	(1,434,627)
Depreciation		(1,300,198)	(1,276,701)	(131,678)	(201,033)
Other operating expenses		(9,395,521)	(7,942,958)	(3,551,117)	(10,602,571)
(Loss)/profit from operations	5	(1,940,959)	(3,211,245)	8,678,242	(8,927,533)
Non-operating expenses	6	(54,252,931)	(15,000)	(1,496,951)	-
Finance costs	8	(3,434,822)	(4,416,250)	(712,084)	(818,246)
Share of results of associates		(1,168,394)	224,025	-	-
Share of results of jointly controlled entity		(11,000)	(3,298,576)	-	-
(Loss)/profit before taxation		(60,808,106)	(10,717,046)	6,469,207	(9,745,779)
Taxation:		(1,057,842)	(1,730,676)	(2,918,000)	-
Company and subsidiaries	9	(971,042)	(1,557,658)	(2,918,000)	-
Associates		(86,800)	(173,018)	-	-
Jointly controlled entity		-	-	-	-
(Loss)/profit after taxation		(61,865,948)	(12,447,722)	3,551,207	(9,745,779)
Minority interests		(364,262)	133,015	-	-
Net (loss)/profit for the period/year		(62,230,210)	(12,314,707)	3,551,207	(9,745,779)
Basic loss per share (sen)	10	(434.95)	(94.73)		

The accompanying notes form an integral part of the financial statements.

Balance Sheets as at 30 April 2003

	Note	Group 30.4.2003 RM	Group 28.2.2002 RM	Company 30.4.2003 RM	Company 28.2.2002 RM
NON-CURRENT ASSETS					
Property, plant and equipment	11	16,353,532	7,633,036	2,913,011	3,557,017
Investment properties	12	1,869,624	2,052,876	-	-
Investments in subsidiaries	13	-	-	1,829,829	1,829,827
Investments in associates	14	1,144,972	2,200,166	-	-
Other investments	15	96,720	184,040	2,120	3,440
		19,464,848	12,070,118	4,744,960	5,390,284
CURRENT ASSETS					
Inventories	16	10,434,180	4,659,358	-	-
Trade receivables	17	59,137,759	33,345,934	-	-
Tax recoverable		606,339	403,100	506,920	148,920
Other receivables	19	6,028,747	1,281,552	107,411,759	7,242,291
Marketable securities	20	41,138	-	-	-
Cash and bank balances	21	43,939,323	1,412,897	30,031	33,570
		120,187,486	41,102,841	107,948,710	7,424,781
CURRENT LIABILITIES					
Provision for liabilities	22	2,874,014	1,235,972	-	-
Borrowings	23	42,996,673	45,648,686	31,167,424	31,303,685
Trade payables	25	42,430,274	19,976,829	-	-
Other payables	26	25,542,665	6,718,030	6,713,857	9,446,926
Tax payable		4,160,014	1,776,214	-	-
		118,003,640	75,355,731	37,881,281	40,750,611
NET CURRENT ASSETS/(LIABILITIES)		2,183,846	(34,252,890)	70,067,429	(33,325,830)
		21,648,694	(22,182,772)	74,812,389	(27,935,546)
FINANCED BY:					
Share capital	28	113,000,000	13,000,000	113,000,000	13,000,000
Reserves		(101,563,828)	(39,333,618)	(39,139,205)	(42,690,412)
Shareholders' fund/(deficit)		11,436,172	(26,333,618)	73,860,795	(29,690,412)
Minority interests		99,974	180,688	-	-
		11,536,146	(26,152,930)	73,860,795	(29,690,412)
Provision for liabilities	22	3,096,750	-	-	-
Borrowings	23	6,937,798	3,886,927	951,594	1,754,866
Deferred tax liabilities	30	78,000	83,231	-	-
Non-current liabilities		10,112,548	3,970,158	951,594	1,754,866
		21,648,694	(22,182,772)	74,812,389	(27,935,546)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement Of Changes In Equity for the period ended 30 April 2003

	Share Capital RM	Non-Distributable Capital Reserves RM	Accumulated Losses RM	Total RM
At 1 March 2001				
As previously stated	13,000,000	1,990,425	(28,599,348)	(13,608,923)
Prior year adjustment (Note 31)	-	-	(409,988)	(409,988)
At 1 March 2001 (restated)	13,000,000	1,990,425	(29,009,336)	(14,018,911)
Net loss for the year	-	-	(12,314,707)	(12,314,707)
At 28 February 2002	13,000,000	1,990,425	(41,324,043)	(26,333,618)
Issue of share capital	100,000,000	-	-	100,000,000
Net loss for the period	-	-	(62,230,210)	(62,230,210)
At 30 April 2003	113,000,000	1,990,425	(103,554,253)	11,436,172

Company Statement Of Changes In Equity for the period ended 30 April 2003

	Share Capital RM	Non-Distributable Capital Reserve RM	Non-Distributable Surplus on Revaluation of Subsidiaries RM	Accumulated Losses RM	Total RM
At 1 March 2001	13,000,000	1,052,686	692,753	(34,690,072)	(19,944,633)
Net loss for the year	-	-	-	(9,745,779)	(9,745,779)
At 28 February 2002	13,000,000	1,052,686	692,753	(44,435,851)	(29,690,412)
Issue of share capital	100,000,000	-	-	-	100,000,000
Net profit for the period	-	-	-	3,551,207	3,551,207
At 30 April 2003	113,000,000	1,052,686	692,753	(40,884,644)	73,860,795

The accompanying notes form an integral part of the financial statements.

Consolidated Cash Flow Statement for the period ended 30 April 2003

	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(60,808,106)	(10,717,046)
Adjustments for:		
Bad debts written off	24,066	267,715
Provision for doubtful debts	1,338,956	2,434,196
Depreciation	1,300,198	1,276,701
Goodwill written off	52,755,980	15,000
Net attributable profits	(4,655,936)	(13,715)
Provision for warranties	294,533	-
Provision for liquidated ascertained damages	465,300	387,333
Provision for commitment of losses in jointly controlled entity	519,000	500,178
Unrealised foreign exchange loss	10,106	-
Gain on disposal of marketable securities	-	(23,730)
Impairment of other investments	87,320	4,840
Provision for diminution in value of marketable securities	41,138	-
Provision for diminution in value of golf club membership	49,000	-
Impairment of investment property	183,252	348,755
Gain on disposal of property, plant and equipment	(442,028)	(1,727,375)
Property, plant and equipment written off	347,400	502
Write down of inventories	650,472	251,089
Write off of inventories	481,677	-
Amortisation of royalty	11,823	11,823
Interest expense	3,434,822	4,416,250
Interest income	(142,286)	(61,949)
Share of results of associates	1,168,394	(224,025)
Share of results of jointly controlled entities	11,000	3,298,576
Operating (loss)/profit before working capital changes	(2,873,919)	445,118
Changes in inventories	125,257	1,559,199
Changes in receivables	14,659,809	1,363,637
Changes in payables	13,507,256	(2,425,919)
Cash generated from operations	25,418,403	942,035
Interest paid	(1,879,915)	(1,999,459)
Taxes paid	(689,437)	(980,665)
Tax credits received	280,761	12,813
Net cash generated from/(used in) operating activities	23,129,812	(2,025,276)

Consolidated Cash Flow Statement for the period ended 30 April 2003 (Cont'd)

	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash of subsidiaries acquired (Note 13)	23,862,937	-
Purchase of additional shares in associate	(200,000)	(50,000)
Interest received	73,247	61,949
Purchase of property, plant and equipment	(233,028)	(630,006)
Proceeds from disposal of property, plant and equipment	902,400	3,732,927
Proceeds from disposal of other investments	-	29,980
Net cash generated from investing activities	24,405,556	3,144,850
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(33,407,867)	(6,855,001)
Drawdown of borrowings	30,792,059	6,231,963
Net cash used in financing activities	(2,615,808)	(623,038)
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,919,560	496,536
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	(5,361,812)	(5,858,348)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR (NOTE 21)	39,557,748	(5,361,812)

The accompanying notes form an integral part of the financial statements.

Company Cash Flow Statement for the period ended 30 April 2003

	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	6,469,207	(9,745,779)
Adjustments for:		
Provision for doubtful debts	2,522,377	7,318,219
Depreciation	131,678	201,033
Impairment of other investments	1,320	540
Impairment of investment in subsidiaries	-	2,869,111
Gain on disposal of property, plant and equipment	(163,535)	(1,620,628)
Property, plant and equipment written off	75,896	-
Interest expense	712,084	818,246
Interest income	(1,055,623)	(848,070)
Operating profit/(loss) before working capital changes	8,693,404	(1,007,328)
Changes in receivables	(4,851,865)	(3,644,627)
Changes in payables	(2,803,532)	2,176,632
Cash generated from/(used in) operations	1,038,007	(2,475,323)
Interest paid	(552,934)	(806,496)
Interest received	1,055,623	848,070
Taxes credits received	-	12,813
Net cash generated from/(used in) operating activities	1,540,696	(2,420,936)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,733)	(192,639)
Proceeds from disposal of property, plant and equipment	616,700	3,540,000
Net cash generated from investing activities	599,967	3,347,361
Repayment of borrowings	(1,604,302)	(3,707,653)
Drawdown of borrowings	-	3,154,420
Net cash used in financing activities	(1,604,302)	(553,233)
NET INCREASE IN CASH AND CASH EQUIVALENTS	536,361	373,192
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	(1,765,172)	(2,138,364)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR (NOTE 21)	(1,228,811)	(1,765,172)

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 13.

There have been no significant changes in the nature of these activities during the financial period other than the additional activities of the subsidiaries acquired as stated in Note 13.

During the financial period, the Company and its subsidiaries changed their financial year ends from 28 February to 30 April to be co-terminous with the financial year end of the Group's new holding company, Berjaya Group Berhad ("BGB").

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE"). On 23 February 2001, the Company announced that it has been designated as an affected listed issuer pursuant to Practice Note 4/2001 of the Listing Requirements of the KLSE. Consequently, it is required to comply with the obligations of an affected listed issuer. The Group is currently undertaking a Corporate Exercise to regularise its financial condition as detailed in Note 37.

The principal place of business and registered office of the Company is located at No. 83, Jalan SS25/2, Taman Bukit Emas, 47301 Petaling Jaya, Selangor Darul Ehsan.

Pursuant to the acquisition of Berjaya Systems Integrators Sdn. Bhd. ("BSISB") and Hyundai-Berjaya Sdn. Bhd. ("HBSB"), which are collectively known as the BSISB group, as disclosed in Note 36, BGB, a company incorporated in Malaysia, became the Company's new holding and ultimate holding company.

The number of employees in the Group and in the Company at the end of the financial period were 212 (2002: 182) and 22 (2002: 21) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 June 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. The financial statements comply with the provisions of the Companies Act 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial period ended 30 April 2003, the Group and the Company adopted the following Malaysian Accounting Standards Board ("MASB") Standards for the first time:

MASB 19	Events After the Balance Sheet Date
MASB 20	Provisions, Contingent Liabilities and Contingent Assets
MASB 21	Business Combinations
MASB 22	Segment Reporting
MASB 23	Impairment of Assets
MASB 24	Financial Instruments: Disclosure & Presentation

The adoption of the above standards does not give rise to any material financial effects in the prior year and current period financial statements. However, additional presentation disclosure requirements have been complied with.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is goodwill or negative goodwill arising on consolidation which is written off/up immediately to the income statement.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the subsidiaries at the date of acquisition and minorities' share of post acquisition reserves, profit or losses to the extent of the minority interest in the equity of the subsidiaries.

(ii) Associates

The Group treats as associates those enterprises in which it has a long term equity interest of between 20% to 50% and where it exercises significant influence over the financial and operating policies through management and/or board participation.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the period is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of Consolidation (Cont'd)

(iii) Jointly controlled entity

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which the Group has joint control over its economic activity established under a contractual agreement.

The jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entity. Under the equity method of accounting, the Group's share of profits less losses of the jointly controlled entity during the period is included in the consolidated income statement. The Group's interest in the jointly controlled entity is carried in the consolidated balance sheet based on capital contribution plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are eliminated unless there is evidence of impairment of the assets transferred.

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Previously, goodwill arising from consolidation was stated at cost less accumulated amortisation and impairment losses. The effect of the change in accounting policy is disclosed in Note 31. In the recent acquisition of BSISB group, goodwill was written off immediately to the income statement. The change in accounting treatment for goodwill arising from consolidation was adopted by the Company in conjunction with its Corporate Exercise to regularise its financial condition pursuant to Practice Note 4/2001 of the Listing Requirements of the KLSE.

(d) Investments in Subsidiaries, Associates and the Jointly Controlled Entity

The Company's investments in subsidiaries, associates and the jointly controlled entity are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

Investments in certain subsidiaries which are stated at valuation have not been revalued since the date of first revaluation during the financial year ended 28 February 1993 for the purpose of the Company's initial public offering, as it is not the intention of the directors to adopt a policy of regular revaluations of such subsidiaries. Accordingly, these subsidiaries continue to be stated at their 1993 valuation less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Buildings	2%
Plant, machinery, jigs and tools	10% - 20%
Renovation and electrical installation	10% - 20%
Motor vehicles	20%
Office and computer equipment, furniture and fittings	5% - 33$^{1}/_{3}$%

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(f) Investment Properties

Investment properties consist of land held for future development that are not substantially occupied for use by, or in the operations of, the Group.

Investment properties are treated as long term investments and are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(g) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, the contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is shown as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Inventories

Inventories comprise passenger and light commercial vehicles, spare parts, pumps, compressors, motors, control valves, regulators and related accessories which are stated at the lower of cost and net realisable value. Cost is determined principally by the following methods:

Vehicles	- specific
Parts and accessories	- weighted average
Others	- first-in, first-out

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(j) Finance Leases or Hire Purchase

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Assets acquired by way of finance lease or hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum lease or hire purchase payments at the inception of the lease or hire purchase, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheets as borrowings. In calculating the present value of the minimum lease or hire purchase payments, the discount factor used is the interest rate implicit in the lease or hire purchase, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease or hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total lease or hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease or hire purchase so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased or hire purchased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(e).

(k) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Deferred Tax

Deferred taxation is provided for under the liability method in respect of all material timing differences except where it is reasonably expected that the tax effects of such deferrals will continue in the foreseeable future. No account is taken of any debit balances arising on the deferred taxation account.

(m) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Construction contracts
Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(g).

(ii) Sale of goods
Revenue relating to sale of goods is recognised net of discounts when transfer of risks and rewards has been completed.

(iii) Revenue from services
Revenue from services rendered is recognised net of discounts as and when the services are performed.

(iv) Interest income
Interest income is recognised on time proportion basis that reflects the effective yield on the asset.

(v) Management fees
Management fees is recognised on an accrual basis.

(vi) Dividend income
Dividend income from investment in subsidiaries and associates is recognised when the right to receive payment is established.

(n) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange differences are taken to the income statement.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	30.4.2003 RM	28.2.2002 RM
Euro	4.27	N/A
United States Dollar	3.80	3.80
Singapore Dollar	2.16	2.05
Japanese Yen	0.03	0.03

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(p) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other non-current investments
Non-current investments other than investments in subsidiaries, associates, jointly controlled entity and investment properties are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

On the disposal of the investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(ii) Marketable securities
Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is the price at which marketable securities were purchased while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(iii) Receivables
Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables
Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Financial Instruments (Cont'd)

(v) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to construction contracts are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended sale.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Gross dividends from subsidiaries	-	-	11,700,000	-
Management fees from subsidiaries	-	-	305,200	261,600
Management fees from associates	42,000	36,000	42,000	36,000
Construction contracts	37,553,298	38,122,901	-	-
Sales of goods and services	63,255,745	31,598,226	-	-
	100,851,043	69,757,127	12,047,200	297,600

4. STAFF COSTS

Included in staff costs of the Group and of the Company are executive directors' remuneration excluding directors' fees amounting to RM983,370 (2002: RM919,691) and RM334,880 (2002: RM360,640) respectively as further disclosed in Note 7.

5. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations is stated after charging/(crediting):

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Auditors' remuneration:				
Statutory audit	99,461	73,000	22,000	10,000
Others	4,000	3,000	4,000	3,000
Bad debts written off	24,066	267,715	-	-
Bank guarantee claim	424,800	-	-	-
Executive directors' fees (Note 7)	12,000	84,000	12,000	12,000
Non-executive directors' remuneration (Note 7)	22,000	86,250	22,000	68,250
Net foreign exchange losses:				
Realised	9,173	58,571	-	-
Unrealised	10,106	-	-	-
Property, plant and equipment written off	347,400	502	75,896	-
Provision for commitment of losses in jointly controlled entity	519,000	500,178	-	-
Impairment of:				
Investment property	183,252	348,755	-	-
Other investments	87,320	4,840	1,320	540
Subsidiaries	-	-	-	2,869,111
Provision for diminution in value of:				
Golf club membership	49,000	-	-	-
Marketable securities	41,138	-	-	-
Provision for doubtful debts for:				
Trade receivables	1,298,633	1,559,770	-	-
Sundry receivables	-	381,790	-	231,790
Subsidiaries	-	-	2,482,055	6,593,793
Associates	11,018	3,928	11,018	3,928
Jointly controlled entity	29,305	488,708	29,305	488,708
Bad debts recovered	(214,153)	(4,900)	-	-
Provision for liquidated ascertained damages	465,300	387,333	-	-
Provision for warranties	294,533	-	-	-
Rental of offices and stores	629,705	262,217	345,617	40,260
Write down of inventories	650,472	251,089	-	-
Write off of inventories	481,677	-	-	-
Gain on disposal of marketable securities	-	(23,730)	-	-
Gain on disposal of property, plant and equipment	(442,028)	(1,727,375)	(163,535)	(1,620,628)
Interest income	(142,286)	(61,949)	(1,055,623)	(848,070)
Rental income	(67,200)	(67,600)	(436,800)	(364,400)

6. NON-OPERATING EXPENSES

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Goodwill written off	52,755,980	15,000	-	-
Restructuring expenses	1,496,951	-	1,496,951	-
	54,252,931	15,000	1,496,951	-

Included in restructuring expenses is an amount of RM220,000 (2002: RMNil) payable to the reporting accountants for services rendered in connection to the restructuring exercise.

7. DIRECTORS' REMUNERATION

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	360,640	309,120	360,640	309,120
Fees	12,000	48,000	12,000	12,000
Bonus:				
- current year's provision	12,880	51,520	12,880	51,520
- over provision in prior year	(38,640)	-	(38,640)	-
Benefits-in-kind	6,883	5,300	6,883	5,300
	353,763	413,940	353,763	377,940
Non-Executive:				
Salaries and other emoluments	-	55,000	-	55,000
Fees	22,000	13,250	22,000	13,250
	22,000	68,250	22,000	68,250

7. DIRECTORS' REMUNERATION (Cont'd)

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Other Directors				
Executive:				
Salaries and other emoluments	635,330	559,051	-	-
Fees	-	36,000	-	-
Bonus:				
- current year's provisions	13,160	-	-	-
Benefits-in-kind	11,200	11,588	-	-
	659,690	606,639	-	-
Non-Executive:				
Fees	-	18,000	-	-
Total	1,035,453	1,106,829	375,763	446,190
Analysis:				
Total executive directors' remuneration excluding fees and benefits-in-kind (Note 4)	983,370	919,691	334,880	360,640
Total non-executive directors' remuneration excluding benefits-in-kind (Note 5)	22,000	86,250	22,000	68,250
Total	1,005,370	1,005,941	356,880	428,890

The number of directors of the Company whose total remuneration during the period/year fall within the following bands is as follows:

	Number of directors	
	30.4.2003	28.2.2002
Executive directors:		
Below RM50,000	1	1
RM350,001 - RM400,000	1	-
RM400,001 - RM450,000	-	1
Non-executive directors:		
Below RM50,000	3	3
RM50,001 - RM100,000	-	1

8. FINANCE COSTS

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Interest expense on borrowings	3,610,474	4,665,991	712,084	818,246
Less: Amount capitalised in costs of construction contracts (Note 18)	(175,652)	(249,741)	-	-
	3,434,822	4,416,250	712,084	818,246

Borrowing costs capitalised in the qualifying assets during the period/year relates to interest on bankers' acceptances and bank overdrafts obtained for specific projects with interest rates as disclosed in Note 23.

9. TAXATION

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Current tax expense for the period/year	1,158,311	1,086,000	2,918,000	-
Deferred tax relating to timing differences (Note 30)	(5,231)	(102,800)	-	-
(Over)/under provided in prior years	(182,038)	574,458	-	-
	971,042	1,557,658	2,918,000	-

The effective tax rate of the Company is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

The tax charge for the Group is in respect of certain subsidiaries in the Group which recorded profits while losses of certain subsidiaries cannot be set off against profits made by these subsidiaries due to the absence of Group relief.

9. TAXATION (Cont'd)

Unabsorbed tax losses are analysed as follows:

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Tax savings recognised during the period/year arising from:				
Utilisation of current period/year tax losses	-	-	-	-
Utilisation of tax losses brought forward from previous year	-	(33,658)	-	-
Unutilised tax losses carried forward	(27,618,587)	(22,561,667)	(5,735,600)	(5,735,600)
Tax savings recognised during the period/year arising from:				
Utilisation of current period/year capital allowance	(268,679)	(330,688)	-	(238,336)
Utilisation of capital allowances brought forward from previous year	-	-	-	-
Unutilised capital allowances carried forward	(3,683,462)	(3,235,990)	(1,452,809)	(1,403,495)

10. BASIC LOSS PER SHARE

(a) Basic

The basic loss per share is calculated by dividing the Group's net loss for the period/year by the weighted average number of ordinary shares in issue during the financial period/year

	Group	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Net loss for the period/year (RM)	(62,230,210)	(12,314,707)
Weighted average number of ordinary shares in issue	14,307,512	13,000,000
Basic loss per share (sen)	(434.95)	(94.73)

The comparative basic loss per share has been restated to take into account the effect of the change in accounting policy on goodwill as stated in Note 31.

(b) Diluted

There is no diluted loss per share as the Company does not have any financial instruments which are convertible into ordinary shares as at the period end.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and Buildings * RM	Plant and Machinery, Jigs and Tools RM	Motor Vehicles RM	Renovation, Electrical Installation, Office and Computer Equipment, Furniture and Fittings RM	Total RM
Cost					
At 1 March 2002	3,493,785	3,488,196	3,678,235	6,371,081	17,031,297
Additions	-	98,121	207,708	135,199	441,028
Disposals	(526,913)	-	(807,356)	-	(1,334,269)
Write offs	-	(7,752)	-	(1,035,034)	(1,042,786)
Acquisition of subsidiaries	3,200,000	6,937,771	365,409	1,544,164	12,047,344
At 30 April 2003	6,166,872	10,516,336	3,443,996	7,015,410	27,142,614
Accumulated Depreciation and Impairment Losses					
At 1 March 2002	326,578	2,053,988	2,594,360	4,423,335	9,398,261
Charge for the period:	42,887	387,603	442,771	473,386	1,346,647
Recognised in income statement	42,887	341,154	442,771	473,386	1,300,198
Capitalised in amounts due from customers on contracts (Note 18)	-	46,449	-	-	46,449
Disposals	(73,748)	-	(800,149)	-	(873,897)
Write offs	-	(7,598)	-	(687,788)	(695,386)
Acquisition of subsidiaries	15,584	1,112,867	41,617	443,389	1,613,457
At 30 April 2003	311,301	3,546,860	2,278,599	4,652,322	10,789,082
Net Book Value					
At 30 April 2003	5,855,571	6,969,476	1,165,397	2,363,088	16,353,532
At 28 February 2002	3,167,207	1,434,208	1,083,875	1,947,746	7,633,036
Depreciation for 2002	44,998	286,744	447,077	533,641	1,312,460

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Freehold Land and Buildings* RM	Motor Vehicles RM	Renovation, Electrical Installation, Office and Computer Equipment, Furniture and Fittings RM	Total RM
Cost				
At 1 March 2002	3,493,785	481,980	1,314,221	5,289,986
Additions	-	-	16,733	16,733
Disposals	(526,913)	(138,959)	-	(665,872)
Write offs	-	-	(161,044)	(161,044)
At 30 April 2003	2,966,872	343,021	1,169,910	4,479,803
Accumulated Depreciation and Impairment Losses				
At 1 March 2002	326,578	457,231	949,160	1,732,969
Charge for the period	42,471	24,743	64,464	131,678
Disposals	(73,748)	(138,959)	-	(212,707)
Write offs	-	-	(85,148)	(85,148)
At 30 April 2003	295,301	343,015	928,476	1,566,792
Net Book Value				
At 30 April 2003	2,671,571	6	241,434	2,913,011
At 28 February 2002	3,167,207	24,749	365,061	3,557,017
Depreciation for 2002	44,998	34,600	121,435	201,033

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

*** Freehold land and buildings**

Group	Freehold Land RM	Buildings RM	Total RM
Cost			
At 1 March 2002	1,243,895	2,249,890	3,493,785
Disposals	(97,200)	(429,713)	(526,913)
Acquisition of subsidiaries	2,800,000	400,000	3,200,000
At 30 April 2003	3,946,695	2,220,177	6,166,872
Accumulated Depreciation and Impairment Losses			
At 1 March 2002	-	326,578	326,578
Charge for the period	-	42,887	42,887
Disposals	-	(73,748)	(73,748)
Acquisition of subsidiaries	-	15,584	15,584
At 30 April 2003	-	311,301	311,301
Net Book Value			
At 30 April 2003	3,946,695	1,908,876	5,855,571
At 28 February 2002	1,243,895	1,923,312	3,167,207
Depreciation for 2002	-	44,998	44,998
Company			
Cost			
At 1 March 2002	1,243,895	2,249,890	3,493,785
Disposals	(97,200)	(429,713)	(526,913)
At 30 April 2003	1,146,695	1,820,177	2,966,872
Accumulated Depreciation and Impairment Losses			
At 1 March 2002	-	326,578	326,578
Charge for the period	-	42,471	42,471
Disposals	-	(73,748)	(73,748)
At 30 April 2003	-	295,301	295,301
Net Book Value			
At 30 April 2003	1,146,695	1,524,876	2,671,571
At 28 February 2002	1,243,895	1,923,312	3,167,207
Depreciation for 2002	-	44,998	44,998

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) Net book values of property, plant and equipment held under finance lease or hire purchase arrangements are as follows:

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Motor vehicles	823,103	1,052,409	-	24,749
Renovation, electrical installation, office and computer equipment, furniture and fittings	-	102,763	-	102,763
Plant, machinery, jigs and tools	79,107	271,100	-	-
	902,210	1,426,275	-	127,512

(b) During the year, the Group acquired property, plant and equipment with an aggregate cost of RM441,028 (2002: RM1,154,799) of which RM208,000 (2002: RM622,500) were acquired by means of finance lease or hire purchase arrangements.

(c) Freehold land and building and machinery and equipment with net book values of RM3,184,000 (2002: RMNil) and RM3,646,335 (2002: RMNil) are pledged to a financial institution for the term loan facility as referred to in Note 23.

12. INVESTMENT PROPERTIES

	Group	
	30.4.2003 RM	28.2.2002 RM
At cost:		
Freehold land	3,600,045	3,600,045
Leasehold land	483,502	483,502
	4,083,547	4,083,547
Less: Accumulated impairment losses	(2,213,923)	(2,030,671)
	1,869,624	2,052,876

The freehold land is pledged to a licensed bank for the term loan facility as referred to in Note 23.

13. INVESTMENTS IN SUBSIDIARIES

	Company 30.4.2003 RM	Company 28.2.2002 RM
Unquoted shares:		
At valuation	3,245,841	3,245,841
At cost	1,795,889	1,795,887
	5,041,730	5,041,728
Less: Accumulated impairment losses	(3,211,901)	(3,211,901)
	1,829,829	1,829,827

The subsidiaries which are carried at valuation, were revalued by the directors during the financial year ended 28 February 1993 based on the net tangible assets of the subsidiaries in conjunction with the listing of the Company's shares on the Second Board of KLSE. The surplus arising from the said revaluation was credited to reserves as a surplus on revaluation of subsidiaries.

Acquisition of BSISB group:

On 11 April 2003, the Company completed the Share Sale Agreement to acquire the entire issued and paid-up share capital of BSISB from BGB for cash consideration of RM2. Pursuant to the acquisition of BSISB, the Company repaid BSISB's debt of RM51,000,000 that was due to BGB by way of an issue of 51,000,000 new ordinary shares of RM1 each ("shares"). The above indebtedness arose from the acquisition of 11,475,000 shares in HBSB from BGB representing 51% equity interest in HBSB by BSISB.

Pursuant to the acquisition of BSISB and Section 6, Part II and Practice Note 2.2 of the Malaysian Code of Take-overs and Mergers 1998, the Company, on 24 April 2003, extended a mandatory offer to the remaining shareholders of the 11,025,000 shares in HBSB, representing the remaining 49% of the issued and paid-up capital of HBSB which were not already held by the Company and persons acting in concert with the Company, for a total consideration of RM49,000,000 by way of an issue of 49,000,000 new shares of the Company. The mandatory offer was fully accepted by the abovementioned remaining shareholders on 29 April 2003.

The effect of the acquisition on the financial results of the Group from the date of acquisition to 30 April 2003 is as follows:

	RM
Revenue	21,015,282
Operating costs	(19,668,857)
	1,346,425
Taxation	(438,309)
Net profit for the period	908,116

13. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The effect of the acquisition on the financial position of the Group as at 30 April 2003 is as follows:

	RM
Property, plant and equipment	10,357,826
Inventories	7,160,331
Trade and other receivables	24,658,145
Cash and bank balances	40,903,578
Borrowings	(4,012,127)
Trade and other payables	(31,360,628)
Net assets	47,707,125

The fair value of the assets acquired and liabilities assumed from the acquisition of the subsidiaries is as follows:

	11.4.2003 RM
Net assets acquired:	
Property, plant and equipment (Note 11)	10,433,887
Inventories	7,032,228
Trade and other receivables	40,309,748
Cash and bank balances	23,862,937
Long term borrowings	(4,012,127)
Trade and other payables	(29,337,943)
Taxation	(1,489,685)
Fair value of total net assets	46,799,045
Minority interest	444,977
Fair value of total net assets acquired	47,244,022
Goodwill on acquisition	52,755,980
Total consideration	100,000,002
Satisfied by:	
Amount due to holding company	2
Shares issued	100,000,000
	100,000,002
Net cash inflow arising on acquisition:	
Cash and cash equivalents of subsidiaries acquired	23,862,937

13. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of Subsidiaries	Paid-up Capital RM	Effective Interests Held (%) 30.4.2003	28.2.2002	Principal Activities
Transwater Engineering Sdn. Bhd.*@	750,000	100	100	Specialist engineers and contractors for water and wastewater works
Transwater Technologies Sdn. Bhd.@	200,000	100	100	Specialist engineers for supply and installation of pumping equipment and industrial machinery
Transwater Tenaga Sdn. Bhd.@	500,000	100	100	Specialist engineers for manufacture, supply and installation of process equipment and systems
Transwater Controls Sdn. Bhd.*	200,000	80	80	Electrical and factory automation
Pentagon Engineering Sdn. Bhd.*	1,000,000	60	60	Provision of metal and machinery fabrication
TCB Properties Sdn. Bhd.*	300,000	100	100	Property development
Ilham Desiran Sdn. Bhd.*	2	100	100	Investment holding company
Berjaya Systems Integrators Sdn. Bhd. #	2	100	-	Investment holding company
Transwater Resort Sdn. Bhd.*	2	100	100	Dormant
Detik Nagasari Sdn. Bhd.*	100,000	100	100	Construction and infrastructure
Transwater Prima Construction Sdn. Bhd.*	2	100	100	Dormant
Transwater Properties Holdings Sdn. Bhd.*	2	100	100	Dormant
Subsidiary of Transwater Engineering Sdn. Bhd.				
Trans Sisa Sdn. Bhd.	20,000	80	80	Specialist engineers for supply and manufacture of water and wastewater equipment

13. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of Subsidiaries	Paid-up Capital RM	Effective Interests Held (%) 30.4.2003	28.2.2002	Principal Activities
Subsidiaries of Transwater Technologies Sdn. Bhd.				
Transwater Cooling Towers Sdn. Bhd.*	1,000,000	96	55	Specialist engineers for manufacture, supply and installation of cooling towers
Subsidiaries of Transwater Technologies Sdn. Bhd.				
IAP Gas Measurement Sdn. Bhd.*	100,000	100	100	Specialist engineers for supply and installation of gas metering equipment and systems
Subsidiary of Transwater Controls Sdn. Bhd.				
Transwater Automation Sdn. Bhd.	500,000	80	80	Specialist engineers for the supply of industrial automation products
Subsidiary of Berjaya Systems Integrators Sdn. Bhd.				
Hyundai-Berjaya Sdn. Bhd. #	22,500,000	100	-	Management of sales and distribution of passenger and light commercial vehicles, provision of back-up services and selling and distribution of spare parts for its product range
Subsidiaries of Transwater Resort Sdn. Bhd.				
Nagasari Bebas Sdn. Bhd.	10,000	100	100	Dormant
Embun Ikhlas Sdn. Bhd.*	2	100	100	Dormant
Subsidiary of Transwater Properties Holdings Sdn. Bhd.				
Transwater Land Sdn. Bhd.*	2	100	100	Dormant

* The auditors' reports of these subsidiaries draw attention to their respective adverse financial positions and ability to continue as a going concern. The financial statements of these subsidiaries do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should they be unable to continue as a going concern.

@ The investments in these subsidiaries have been pledged for the short term loan taken by the Company referred to in Note 23.

\# Audited by a firm of auditors other than Arthur Andersen & Co.

14. INVESTMENTS IN ASSOCIATES

	Group 30.4.2003 RM	Group 28.2.2002 RM
At cost:		
Unquoted Redeemable Convertible Cumulative Preference Shares	21,800	21,800
Unquoted shares	1,580,002	1,380,002
	1,601,802	1,401,802
Share of post-acquisition reserves less losses	(456,830)	798,364
	1,144,972	2,200,166
Represented by:		
Share of net tangible assets	1,144,972	2,200,166

Details of the associates, all of which are incorporated in Malaysia are as follows:

Name of Associates	Effective Interests Held (%) 30.4.2003	Effective Interests Held (%) 28.2.2002	Principal Activities
Associate of Transwater Engineering Sdn. Bhd.			
Transwater NWWPEL Sdn. Bhd.	50	50	Dormant
Associates of Transwater Tenaga Sdn. Bhd.			
Transwater Api Sdn. Bhd.@	40	40	Specialist engineers for supply and installation of oil and gas equipment
Transwater Resources Sdn. Bhd.	40	40	Dormant
Associate of Detik Nagasari Sdn. Bhd.			
Gerbang Perdana Sdn. Bhd.	20	20	Design and build the Gerbang Selatan Bersepadu Project

@ The investment in the associated company has been pledged for the short term loan taken by the Company referred to in Note 23.

15. OTHER INVESTMENTS

	Group 30.4.2003 RM	Group 28.2.2002 RM	Company 30.4.2003 RM	Company 28.2.2002 RM
At cost:				
Quoted shares in Malaysia	46,125	46,125	46,125	46,125
Quoted warrants in Malaysia @	2,454,452	2,454,452	-	-
	2,500,577	2,500,577	46,125	46,125
Less: Provision for diminution in value	(2,403,857)	(2,316,537)	(44,005)	(42,685)
	96,720	184,040	2,120	3,440
Market value:				
Quoted shares in Malaysia	2,120	3,440	2,120	3,440
Quoted warrants in Malaysia	94,600	180,600	-	-
	96,720	184,040	2,120	3,440

@ The quoted warrants have been pledged for the short term loan taken by the Company referred to in Note 23.

16. INVENTORIES

	Group 30.4.2003 RM	Group 28.2.2002 RM
At cost:		
Finished goods	8,448,005	3,063,387
Inventories-in-transit	762,763	503,718
Spares, parts and accessories	1,138,812	1,028,683
	10,349,580	4,595,788
At net realisable value:		
Finished goods	84,600	63,570
	10,434,180	4,659,358

The cost of inventories recognised as an expense during the period in the Group amounted to RM51,500,473 (2002: RM23,147,809).

17. TRADE RECEIVABLES

	Group 30.4.2003 RM	Group 28.2.2002 RM
Trade receivables	39,482,055	16,103,684
Due from customers on contracts (Note 18)	3,427,550	5,945,951
Retention sum (Note 18)	2,689,642	3,184,356
	45,599,247	25,233,991
Provision for doubtful debts	(4,117,699)	(3,663,143)
	41,481,548	21,570,848
Due from an associate	10,667,388	11,775,086
Due from related companies	217,624	-
Due from related parties	6,771,199	-
	59,137,759	33,345,934

Included in trade receivables are amounts due from major customers of RM10,667,388 (2002: RM11,775,086), RM6,834,019 (2002: RMNil), RM6,769,127 (2002: RMNil) and RM15,506,631 (2002: RM1,066,940) due from Transwater Api Sdn. Bhd. (an associated company), Atos Motor Marketing Sdn. Bhd. (an unrelated party), Hyumal Trading Sdn. Bhd. (formerly known as Golf Cart (M) Sdn. Bhd. (a related party), and DiGi Telecommunications Sdn. Bhd. (a related party) respectively. The relationships between the group and the related parties are detailed in Note 35.

Other than the above, the Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The amounts due from the associated company, related companies and related parties are unsecured, interest free and have no fixed terms of repayment.

The Group's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

18. DUE FROM CUSTOMERS ON CONTRACTS

	Group 30.4.2003 RM	Group 28.2.2002 RM
Construction contract costs incurred to date	53,572,898	62,374,770
Attributable profits	1,655,311	3,506,325
	55,228,209	65,881,095
Progress billings	(54,655,586)	(60,128,646)
	572,623	5,752,449
Due from customers on contracts (Note 17)	3,427,550	5,945,951
Due to customers on contracts (Note 25)	(2,854,927)	(193,502)
	572,623	5,752,449
Retention sums on contracts, included in trade receivables (Note 17)	2,689,642	3,184,356

The costs incurred to date on construction contracts include the following charges made during the financial period:

	Group 30.4.2003 RM	Group 28.2.2002 RM
Depreciation of property, plant and equipment	46,449	35,759
Interest expense	175,652	249,741

19. OTHER RECEIVABLES

	Group 30.4.2003 RM	Group 28.2.2002 RM	Company 30.4.2003 RM	Company 28.2.2002 RM
Due from holding company	1,542,242	-	-	-
Due from subsidiaries	-	-	141,251,724	38,760,167
Less: Provision for doubtful debts	-	-	(34,597,275)	(32,115,220)
	-	-	106,654,449	6,644,947
Due from associates	723,322	579,029	723,322	538,310
Less: Provision for doubtful debts	(121,634)	(110,616)	(121,634)	(110,616)
	601,688	468,413	601,688	427,694
Due from related parties	2,600,523	-	-	-

19. OTHER RECEIVABLES (Cont'd)

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Deposits	442,588	666,093	113,370	169,370
Prepayments	119,987	69,658	45,997	28,870
Sundry receivables	6,145,836	5,678,361	5,420,372	5,366,222
Less: Provision for doubtful debts	(5,424,117)	(5,600,973)	(5,424,117)	(5,394,812)
	1,284,294	813,139	155,622	169,650
	6,028,747	1,281,552	107,411,759	7,242,291

The amounts due from holding company, subsidiaries, associates and related parties are unsecured, interest free and have no fixed terms of repayment except for amounts due from subsidiaries of RM11,536,316 (2002: RM9,542,054) which is interest bearing at 9.00% (2002: 9.30%) per annum.

The Group has no other significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors other than exposures which have already been provided for.

20. MARKETABLE SECURITIES

	Group	
	30.4.2003 RM	28.2.2002 RM
At cost:		
Quoted shares in Malaysia	82,276	-
Less : Provision for diminution in value	(41,138)	-
	41,138	-
Market value:		
Quoted shares in Malaysia	41,138	-

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Cash on hand and at banks	40,125,347	298,799	30,031	33,570
Deposits with licensed banks	3,813,976	1,114,098	-	-
Cash and bank balances	43,939,323	1,412,897	30,031	33,570
Less: Bank overdrafts (Note 23)	(4,381,575)	(6,774,709)	(1,258,842)	(1,798,742)
Cash and cash equivalents	39,557,748	(5,361,812)	(1,228,811)	(1,765,172)

The above deposits with licensed banks of the Group are pledged to banks for credit facilities granted to certain subsidiaries as referred to in Note 23.

The effective interest rates range of deposits at the balance sheet were as follows:

	Group		Company	
	30.4.2003 %	28.2.2002 %	30.4.2003 %	28.2.2002 %
Licensed banks	2.6 - 3.2	2.6 - 3.2	-	-

The range of maturities of deposits as at the end of the financial period/year were as follows:

	Group	
	30.4.2003 Days	28.2.2002 Days
Licensed banks	30 - 90	30 - 90

22. PROVISION FOR LIABILITIES

	Commitment of Losses in Jointly Controlled Entity RM	Liquidated Ascertained Damages RM	Warranties RM	Total RM
At 1 March 2002	500,178	735,794	-	1,235,972
Provision during the period	519,000	465,300	294,533	1,278,833
Utilisation of provisions during the period	-	(735,794)	(1,888)	(737,682)
Acquisition of subsidiaries	-	-	4,193,641	4,193,641
At 30 April 2003	1,019,178	465,300	4,486,286	5,970,764

22. PROVISION FOR LIABILITIES (Cont'd)

	Commitment of Losses in Jointly Controlled Entity RM	Liquidated Ascertained Damages RM	Warranties RM	Total RM
At 30 April 2003:				
Current	1,019,178	465,300	1,389,536	2,874,014
Non-current:				
Later than 1 year but not later than 2 years	-	-	3,096,750	3,096,750
	1,019,178	465,300	4,486,286	5,970,764
At 28 February 2002:				
Current	500,178	735,794	-	1,235,972

The Group gives the following warranties:

(i) Warranties for motor vehicles:
The Group gives two years warranty for motor vehicles sold and undertakes to repair items that fail to perform satisfactorily during the warranty period. A provision for warranty is recognised for all motor vehicles under warranty at the balance sheet date based on the directors' estimate of the anticipated level of repairs and returns.

(ii) Warranties for cooling towers:
The Group gives one year warranty for cooling towers and parts sold and undertakes to repair or replace items that fail to perform satisfactorily during the warranty period. A provision for warranty is recognised at the balance sheet date based on 1% of total sales made on cooling towers and parts during the period.

23. BORROWINGS

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Short Term Borrowings				
Secured:				
Bankers' acceptances #	3,785,000	3,915,000	-	-
Term loans *	12,376,503	11,602,395	12,117,495	11,309,895
Lease and hire purchase payables due within one year (Note 24)	310,335	348,244	-	25,354
	16,471,838	15,865,639	12,117,495	11,335,249

23. BORROWINGS (Cont'd)

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Unsecured:				
Bank overdrafts	4,381,575	6,774,709	1,258,842	1,798,742
Bankers' acceptances	4,100,173	4,780,000	-	-
Trust receipts	-	58,644	-	-
Term loans	18,043,087	18,169,694	17,791,087	18,169,694
	26,524,835	29,783,047	19,049,929	19,968,436
	42,996,673	45,648,686	31,167,424	31,303,685
Long Term Borrowings				
Secured:				
Term loans *	5,047,509	1,666,111	-	-
Lease and hire purchase payables due after one year (Note 24)	650,754	758,450	-	-
	5,698,263	2,424,561	-	-
Unsecured:				
Term loans	1,239,535	1,462,366	951,594	1,754,866
	6,937,798	3,886,927	951,594	1,754,866
Total Borrowings				
Bank overdrafts (Note 21)	4,381,575	6,774,709	1,258,842	1,798,742
Bankers' acceptances #	7,885,173	8,695,000	-	-
Trust receipts	-	58,644	-	-
Term loans*	36,706,634	32,900,566	30,860,176	31,234,455
Lease and hire purchase payables (Note 24)	961,089	1,106,694	-	25,354
	49,934,471	49,535,613	32,119,018	33,058,551
Maturity of borrowings (excluding finance lease):				
Within one year	42,686,338	45,300,442	31,167,424	31,278,331
More than 1 year and less than 2 years	4,286,033	2,171,638	951,594	1,754,866
More than 2 years and less than 5 years	2,001,011	956,839	-	-
	48,973,382	48,428,919	32,119,018	33,033,197

23. BORROWINGS (Cont'd)

The effective interest rates range at the balance sheet date for borrowings, excluding finance lease and hire purchase payables, were as follows:

	Group		Company	
	30.4.2003	28.2.2002	30.4.2003	28.2.2002
	%	%	%	%
Bank overdrafts	7.90 - 8.90	7.90 - 8.90	8.15	8.15
Bankers' acceptances	4.35 - 5.41	4.30 - 5.38	-	-
Trust receipts	-	8.90	-	-
Term loans	7.65 - 15.00	7.65 - 15.00	8.40 - 8.90	8.40 - 8.90

Included in short term borrowings of the Company and Group are term loans of RM12,117,495 (2002: RM11,309,895) (secured) and RM15,751,087 (2002: RM15,371,013) (unsecured) due to Prime Credit Leasing Sdn. Bhd. and Juara Sejati Sdn. Bhd. respectively, both of which are related companies.

* These loans are secured by certain assets of the Group and the Company as disclosed in Notes 11 to 15.

\# Bankers' acceptances are secured by deposits with licensed banks as disclosed in Note 21.

24. FINANCE LEASE AND HIRE PURCHASE PAYABLES

	Group		Company	
	30.4.2003	28.2.2002	30.4.2003	28.2.2002
	RM	RM	RM	RM
Minimum lease payments:				
Not later than 1 year	389,511	566,831	-	33,842
Later than 1 year and not later than 2 years	353,718	338,001	-	-
Later than 2 years and not later than 5 years	372,313	509,265	-	-
Later than 5 years	-	-	-	-
	1,115,542	1,414,097	-	33,842
Less: Future finance charges	(154,453)	(307,403)	-	(8,488)
Present value of finance lease liabilities	961,089	1,106,694	-	25,354

24. FINANCE LEASE AND HIRE PURCHASE PAYABLES (Cont'd)

	Group		Company	
	30.4.2003	28.2.2002	30.4.2003	28.2.2002
	RM	RM	RM	RM
Present value of finance lease liabilities:				
Not later than 1 year	310,335	348,244	-	25,354
Later than 1 year and not later than 2 years	305,421	274,147	-	-
Later than 2 years and not later than 5 years	345,333	484,303	-	
Later than 5 years	-	-	-	-
	961,089	1,106,694	-	25,354
Analysed as:				
Due within 12 months (Note 23)	310,335	348,244	-	25,354
Due after 12 months (Note 23)	650,754	758,450	-	-
	961,089	1,106,694	-	25,354

The lease and hire purchase liabilities of the Group and of the Company bore interest during the period of between 7.60% to 12.42% (2002: 7.60% to 12.42%) and 10.51% (2002: 10.51% to 12.42%) per annum respectively.

25. TRADE PAYABLES

	Group	
	30.4.2003	28.2.2002
	RM	RM
Trade payables	39,221,859	19,783,327
Due to customers on contracts (Note 18)	2,854,927	193,502
Due to related companies	353,488	-
	42,430,274	19,976,829

The amounts due to related companies are unsecured, interest free and have no fixed terms of repayment.

The normal trade credit terms granted to the Group range from 30 to 90 days.

26. OTHER PAYABLES

	Group		Company	
	30.4.2003 RM	28.2.2002 RM	30.4.2003 RM	28.2.2002 RM
Due to holding company	9,728	-	2	-
Due to subsidiaries	-	-	4,004,489	8,247,107
Due to associates	-	31,531	-	-
Due to related companies	2,405,912	-	101,073	5,155
Accruals	10,942,461	4,384,810	664,723	854,176
Sundry payables	12,184,564	2,301,689	1,943,570	340,488
	25,542,665	6,718,030	6,713,857	9,446,926

Included in sundry payables are booking deposits of RM4,679,972 (2002: RMNil) received by a subsidiary for the sale of motor vehicles.

The amounts due to holding company, subsidiaries, associates and related companies are unsecured, interest free and have no fixed terms of repayment except for an advance from a related company of RM1,432,392 (2002: RM Nil) which is interest bearing at 11% (2002: Nil) per annum.

27. JOINTLY CONTROLLED ENTITY

	Group	
	30.4.2003 RM	28.2.2002 RM
Capital contribution	2,554,585	2,543,585
Less: Share of joint venture post acquisition losses	(2,554,585)	(2,543,585)
	-	-
Provision for commitment of losses in jointly controlled entity (Note 22)	1,019,178	500,178

Name of Jointly Controlled Entity	Share of Interest (%) 30.4.2003	Share of Interest (%) 28.2.2002	Principal Activities
Selangor Industrial Corporation Sdn. Bhd. - Transwater Engineering Sdn. Bhd., Joint Venture	70	70	Construction, development and sales of shop and terrace factories

27. JOINTLY CONTROLLED ENTITY (Cont'd)

The Group's aggregate share of the assets, liabilities, income and expenses of the jointly controlled entity is as follows:

	30.4.2003 RM	28.2.2002 RM
Current assets	4,456,939	4,937,810
Current liabilities	(3,653,904)	(3,604,775)
Net assets	803,035	1,333,035
Revenue	168,000	-
Expenses	(698,000)	(3,798,755)

28. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	30.4.2003	28.2.2002	30.4.2003 RM	28.2.2002 RM
Authorised:				
At 1 March 2002	100,000,000	100,000,000	100,000,000	100,000,000
Created during the period	400,000,000	-	400,000,000	-
At 30 April 2003	500,000,000	100,000,000	500,000,000	100,000,000
Issued and fully paid:				
At 1 March 2002	13,000,000	13,000,000	13,000,000	13,000,000
Issued and paid up during the period	100,000,000	-	100,000,000	-
At 30 April 2003	113,000,000	13,000,000	113,000,000	13,000,000

During the financial period, the Company increased its issued and paid-up share capital from RM13,000,000 to RM113,000,000 by way of the issuance of 100,000,000 ordinary shares of RM1 each at an issue price of RM1 per share as consideration for the acquisition of BSISB group. The new ordinary shares rank pari passu in all respects with existing ordinary shares.

29. OTHER RESERVES (NON-DISTRIBUTABLE)

The nature and purpose of each category of reserves are as follows:

(a) Revaluation Reserve

This reserve is made up of the net change in fair value of certain subsidiaries, which were revalued by the directors during the financial year ended 28 February 1993. The revaluation was done in conjunction with the listing of the Company's shares on the Second Board of the KLSE. The amount of reserve is as per the statement of changes in equity.

(b) Capital Reserve

This reserve represents the capitalised retained earnings of the revalued subsidiaries mentioned in Note (a). The amount of reserve is as per the statement of changes in equity.

30. DEFERRED TAX LIABILITIES

	Group	
	30.4.2003 RM	28.2.2002 RM
At 1 March	83,231	186,031
Recognised in the income statement (Note 9)	(5,231)	(102,800)
At 30 April/28 February	78,000	83,231

As at 30 April 2003, the Group and the Company have a potential deferred tax benefit of approximately RM7,720,000 (2002: RM6,517,000) and RM1,562,000 (2002: RM1,539,000) respectively, arising principally from unabsorbed tax losses and unutilised capital allowances carried forward, the effects of which are not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

31. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

During the financial period, the Group changed its accounting policy on the treatment of goodwill on consolidation which was previously stated at cost less accumulated amortisation and impairment losses, to writing off of goodwill immediately to the income statement.

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effect of the change in accounting policy is as follows:

	Group	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Effects on accumulated losses:		
At 1 March, as previously stated	(41,324,043)	(28,599,348)
Effects of change in accounting policy for goodwill	-	(409,988)
At 1 March, as restated	(41,324,043)	(29,009,336)
Effects on net loss for the period/year:		
Net loss before change in accounting policy	(9,474,230)	(12,724,695)
Effects of change in accounting policy for goodwill	(52,755,980)	409,988
Net loss for the period/year	(62,230,210)	(12,314,707)

The change in accounting policy did not affect any other comparative amounts in the balance sheet as at 28 February 2002.

32. COMMITMENTS

	Group		Company	
	30.4.2003	28.2.2002	30.4.2003	28.2.2002
	RM	RM	RM	RM
Approved and contracted for	24,357,155	2,158,200	2,158,200	2,158,200

Included in commitments of the Group is an amount of RM22,198,955 (2002: RM Nil) in respect of investment in plant and machinery in relation to the Inokom Atos project undertaken by its subsidiary, HBSB.

During the period ended 28 February 2001, a subsidiary of the Company, Detik Nagasari Sdn. Bhd. ("DNSB") entered into an agreement to subscribe for 2,180,000 Redeemable Convertible Cumulative Preference Shares ("RCCPS") of RM1.00 each at an issue price of RM1.00 each in its associate, Gerbang Perdana Sdn. Bhd. ("GPSB"). At the date of this report, DNSB has made payment amounting to RM21,800, representing a RM0.01 call made by GPSB on the RCCPS issue. The remaining portion of RM0.99 each has not been called as at the date of this financial statements.

Pursuant to the said agreement and the first call of RM0.01, the Company issued a letter of undertaking to fully pay up DNSB's share of the uncalled portion amounting to RM2,158,200 in the event DNSB is unable to fulfil the remaining cash obligation.

33. CONTINGENT LIABILITIES

	Group		Company	
	30.4.2003	28.2.2002	30.4.2003	28.2.2002
	RM	RM	RM	RM
Unsecured				
Corporate guarantees for credit facilities				
granted to subsidiaries given to:				
Principals	4,500,000	3,800,000	-	-
Banks	-	-	14,710,000	15,908,000
	4,500,000	3,800,000	14,710,000	15,908,000

During the previous financial year, two third parties ("Plaintiffs") jointly made a legal claim against Transwater Tenaga Sdn. Bhd. ("TTSB"), a subsidiary of the Company, for alleged breach of contract and wrongful procurement in relation to the construction of a gas metering and reticulation system. Prior to this, the Plaintiffs had demanded TTSB to pay a sum of RM2,600,000 as loss and damages for the alleged breach and wrongful act. TTSB defended the case and denied the existence of any concluded agreement or legally binding contract between the parties concerned.

Both parties have complied with all the court's directions raised during previous case management meetings. The latest case management hearing has been adjourned to 27 October 2003. The court has set the matter down for trial on 18 and 19 November 2003. The directors of TTSB have sought legal advice and, as a result therewith, are of the opinion that no material bases will arise from these claims. Accordingly, no provision has been made in the financial statements of TTSB and the Group.

34. CONTINGENT ASSET

Pursuant to a claim made by the Company in prior years against a third party for the non-payment of a promissory note amounting to RM40,641,000, the Company entered into a Debt Settlement Agreement with the third party on 26 March 2002 for an amicable settlement of RM18,086,000 in the form of cash and Irredeemable Convertible Unsecured Loan Stocks of the third party. The promissory note was issued in relation to an "assignment fee" of RM42,780,000 arising from the novation of a Share Sale Agreement to the said third party on 12 September 1997.

The settlement amount of RM18,086,000 has not been recognised in the financial statements as the parties are engaged in discussions to extend the settlement agreement.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Transactions with:				
Holding company				
Management fee payable	13,118	-	-	-
Subsidiaries				
Gross dividend income receivable	-	-	11,700,000	-
Management fees receivable	-	-	305,200	261,600
Interest income receivable	-	-	1,026,319	824,284
Rental income receivable	-	-	369,600	314,800
Associated company				
Transwater Api Sdn. Bhd.				
Management fees receivable	42,000	36,000	42,000	36,000
Rental income receivable	67,200	49,600	67,200	49,600
Sales of goods and services	39,099,855	24,015,934	-	-
Related companies				
Interest expense payable to:				
Prime Credit Leasing Sdn. Bhd.*	807,600	1,484,066	-	-
Juara Sejati Sdn. Bhd.*	380,074	788,164	-	-

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

	Group		Company	
	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM	1.3.2002 to 30.4.2003 RM	1.3.2001 to 28.2.2002 RM
Related parties				
Purchases from:				
Hyumal Motor Sdn. Bhd.**	10,664,489	-	-	-
Inokom Corporation Sdn. Bhd.**	14,316,424	-	-	-
Contract sales to and service jobs for DiGi Telecommunications Sdn. Bhd.***	17,733,865	2,285,744	-	-

* These companies are subsidiaries of the holding company.

** These companies are associates of the holding company.

*** The company is deemed to be related by virtue of the common directorship of Tan Sri Datuk Abdul Rahim bin Haji Din and the interest of Tan Sri Dato' Seri Vincent Tan Chee Yioun in the company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

36. SIGNIFICANT EVENTS

(i) On 11 April 2003, the Company completed the Share Sale Agreement to acquire the entire issued and paid-up share capital of BSISB from BGB for a cash consideration of RM2, and additionally issued 51,000,000 new ordinary shares of RM1 each ("shares") in satisfaction of BSISB's debt of RM51,000,000 that had been due to BGB. The above indebtedness arose from the acquisition of 11,475,000 shares in HBSB from BGB representing 51% equity interest in HBSB by BSISB.

Pursuant to the acquisition of BSISB and Section 6, Part II and Practice Note 2.2 of the Malaysian Code of Take-overs and Mergers 1998, the Company, on 24 April 2003, extended a mandatory offer to the shareholders of the remaining 11,025,000 shares in HBSB, representing the remaining 49% of the issued and paid-up capital of HBSB which were not already held by the Company and persons acting in concert with the Company for a total consideration of RM49,000,000 by way of an issue of 49,000,000 new shares of the Company. The mandatory offer was fully accepted by the abovementioned remaining shareholders on 29 April 2003.

(ii) On 30 May 2002, the Company entered into a Sale and Purchase Agreement with a third party for the disposal of a property for a cash consideration of RM580,000.

36. SIGNIFICANT EVENTS (Cont'd)

(iii) DNSB, a wholly-owned subsidiary of the Company, has on 25 April 2003, entered into a Deed of Revocation with Merong Mahawangsa Sdn. Bhd, DRB-Hicom Berhad and Gerbang Perdana Sdn. Bhd. ("GPSB") ("Three Parties") to revoke the Joint Venture and Shareholders' Agreement dated 11 December 1998 ("JV Agreement") entered into between DNSB and the Three Parties to undertake the privatisation of the Southern International Gateway Project, which was subsequently replaced by Gerbang Selatan Bersepadu ("GSB") Project. On 25 April 2003, Detik and the Three Parties also entered into a new Shareholders' Agreement to regulate their relationship inter-se as shareholders of GPSB so as to ensure that GPSB shall carry on the GSB Project in accordance with the terms and conditions contained in the new Shareholders' Agreement, whose salient terms are similar to the JV Agreement.

37. CORPORATE EXERCISE

The Group is currently undergoing a Corporate Exercise to regularise its financial condition pursuant to Practice Note 4/2001 of the Listing Requirements of the KLSE.

The Company has obtained approvals from the regulatory authorities on its corporate proposals, which interalia, include the following:

(a) Acquisition of the entire issued and paid-up share capital of BSISB by the Company of 2 ordinary shares of RM1 each from BGB for a cash consideration of RM2 and the acquisition by BSISB of a 51% equity interest in HBSB via an issuance of 51,000,000 ordinary shares of the Company at RM1 per share.

(b) Mandatory offer by the Company to acquire the remaining 49% interest in HBSB to be satisfied by way of issuance of 49,000,000 ordinary shares of the Company at RM1 per share.

(c) Increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 ordinary shares of RM1 each to RM500,000,000 comprising 500,000,000 ordinary shares of RM1 each.

(d) Proposed Rights Issue of up to 67,800,000 new ordinary shares of RM1 ("Rights Shares") each together with up to 67,800,000 new free detachable warrants ("Warrants") each on the basis of three new Rights Shares of the Company together with three Warrants attached thereto for every five existing ordinary shares of RM1 each, which is to be fully subscribed at par.

(e) Proposed transfer of listing status to the Main Board of the KLSE.

Proposals (a) to (c) have been completed as at 30 April 2003. The proposed Rights Issue with Warrants and the proposed transfer of listing status are the only proposals under the Corporate Exercise which remain to be implemented.

38. SUBSEQUENT EVENT

On 8 May 2003, the Company announced its proposed change of name to Hyundai-Berjaya Corporation Berhad.

The proposed change of name is to better reflect the Company's strategic focus on the automotive industry following the acquisition of 100% equity interest in HBSB. HBSB is primarily involved in management of the sale and distribution activities of Hyundai/Inokom passenger vehicles and light commercial vehicles.

The proposed name has been approved by the Companies Commission of Malaysia on 23 April 2003. The proposed change of name is now subject to approval by the shareholders of the Company at an Extraordinary General Meeting to be convened on 4 July 2003.

39. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group had no substantial long term interest-bearing assets as at 30 April 2003. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

Interest rate risk has been contained via the Group's Corporate Exercise.

Interest rate risk exposure is managed by continuous negotiation with the lenders to derive favourable terms which are mutually agreeable.

(c) Foreign Exchange Risk

The Group transacts in and is thus exposed to various currencies, namely United States Dollar, Singapore Dollar, Japanese Yen and the assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group does not hedge its transactions as most of its transactions are done in United States Dollars, a currency to which the Malaysian Ringgit is pegged.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are in United States Dollars and are therefore subject to minimal foreign exchange exposure. The Group manages its transactional exposure by matching, as far as possible its receipts and payments in each individual currencies.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Group	
Functional Currencies of Group	**30.4.2003 Ringgit Malaysia RM**	**28.2.2002 Ringgit Malaysia RM**
Trade Receivables		
United States Dollar	1,463,231	1,254,696
Singapore Dollar	38,916	150,761
Japanese Yen	5,379	-
Trade Payables		
United States Dollar	7,510,108	8,342,942
Singapore Dollar	24,740	143
Japanese Yen	156,598	297,805
Euro Dollar	43,722	89,814

39. FINANCIAL INSTRUMENTS (Cont'd)

(d) Liquidity Risk

The Company is an affected listed issuer pursuant to Practice Note 4/2001 of the Listing Requirements of the KLSE.

In order to mitigate liquidity risk, the Group's Corporate Exercise is designed to deal with the Group's obligation to various lenders as at 30 April 2003.

Currently, funding is generally obtained from internal resources of the Group. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

(e) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing bases via Group management reporting procedures.

The Group has significant concentration of credit risk from exposure to Transwater Api Sdn. Bhd. (an associate), Atos Motor Marketing Sdn. Bhd., (an unrelated party), Hyumal Trading Sdn. Bhd. (formerly known as Golf Cart (M) Sdn. Bhd.) (a related party) and DiGi Telecommunications Sdn. Bhd., (a related party). The relationships between the Group and the related parties are detailed in Note 35.

Other than the above and exposures which have already been provided for, the Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

(f) Fair Values

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company as at the end of the financial period are represented as follows:

		Group		Company	
	Notes	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets					
Amount due from holding company	19	1,542,242	*	-	-
Amounts due from subsidiaries	19	-	-	106,654,449	*
Amounts due from associates	17,19	11,269,076	*	-	-
Amounts due from related companies	17	217,624	*	-	-
Amounts due from related parties	17,19	9,371,722	*	-	-

39. FINANCIAL INSTRUMENTS (Cont'd)

(f) Fair Values (Cont'd)

		Group		Company	
	Notes	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities					
Amount due to holding company	26	9,728	*	2	*
Amounts due to subsidiaries	26	-	-	4,004,489	*
Amounts due to related companies	25,26	2,759,400	*	101,073	*
Term loans	23	36,706,634	***	30,860,176	***
Finance lease or hire purchase payables**	24	961,089	933,326	-	-

* It is not practical to estimate the fair value of amounts due from/to subsidiaries, associates, related companies and related parties due principally to a lack of fixed repayment term entered into by the parties involved. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

** The fair values of finance lease and hire purchase liabilities are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

*** Included in the Group's and Company's term loans are loans amounting to RM27,868,582 which are due to related companies. It is not practical to estimate the fair value of term loans due to related companies principally due to a lack of fixed repayment term entered into by the parties involved. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be settled. The remaining loans of the Group and the Company of RM8,838,052 and RM2,991,594 respectively relate to floating rate loans for which the carrying amounts are estimated to approximate fair value as the effective interest rates are not forecasted to differ from the current market rates.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments provided below:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Marketable Securities

The fair value of quoted shares and loan stocks is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Provision for Liabilities

The carrying amount of provisions approximate their fair values.

(iv) Borrowings

The carrying amounts of these floating rate loans are estimated to approximate fair value as the effective interest rates are not forecasted to differ from current market rates.

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation. The following balance sheet comparative figures have been reclassified to conform with current period's presentation:

	As Restated RM	As Previously Stated RM
Group		
Trade receivables	33,345,934	27,399,983
Amount due from customers on contracts	-	5,016,656
Tax recoverable	403,100	-
Other receivables	1,281,552	1,682,530
Provision for liabilities	1,235,972	-
Trade payables	19,976,829	19,783,327
Other payables	6,718,030	7,047,117
Tax payable	1,776,214	1,945,184

Comparatives are not disclosed for certain information relating to financial instruments as permitted by MASB 24 - Financial Instruments: Disclosures and Presentation upon first application.

41. SEGMENT INFORMATION

(a) Business Segments:

The Group is organised into three major business segments:

(i) Specialist engineering - for water and wastewater works, for supply and installation of pumping equipment and industrial machinery, for manufacture, supply and installation of process equipment and systems, for electrical and factory automation, and for provision of metal and machinery fabrication;

(ii) Automotive - management of sales and distribution of passenger and light commercial vehicles, provision of back-up services and selling and distribution of spare parts for product ranges of light and commercial vehicles offered; and

(iii) Investment holding and management and other business segments, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Geographical Segments:

Segmental reporting by geographical segment was not prepared as the Group's activities are conducted predominantly in Malaysia.

41. SEGMENT INFORMATION (Cont'd)

Financial year ended 30 April 2003

	Specialist Engineering RM	Automotive RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
Revenue					
External sales	80,723,004	21,015,281	-	(929,242)	100,809,043
Inter-segment non-trade revenue	-	-	12,047,200	(12,005,200)	42,000
Total revenue					100,851,043
Results					
Segment results	(2,712,529)	1,391,008	6,767,264	(8,883,653)	(3,437,910)
Unallocated goodwill	-	-	-	(52,755,980)	(52,755,980)
Operating and non-operating loss					(56,193,890)
Finance costs	(2,014,715)	(44,583)	(2,575,424)	1,199,900	(3,434,822)
Share of results of associates	238,670	-	(1,407,064)	-	(1,168,394)
Share of results of jointly controlled entity	(11,000)	-	-	-	(11,000)
Taxation	(1,016,733)	(438,309)	(2,918,000)	3,315,200	(1,057,842)
Loss after taxation					(61,865,948)
Minority interests	80,714	(444,977)	-	-	(364,262)
Net loss for the period					(62,230,210)
Assets					
Segment assets	55,486,176	83,079,880	215,139,733	(215,198,427)	138,507,362
Investments in equity accounted associates	1,144,972	-	-	-	1,144,972
Consolidated total assets					139,652,334
Liabilities					
Segment liabilities/ consolidated total liabilities	65,088,468	35,362,330	175,688,347	(148,022,957)	128,116,188

41. SEGMENT INFORMATION (Cont'd)

Financial year ended 30 April 2003 (Cont'd)

	Specialist Engineering RM	Automotive RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
Other Information					
Capital expenditure	474,295	-	16,733	(50,000)	441,028
Depreciation:					
Recognised in income statement	1,096,197	76,536	131,678	(4,213)	1,300,198
Capitalised in amounts due from customers on contracts	46,449	-	-	-	46,449
Non-cash expenses other than depreciation and amortisation	5,433,618	232,175	2,907,749	(4,224,522)	4,349,020

Financial year ended 28 February 2002

	Specialist Engineering RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
Revenue				
External sales	70,069,736	-	(348,609)	69,721,127
Inter-segment non-trade revenue	-	297,600	(261,600)	36,000
Total revenue				69,757,127
Results				
Segment results	(2,473,456)	(9,308,764)	8,570,975	(3,211,245)
Unallocated goodwill	-	-	(15,000)	(15,000)
Operating and non-operating loss				(3,226,245)
Finance costs	(1,433,385)	(3,967,582)	984,717	(4,416,250)
Share of results of associates	338,761	(114,736)	-	224,025
Share of results of jointly controlled entity	(3,298,576)	-	-	(3,298,576)
Taxation	(1,557,658)	-	(173,018)	(1,730,676)
Loss after taxation				(12,447,722)
Minority interests	133,015	-	-	133,015
Net loss for the year				(12,314,707)

41. SEGMENT INFORMATION (Cont'd)

Financial year ended 28 February 2002 (Cont'd)

	Specialist Engineering RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
Assets				
Segment assets	57,623,384	16,550,148	(23,200,739)	50,972,793
Investments in equity accounted associates	993,102	1,207,064	-	2,200,166
Consolidated total assets				53,172,959
Liabilities				
Segment liabilities/consolidated total liabilities	53,711,007	76,960,386	(51,345,504)	79,325,889
Other Information				
Capital expenditure	1,140,627	17,330	(3,158)	1,154,799
Depreciation:				
Recognised in income statement	1,077,070	203,844	(4,213)	1,276,701
Capitalised in amounts due from customers on contracts	35,759	-	-	35,759
Impairment losses				
Non-cash expenses other than depreciation and amortisation	2,537,119	7,671,814	(6,617,216)	3,591,717

List Of Group Properties as at 30 April 2003

Location	Description	Built-up/ Land Area	Existing Use	Tenure	Age of Building	Net Book Value (RM)	Date of Acquisition
Rawang Intergrated Industrial Park Rawang Selangor D. E.	Factory/ Industrial land	100,000 sq. ft.	Factory for metal & machinery fabrication	Freehold	9 years	2,671,572	4/6/1993
Mukim 3398 Lot No. 858 Mukim of Serendah Tempa: Sungai Chu Selangor D. E.	Industrial land	174,240 sq. ft.	Vacant	Freehold	-	1,386,122	17/2/1997
RPT Pengkalan Tin No. P.T 116782-116791 Mukim Hulu Kinta Perak D. R.	Commercial land	21,036 sq. ft.	Vacant	Leasehold expiring 7/7/2093	-	483,502	7/4/1997
P.T No. 16096 Mukim Damansara District of Petaling Selangor D. E.	Lot $1^1/_2$ Storey semi-detached factory with extra land	22,400 sq. ft.	Workshop	Freehold	4 years	3,184,000	1/11/2001

Notes: The Group does not adopt a policy of regular revaluation.

NON-AUDIT FEES

The amount of non-audit fees paid or payable to external auditors for the financial period ended 30 April 2003 amounted to RM4,000.

MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts entered into by Hyundai-Berjaya Corporation Berhad ("HBCB") and its subsidiaries which involved directors' and major shareholders' interests still subsisting at the end of the financial period ended 30 April 2003 or entered into since the end of the previous financial year:-

(a) A share sale agreement dated 30 August 2002 between Berjaya Group Berhad ("BGB") and HBCB, whereby HBCB will purchase from BGB the entire issued and paid-up capital of Berjaya Systems Integrators Sdn Bhd comprising 2 shares for a cash consideration of RM2.00 only together with an undertaking from HBCB to repay an indebtedness of RM51,000,000 via an issue of 51,000,000 new HBCB shares to BGB at an issue price of RM1.00 each.

(b) Management Agreement dated 2 September 2002 entered into between Hyumal Motor Sdn Bhd ("Hyumal"), Hyundai-Berjaya Sdn Bhd ("HBSB") and Mr. Yeoh Choon San ("Mr. Yeoh") for the secondment of Mr. Yeoh by HBSB to Hyumal whereby Mr. Yeoh shall hold the position as 'Chief Operating Officer' in Hyumal.

RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial period ended 30 April 2003 were as follows:-

Related Party	Transacting parties	Nature of Transactions	RM'000	Relationship with HBCB
Transwater Api Sdn Bhd	Transwater Technologies Sdn Bhd Transwater Tenaga Sdn Bhd Transwater Engineering Sdn Bhd Pentagon Engineering Sdn Bhd Transwater Controls Sdn Bhd Transwater Automation Sdn Bhd Transwater Cooling Towers Sdn Bhd	Purchases/sales of equipment, commissioning and installation services relating to oil and gas industries	34,165	Subsidiary and Associate Companies where a Director has an interest
	HBCB	Management fees	42	
	HBCB	Rental of office space	67	
		Total	**34,274**	
Transwater Cooling Towers Sdn Bhd	Transwater Technologies Sdn Bhd Transwater Tenaga Sdn Bhd Transwater Engineering Sdn Bhd Pentagon Engineering Sdn Bhd Transwater Controls Sdn Bhd Transwater Automation Sdn Bhd	Manufacture, supply, installation of cooling towers and other related services	639	Subsidiary Companies where a Director has an interest
	HBCB	Management fees	42	
	HBCB	Rental of office space	34	
		Total	**715**	

Statistics On Shareholdings as at 12 August 2003

ANALYSIS OF SHAREHOLDINGS AS AT 12 AUGUST 2003

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
less than 100	-	-	-	-
100 - 1,000	758	53.01%	757,350	0.67%
1,001 - 10,000	600	41.96%	2,087,450	1.85%
10,001 - 100,000	54	3.77%	1,233,000	1.09%
100,001 - 5,649,999	14	0.98%	28,313,450	25.06%
5,650,000* and above	4	0.28%	80,608,750	71.33%
Total	**1,430**	**100.00%**	**113,000,000**	**100.00%**

NOTES:

There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.
* denotes 5% of the issued capital

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 12 AUGUST 2003

	Name of Shareholders	No. of Shares	%
1	Bizurai Bijak (M) Sdn Bhd	51,000,000	45.13
2	Batumadu Sdn Bhd	12,000,000	10.62
3	Yeoh Choon San	11,000,000	9.73
4	AMMB Nominees (Tempatan) Sdn Bhd *Aminternational (L) Ltd For Angsana Embun Sdn Bhd (6/119-8)*	6,608,750	5.85
5	Mohamed Farid bin Haji Surani	4,400,000	3.89
6	Syed Mohd Yusof bin Tun Syed Nasir	4,400,000	3.89
7	Sumland Development Sdn Bhd	4,200,000	3.72
8	Goh Teck Chai	4,000,000	3.54
9	Abdul Jalil bin Ismail	4,000,000	3.54
10	Pasti Eksklusif Sdn Bhd	4,000,000	3.54
11	Isa bin Ahmat Indot	1,000,000	0.88
12	EB Nominees (Tempatan) Sendirian Berhad *Pledged Securities Account For Prime Credit Leasing Sdn Bhd (BB)*	605,000	0.54

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 12 AUGUST 2003 (Cont'd)

Registered Holders	No. of Shares	%
13 SJ Sec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Nautilus Corporation Sdn Bhd*	472,900	0.42
14 Berjaya General Insurance Berhad	369,000	0.33
15 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Juara Sejati Sdn Bhd*	369,000	0.33
16 SJ Sec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dasar Perwira Sdn Bhd*	270,000	0.24
17 Inter-Pacific Securities Sdn Bhd *IVT (9C55)*	114,550	0.10
18 Berjaya General Insurance Berhad	113,000	0.10
19 JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Paragon Pacific Ventures Sdn Bhd*	98,000	0.09
20 Lee Sai Lim	84,000	0.07
21 KBB Nominees (Tempatan) Sdn Bhd *Pledged Secruities Account For Prime Credit Leasing Sdn Bhd (703367)*	75,000	0.07
22 Yoong Hoi Shing	50,000	0.04
23 UCHI Optoelectronic (M) Sdn Bhd	50,000	0.04
24 Eng Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato' Tan Han Kook*	47,000	0.04
25 Lau Chin Park	37,000	0.03
26 Kong Lai Wah	34,000	0.03
27 Leong Oi Loon	34,000	0.03
28 Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Neo Say Yeow (338AB3157)*	30,000	0.03
29 JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lee Puay Ching*	30,000	0.03
30 Rashid bin Rabun	29,000	0.03
	109,520,200	**96.92**

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 12 AUGUST 2003

	Name	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1	Bizurai Bijak (M) Sdn Bhd	51,000,000	45.13	1,276,550 (a)	1.13
2	Batumadu Sdn Bhd	12,000,000	10.62	-	-
3	Yeoh Choon San	11,000,000	9.73	-	-
4	Angsana Embun Sdn Bhd	6,608,750	5.85	-	-
5	Datuk Tengku Adnan bin Tengku Mansor	530,250	0.47	6,608,750 (b)	5.85
6	Berjaya Group Berhad	-	-	52,654,550 (c)	46.60
7	Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	52,654,550 (d)	46.60
8	Dato' Dr Tengku Rethwan bin Tengku Mansor	-	-	12,000,000 (e)	10.62
9	Arbaain bin Bakar	-	-	12,000,000 (e)	10.62
10	The Estate of Dato' Wan Adli bin Dato' Wan Ibrahim	-	-	6,608,750 (b)	5.85

Notes:-

(a) Deemed interested by virtue of its interest in Berjaya Capital Berhad.
(b) Deemed interested by virtue of their interest in Angsana Embun Sdn Bhd.
(c) Deemed interested by virtue of its 100% interests in Bizurai Bijak (M) Sdn Bhd, Juara Sejati Sdn Bhd and its interest in Berjaya Capital Berhad.
(d) Deemed interested by virtue of his interests in Berjaya Group Berhad.
(e) Deemed interested by virtue of their interest in Batumadu Sdn Bhd.

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 12 AUGUST 2003

	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Datuk Abdul Rahim bin Haji Din	-	-	-	-
Datuk Wan Lokman bin Dato' Wan Ibrahim	-	-	-	-
Kong Keng Ling	-	-	-	-
Freddie Pang Hock Cheng	-	-	-	-
Low Ah Ha	-	-	-	-
Lee Kok Chuan	-	-	-	-
Yeoh Choon San	11,000,000	9.73	-	-
Dato' Mohd Salleh bin Ahmad	-	-	-	-
Lim Hock Chye	-	-	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 12 AUGUST 2003 (Cont'd)

Ultimate Holding Company
Berjaya Group Berhad

	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Datuk Abdul Rahim bin Haji Din	72,000	0.005	-	-
Freddie Pang Hock Cheng	7,500	-	-	-
Lee Kok Chuan	14,000	-	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 of RM1.00 Nominal Value Each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Datuk Abdul Rahim bin Haji Din	36,000	0.008	-	-
Lee Kok Chuan	33,000	0.008	-	-
Low Ah Ha	20,000	0.001	-	-

	Warrants			
	Direct Interest	%	Deemed Interest	%
Tan Sri Datuk Abdul Rahim bin Haji Din	144,000	0.006	-	-
Lee Kok Chuan	32,000	0.001	-	-

Related Companies
Berjaya Land Berhad

	Number of Options Over Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Lee Kok Chuan	125,000	0.014	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 of RM1.00 Nominal Value Each			
	Direct Interest	%	Deemed Interest	%
Lee Kok Chuan	5,000	-	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 12 AUGUST 2003 (Cont'd)

	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Unza Holdings Berhad				
Datuk Wan Lokman bin Dato' Wan Ibrahim	36,000	0.05	-	-
Freddie Pang Hock Cheng	10,000	0.01	-	-
Berjaya Capital Berhad				
Freddie Pang Hock Cheng	10,000	0.002	-	-
Lee Kok Chuan	2,000	-	-	-
Cosway Corporation Berhad				
Lee Kok Chuan	4,000	0.001	-	-
Dunham-Bush (Malaysia) Berhad				
Kong Keng Ling	2,092	-	-	-
Matrix International Berhad				
Low Ah Ha	8,000	0.005	-	-
Subsidiary **Transwater Cooling Towers Sdn Bhd**				
Kong Keng Ling	19,000	1.90	-	-

Save as disclosed, none of the other Directors in office has any interest in the shares and debentures of the Company or its related corporations as at 12 August 2003.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of Hyundai-Berjaya Corporation Berhad (Formerly known as Transwater Corporation Berhad) will be held at the Greens Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana 47410 Petaling Jaya, Selangor on Friday, 10 October 2003 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the financial period ended 30 April 2003 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fees amounting to RM34,000 for the period ended 30 April 2003. **(Resolution 2)**

3. To re-elect the following Directors:-

   a. Tan Sri Datuk Abdul Rahim bin Haji Din **(Resolution 3)**
   b. Lee Kok Chuan **(Resolution 4)**
   c. Yeoh Choon San **(Resolution 5)**
   d. Dato' Mohd Salleh bin Ahmad **(Resolution 6)**
   e. Lim Hock Chye **(Resolution 7)**

4. To consider and, if thought fit, pass the following Ordinary Resolution:-

   "That Messrs Ernst & Young be and are hereby appointed as the Company's auditors in place of the retiring auditors, Messrs Arthur Andersen & Co. to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration." **(Resolution 8)**

5. As special business:

   a. To consider and, if thought fit, pass the following Ordinary Resolutions:-

   (i) Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

   "That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deemed fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.'' **(Resolution 9)**

   (ii) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   "That subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of the Kuala Lumpur Stock Exchange and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company and/or its subsidiaries to renew and enter into recurrent related party transactions of a revenue or trading nature from time to time, which are necessary for day-to-day operations, as set out in Section 2.3 of the Circular to Shareholders dated 18 September 2003 and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

That such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

That disclosure will be made in the annual report of the aggregate value of recurrent related party transactions pursuant to the mandate during the financial year.

That authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **(Resolution 10)**

b. To consider and, if thought fit, pass the following Special Resolution:-

Proposed Amendment to the Company's Articles of Association

"That the Company's Articles of Association be amended by inserting the new Article 96A immediately after Article 96:-

Article 96A The conduct of a meeting of Directors or a committee of the Directors may include a participation thereat by any Director via telephone conferencing and/or video conferencing or any other interactive means of audio-visual communications whereby all participating persons are able to hear each other or be heard during the meeting. A Director's participation in the manner as aforesaid shall be deemed to be present at the meeting and be counted for the purpose of a quorum. He shall also be entitled to vote thereat. Any meeting held in such manner shall be deemed to be or have been held at such time and place as set out in the notice of meeting." **(Resolution 11)**

BY ORDER OF THE BOARD

TAN PENG
Secretary

Petaling Jaya
18 September 2003

NOTES:

(A) APPOINTMENT OF PROXY

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(ii) A member shall not be entitled to appoint a person who is not a member as his proxy unless that person is a Director of the Company, an advocate, an approved company auditor, a person approved by the Companies Commission of Malaysia in a particular case or an attorney under Power of Attorney.

(iii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one proxy (who is the beneficial owner of the shares) in respect of each securities account.

(iv) The instrument appointing a proxy, in the case of an individual, shall be in writing under the hand of the appointer of his attorney duly authorised in writing, and in the case of a corporation, either under seal or under the hand of a duly authorised officer.

(v) The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office, 83 Jalan SS25/2, Taman Bukit Emas, 47301 Petaling Jaya, Selangor not less than 48 hours before the time fixed for holding the meeting or at any adjournment thereof.

(B) ORDINARY RESOLUTIONS 3, 4, 5, 6 AND 7

The particulars of Directors standing for re-election are set out in the relevant pages of the Annual Report as follows:-

Directors	Profile of Directors	Directors' Shareholdings
1) Tan Sri Datuk Abdul Rahim bin Haji Din	Page 3	Pages 83 and 84
2) Lee Kok Chuan	Page 4	Pages 84 and 85
3) Yeoh Choon San	Page 4	Page 83
4) Dato' Mohd Salleh bin Ahmad	Page 4	Page 83
5) Lim Hock Chye	Page 4	Page 83

The details of Directors' attendance at Board Meetings are set out on page 13 of the Annual Report.

NOTES: (Cont'd)

(C) The Company has received a Notice of Nomination of Auditors pursuant to Section 172(1) of the Companies Act, 1965 which appears on page 90 of the Annual Report, for the appointment of Messrs Ernst & Young, who has given their consent to act, as Auditors of the Company in place of the retiring Auditors, Messrs Arthur Andersen & Co., and of the intention to propose the following Ordinary Resolution:-

"That Messrs Ernst & Young be and are hereby appointed as the Company's auditors in place of the retiring auditors, Messrs Arthur Andersen & Co. to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

(D) SPECIAL BUSINESS

(i) Resolution 9 is proposed pursuant to Section 132(D) of the Companies Act, 1965 and if passed, will give the Directors of the Company, from the date of the above general meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(ii) Resolution 10 if passed will renew and approve the Shareholders' Mandates on Recurrent Related Party Transactions and to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with paragraph 10.09 of the Listing Requirements of the Kuala Lumpur Stock Exchange. The explanatory notes on Ordinary Resolution 10 is out in the Circular to Shareholders dated 18 September 2003 attached to the Annual Report.

(iii) Resolution 11 for the proposed amendment of the Articles of Association of the Company will be passed as a Special Resolution and if approved, will allow the conduct of meetings of Directors via telephone conferencing and/or video conferencing or any other interactive means of audio-visual communications.

Notice Of Nomination Of Auditors

BIZURAI BIJAK (M) SDN BHD
(Company No. 21243-W)

11th Floor Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur
Tel: 03-29358888 Fax: 29358043

6 June 2003

The Board of Directors
TRANSWATER CORPORATION BERHAD
83 Jalan SS25/2
Taman Bukit Emas
47301 Petaling Jaya
Selangor

Dear Sirs

NOTICE PURSUANT TO SECTION 172(11) OF THE COMPANIES ACT, 1965

We, BIZURAI BIJAK (M) SDN BHD, being a shareholder of your company and entitled to attend and vote at general meetings, hereby give notice that we wish to nominate Messrs Ernst & Young as auditors in place of the retiring auditors, Messrs Arthur Andersen & Co., at your company's forthcoming Annual General Meeting and our intention to move the following as an Ordinary Resolution:-

"That Messrs Ernst & Young be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Arthur Andersen & Co to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

Yours faithfully
BIZURAI BIJAK (M) SDN BHD

(signed)
Tan Thiam Chai
Director

HYUNDAI-BERJAYA CORPORATION BERHAD
(FORMERLY KNOWN AS TRANSWATER CORPORATION BERHAD)
(Company No. 67617-M)
(Incorporated in Malaysia)

FORM OF PROXY

I/We____
(Name in full)

I.C. or Company No.______________________________CDS Account No.____________________________________

of____
(Address)

being a member/members of **HYUNDAI-BERJAYA CORPORATION BERHAD** (formerly known as Transwater Corporation Berhad) hereby appoint:-

____ I.C. No.____________________________________
(Name in full) *(New and Old I.C. Nos.)*

of____
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the **Twenty-Second Annual General Meeting** of the Company to be held at the Greens Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana 47410 Petaling Jaya, Selangor on **Friday, 10 October 2003** at **10.00 a.m.** and/or at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	For	Against
RESOLUTION 1 – To receive and adopt the Audited Financial Statements.		
RESOLUTION 2 – To approve payment of Directors' Fees.		
RESOLUTION 3 – To re-elect Tan Sri Datuk Abdul Rahim bin Haji Din as Director.		
RESOLUTION 4 – To re-elect Lee Kok Chuan as Director.		
RESOLUTION 5 – To re-elect Yeoh Choon San as Director.		
RESOLUTION 6 – To re-elect Dato' Mohd Salleh bin Ahmad as Director.		
RESOLUTION 7 – To re-elect Lim Hock Chye as Director.		
RESOLUTION 8 – To appoint Ernst & Young as Auditors.		
RESOLUTION 9 – To approve authority to allot and issue shares.		
RESOLUTION 10 – To approve mandate on Recurrent Related Party Transactions.		
RESOLUTION 11 – To amend the Company's Articles of Association.		

No. of Shares held

____
Signature of Shareholder

*Dated this*_______________ *day of*_________________ *2003*

NOTES:

1. *A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
2. *A member shall not be entitled to appoint a person who is not a member as his proxy unless that person is a Director of the Company, an advocate, an approved company auditor, a person approved by the Companies Commission of Malaysia in a particular case or an attorney under Power of Attorney.*
3. *A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one proxy (who is the beneficial owner of the shares) in respect of each securities account.*
4. *The instrument appointing a proxy, in the case of an individual, shall be in writing under the hand of the appointer of his attorney duly authorised in writing, and in the case of a corporation, either under seal or under the hand of a duly authorised officer.*
5. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office, 83 Jalan SS25/2, Taman Bukit Emas, 47301 Petaling Jaya, Selangor not less than 48 hours before the time fixed for holding the meeting or at any adjournment thereof.*