



# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2004.

### PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 15 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

### CHANGE OF NAME

On 11 July 2003, the Company changed its name from Transwater Corporation Berhad to Hyundai-Berjaya Corporation Berhad.

### RESULTS

	Group RM	Company RM
Profit after taxation	98,443,793	7,293,096
Minority interests	(11,297)	-
Net profit for the year	98,432,496	7,293,096

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the following:

- gain arising from the settlement of debts owing by a third party to the Company amounting to RM18,834,650 as disclosed in Note 6 to the financial statements. This amount was in respect of a claim previously made by the Company in prior years against a third party for the non-payment of a promissory note amounting to RM40,641,000;
- provision for diminution in value of other investments amounting to RM6,211,515 for the Group and RM6,177,110 for the Company as disclosed in Note 5 to the financial statements;
- the effects arising from the disposal of subsidiaries as disclosed in Notes 6 and 15 to the financial statements resulting in a gain of RM8,128,293 to the Group;
- provision for doubtful recovery of amounts due from associates, of RM4,062,699 in respect of the Group and RM3,796,699 in respect of the Company, as disclosed in Note 5 to the financial statements; and
- provision for liability of RM4,391,041 on corporate guarantee on borrowings of an associate, as disclosed in Notes 5 and 25 to the financial statements.

## DIRECTORS' REPORT (CONT'D.)

### DIVIDENDS

The dividends paid by the Company since 30 April 2003 were as follows:

	RM
First interim dividend of 3% less 28% taxation, on 113,000,000 ordinary shares, declared on 22 December 2003 and paid on 30 January 2004	2,440,800
Second interim dividend of 3% less 28% taxation, on 180,800,000 ordinary shares, declared on 22 March 2004 and paid on 30 April 2004	3,905,280
	<u>6,346,080</u>

A third interim dividend in respect of the financial year ended 30 April 2004, of 3% less 28% taxation on 180,800,000 ordinary shares, amounting to a dividend payable of RM3,905,280 (2.16 sen net per ordinary share) has been declared on 14 June 2004 and will be paid on 20 August 2004.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2004, of 3% less 28% taxation on 180,800,000 ordinary shares amounting to a dividend payable of RM3,905,280 (2.16 sen net per ordinary share) will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect these dividends. The third interim dividend and the final dividend (if approved by the shareholders) will be accounted for in equity as an appropriation of profits in the financial year ending 30 April 2005.

### 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

Dato' Yeoh Choon San

Lee Kok Chuan

Freddie Pang Hock Cheng

Dato' Mohd Salleh bin Ahmad

(appointed on 7 July 2003)

Lim Hock Chye

(appointed on 7 July 2003)

Amer Hamzah Ahmad

(appointed on 28 November 2003)

Datuk Wan Lokman bin Dato' Wan Ibrahim

(resigned on 10 October 2003)

Kong Keng Ling

(resigned on 31 August 2003)

Low Ah Ha

(resigned on 31 August 2003)

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, 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 its related companies or any other body corporate.

## DIRECTORS' REPORT (CONT'D.)

### DIRECTORS' BENEFITS (CONT'D.)

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 8 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 year in shares and options over shares in the Company during the financial year were as follows:-

	Number of Ordinary Shares of RM1 Each			
	1 May 2003	Bought	Sold	30 April 2004
<b>The Company</b>				
<b>Direct Interest</b>				
Dato' Yeoh Choon San	11,000,000	6,600,000	8,000,000	9,600,000
Lee Kok Chuan	-	5,000	-	5,000
Freddie Pang Hock Cheng	-	100	-	100
	Number of Warrants			
	1 May 2003	Bought	Sold	30 April 2004
Dato' Yeoh Choon San	-	6,600,000	500,000	6,100,000
Freddie Pang Hock Cheng	-	100	-	100

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

### ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM113,000,000 to RM180,800,000 by way of a renounceable rights issue of 67,800,000 new ordinary shares of RM1 each ("Right Shares") together with 67,800,000 free detachable warrants at an issue price of RM1 per Rights Share together with one free warrant on the basis of three rights shares together with three free warrants attached thereto for every five existing ordinary shares of RM1.00 each. The new shares issued rank pari passu in all respects with existing ordinary shares of the Company. The proceeds raised from the rights issue were utilised to settle the Group's external borrowings and as working capital to the Group.

## DIRECTORS' REPORT (CONT'D.)

### OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets 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 value 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 in the financial statements of the Group and of the Company 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 year 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 year.
- (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 year 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 year 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 year in which this report is made.

## DIRECTORS' REPORT (CONT'D.)

### SIGNIFICANT EVENTS

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

### SUBSEQUENT EVENTS

The subsequent events are as disclosed in Note 37 to the financial statements.

### AUDITORS

The auditors, Ernst and Young, have expressed their willingness to continue in office.

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

**Dato' Yeoh Choon San**

**Lee Kok Chuan**

Petaling Jaya, Malaysia  
20 August 2004

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **Dato' Yeoh Choon San** and **Lee Kok Chuan**, being two of the directors of Hyundai-Berjaya Corporation Berhad (formerly known as Transwater Corporation Berhad), do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 84 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 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

**Dato' Yeoh Choon San**

**Lee Kok Chuan**

Petaling Jaya, Malaysia  
20 August 2004

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Lee Kok Chuan**, being the director primarily responsible for the financial management of Hyundai-Berjaya Corporation Berhad (formerly known as Transwater Corporation Berhad), do solemnly and sincerely declare that the financial statements set out on pages 27 to 84 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 **Lee Kok Chuan** at  
Kuala Lumpur in Wilayah Persekutuan  
on 20 August 2004

**Lee Kok Chuan**

Before me,

**Soh Ah Kau**  
**Commissioner for Oaths**

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF HYUNDAI-BERJAYA CORPORATION BERHAD

We have audited the financial statements set out on pages 27 to 84. 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 2004 and of the results and the cash flows of the Group and of the Company for the year 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 have been properly kept in accordance with the provisions of the Act.

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.

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
20 August 2004

Nik Rahmat Kamarulzaman bin Nik Ab. Rahman  
No. 1759/02/06(J)  
Partner



# INCOME STATEMENTS FOR THE YEAR ENDED 30 APRIL 2004

	Note	Group		Company	
		1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Revenue	3	1,013,598,578	100,851,043	11,418,286	12,047,200
Other operating income		1,799,937	1,864,478	1,737,717	1,655,959
		1,015,398,515	102,715,521	13,156,003	13,703,159
Contract costs expensed		(20,593,829)	(32,897,362)	-	-
Cost of goods sold		(834,956,202)	(51,500,473)	-	-
Staff costs	4	(12,108,912)	(9,562,926)	(1,171,685)	(1,342,122)
Depreciation		(4,819,557)	(1,300,198)	(84,374)	(131,678)
Other operating expenses		(33,836,881)	(9,395,521)	(19,117,552)	(3,551,117)
Profit/(loss) from operations	5	109,083,134	(1,940,959)	(7,217,608)	8,678,242
Non-operating income	6	26,962,943	-	18,834,651	-
Non-operating expenses	7	(1,413,256)	(54,252,931)	(1,413,256)	(1,496,951)
Finance costs	9	(2,572,699)	(3,434,822)	(213,545)	(712,084)
Share of results of associates		655,961	(1,168,394)	-	-
Share of results of jointly controlled entity		-	(11,000)	-	-
Profit/(loss) before taxation		132,716,083	(60,808,106)	9,990,242	6,469,207
Taxation:	10	(34,272,290)	(1,057,842)	(2,697,146)	(2,918,000)
Company and subsidiaries		(34,085,090)	(971,042)	(2,697,146)	(2,918,000)
Associates		(187,200)	(86,800)	-	-
Jointly controlled entity		-	-	-	-
Profit/(loss) after taxation		98,443,793	(61,865,948)	7,293,096	3,551,207
Minority interests		(11,297)	(364,262)	-	-
Net profit/(loss) for the year/period		98,432,496	(62,230,210)	7,293,096	3,551,207
Basic earnings/(loss) per share (sen)	11	72.59	(434.95)		
Net dividends per ordinary share in respect of the year/period (sen)	12	8.64	-		

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

## BALANCE SHEETS AS AT 30 APRIL 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	13	39,336,055	16,353,532	2,867,127	2,913,011
Investment properties	14	1,600,000	1,869,624	-	-
Investments in subsidiaries	15	-	-	1,729,822	1,829,829
Investments in associates	16	893,732	1,144,972	-	-
Other investments	17	9,208,797	96,720	9,148,525	2,120
Deferred tax assets	18	2,705,427	-	-	-
Jointly controlled entity	30	-	-	-	-
		53,744,011	19,464,848	13,745,474	4,744,960
<b>CURRENT ASSETS</b>					
Inventories	19	120,263,681	10,434,180	-	-
Trade receivables	20	33,732,414	59,137,759	-	-
Tax recoverable		1,090,109	606,339	907,773	506,920
Other receivables	22	62,025,996	6,028,747	125,396,184	107,411,759
Marketable securities	23	-	41,138	-	-
Cash and bank balances	24	47,307,105	43,939,323	7,849,182	30,031
		264,419,305	120,187,486	134,153,139	107,948,710
<b>CURRENT LIABILITIES</b>					
Provision for liabilities	25	15,073,098	2,874,014	4,391,041	-
Borrowings	26	22,484,329	42,996,673	-	31,167,424
Trade payables	28	36,968,418	42,430,274	-	-
Other payables	29	42,288,115	25,542,665	899,761	6,713,857
Tax payable		9,827,987	4,160,014	-	-
		126,641,947	118,003,640	5,290,802	37,881,281
<b>NET CURRENT ASSETS</b>					
		137,777,358	2,183,846	128,862,337	70,067,429
		191,521,369	21,648,694	142,607,811	74,812,389

## BALANCE SHEETS AS AT 30 APRIL 2004 (CONT'D.)

		Group		Company	
	Note	2004 RM	2003 RM	2004 RM	2003 RM
<b>FINANCED BY:</b>					
Share capital	31	180,800,000	113,000,000	180,800,000	113,000,000
Reserves		(9,477,412)	(101,563,828)	(38,192,189)	(39,139,205)
Shareholders' fund		171,322,588	11,436,172	142,607,811	73,860,795
Minority interests		111,270	99,974	-	-
		171,433,858	11,536,146	142,607,811	73,860,795
Provision for liabilities	25	7,584,500	3,096,750	-	-
Borrowings	26	12,491,011	6,937,798	-	951,594
Deferred tax liabilities	18	12,000	78,000	-	-
Non-current liabilities		20,087,511	10,112,548	-	951,594
		191,521,369	21,648,694	142,607,811	74,812,389

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2004

	Note	Share Capital RM	Non- Distributable Capital Reserves RM	Accumulated Losses RM	Total RM
<b>Group</b>					
At 1 March 2002		13,000,000	1,990,425	(41,324,043)	(26,333,618)
Issue of share capital	31	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
Issue of share capital	31	67,800,000	-	-	67,800,000
Net profit for the year		-	-	98,432,496	98,432,496
Dividends	12	-	-	(6,346,080)	(6,346,080)
At 30 April 2004		180,800,000	1,990,425	(11,467,837)	171,322,588

	Note	Share Capital RM	Capital Reserve RM	Non-Distributable Surplus on Revaluation of Subsidiaries RM	Accumulated Losses RM	Total RM
<b>Company</b>						
At 1 March 2002		13,000,000	1,052,686	692,753	(44,435,851)	(29,690,412)
Issue of share capital	31	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
Issue of share capital	31	67,800,000	-	-	-	67,800,000
Net profit for the year		-	-	-	7,293,096	7,293,096
Dividends	12	-	-	-	(6,346,080)	(6,346,080)
At 30 April 2004		180,800,000	1,052,686	692,753	(39,937,628)	142,607,811

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

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	132,716,083	(60,808,106)
Adjustments for:		
Bad debts written off	-	24,066
Provision for doubtful debts	4,095,671	1,338,956
Depreciation	4,819,557	1,300,198
Goodwill written off	-	52,755,980
Net attributable profits on contracts	(2,748,538)	(4,655,936)
Provision for warranties	10,835,000	294,533
Provision for liquidated ascertained damages	253,357	465,300
Provision for contract costs	2,600,000	-
Provision for commitment of losses in jointly controlled entity	462,272	519,000
Unrealised foreign exchange loss	-	10,106
Gain on disposal of subsidiaries	(8,128,293)	-
Gain on settlement of debts	(15,721,650)	-
Gain on disposal of marketable securities	(7,668)	-
Provision for diminution in value of other investments	6,211,515	87,320
Provision for diminution in value of marketable securities	-	41,138
Provision for diminution in value of golf club membership	-	49,000
Provision for diminution in value of investment property	269,624	183,252
Gain on disposal of property, plant and equipment	(132,681)	(442,028)
Property, plant and equipment written off	268,486	347,400
Write down of inventories	1,232,710	650,472
Write off of inventories	-	481,677
Write back of provision for doubtful debts	(51,695)	-
Amortisation of royalty	-	11,823
Interest expense	2,572,699	3,434,822
Interest income	(505,975)	(142,286)
Loss on disposal of other investments	173,990	-
Provision for liability on corporate guarantee on borrowings of an associate	4,391,041	-
Share of results of associates	(655,961)	1,168,394
Share of results of jointly controlled entity	-	11,000
Operating profit/(loss) before working capital changes	142,949,544	(2,873,919)
Changes in inventories	(111,750,496)	125,257
Changes in receivables	(40,528,980)	14,659,809
Changes in payables	26,262,889	13,507,256
Cash generated from operations	16,932,957	25,418,403
Interest paid	(2,976,695)	(1,879,915)
Taxes paid	(31,659,917)	(689,437)
Tax credits received	-	280,761
Net cash (used in)/generated from operating activities	(17,703,655)	23,129,812

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004 (CONT'D.)

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash of subsidiaries acquired	-	23,862,937
Purchase of additional shares in an associate	-	(200,000)
Interest received	441,834	73,247
Purchase of property, plant and equipment	(29,713,406)	(233,028)
Purchase of other investments	(74,865)	-
Proceeds from disposal of property, plant and equipment	270,887	902,400
Proceeds from disposal of subsidiaries (Note 15)	862,924	-
Proceeds from disposal of other investments	347,746	-
Net cash (used in)/generated from investing activities	(27,864,880)	24,405,556
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from rights issue	67,800,000	-
Dividend paid	(6,346,080)	-
Repayment of borrowings	(48,380,904)	(33,407,867)
Drawdown of borrowings	39,193,972	30,792,059
Net cash generated from/(used in) financing activities	52,266,988	(2,615,808)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,698,453	44,919,560
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD</b>	39,557,748	(5,361,812)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD (NOTE 24)</b>	46,256,201	39,557,748

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

# COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,990,242	6,469,207
Adjustments for:		
Provision for doubtful debts	7,092,853	2,522,377
Bad debts written off	206,496	-
Depreciation	84,374	131,678
Investment in subsidiaries written off	7	-
Gain on disposal of a subsidiary	(1)	-
Provision for diminution in value of other investments	6,177,110	1,320
Impairment of investment in a subsidiary	100,000	-
Gain on disposal of property, plant and equipment	(90,298)	(163,535)
Property, plant and equipment written off	-	75,896
Provision for liability on corporate guarantee on borrowings of an associate	4,391,041	-
Write back of provision for doubtful debts	(51,695)	-
Loss on disposal of other investments	173,990	-
Gain on settlement of debts	(15,721,650)	-
Dividend income	(11,064,286)	(11,700,000)
Interest expense	213,545	712,084
Interest income	(1,292,019)	(1,055,623)
Operating profit/(loss) before working capital changes	209,709	(3,006,596)
Changes in receivables	(23,234,379)	(4,851,865)
Changes in payables	(5,652,397)	8,896,468
Cash (used in)/generated from operations	(28,677,067)	1,038,007
Interest paid	(375,245)	(552,934)
Interest received	141,041	1,055,623
Dividend received	7,119,566	-
Net cash (used in)/generated from operating activities	(21,791,705)	1,540,696
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other investments	(74,865)	-
Purchase of property, plant and equipment	(38,490)	(16,733)
Proceeds from disposal of a subsidiary (Note 15)	1	-
Proceeds from disposal of property, plant and equipment	90,298	616,700
Proceeds from disposal of other investments	299,010	-
Net cash generated from investing activities	275,954	599,967

# COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004 (CONT'D.)

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(30,860,176)	(1,604,302)
Proceeds from rights issue	67,800,000	-
Dividend paid	(6,346,080)	-
Net cash generated from/(used in) financing activities	30,593,744	(1,604,302)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,077,993	536,361
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD</b>	(1,228,811)	(1,765,172)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD (NOTE 24)</b>	7,849,182	(1,228,811)

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



## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004

### 1. CORPORATE INFORMATION

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

The principal activities of the subsidiaries are described in Note 15. There have been no significant changes in the nature of these activities during the financial year.

Following the completion of the acquisition of Berjaya Systems Integrators Sdn. Bhd. ("BSISB"), mandatory offer for the acquisition of the remaining 49% interest in Hyundai-Berjaya Sdn. Bhd. ("HBSB") and the increase in authorised share capital, as had been reflected in the audited financial statements of the previous financial year, the Company has regularised its financial condition and no longer triggers any of the criteria under Paragraph 2.0 of Practice Note 4/2001 of the Listing Requirements of Bursa Malaysia Securities Berhad.

On 11 July 2003, the Company changed its name from Transwater Corporation Berhad to Hyundai-Berjaya Corporation Berhad. On 2 March 2004, the listing status of the Company was transferred to the Main Board of Bursa Malaysia Securities Berhad.

The Company is a public limited company, incorporated and domiciled in Malaysia. 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.

The number of employees in the Group and in the Company at the end of the financial year were 183 (2003: 212) and 19 (2003: 22) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 August 2004.

### 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 year ended 30 April 2004, the Group and the Company adopted the following Malaysian Accounting Standards Board ("MASB") Standards for the first time:

MASB 25	Income Taxes
MASB 27	Borrowing Costs
MASB 29	Employee Benefits

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

#### (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 power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (b) Basis of Consolidation (Cont'd.)

##### (i) Subsidiaries (Cont'd.)

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 financial year 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 the subsidiaries are measured at their fair values at the date of acquisition. 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 recognised 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 which were not previously recognised in the consolidated income statement.

Minority interest in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

##### (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 but not control through participation in the financial and operating policy decisions of the entities.

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.

##### (iii) Jointly controlled entity

A jointly controlled entity is an 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 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 financial year 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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (b) Basis of Consolidation (Cont'd.)

##### (iii) Jointly controlled entity (Cont'd.)

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 cost cannot be recovered.

#### (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.

Goodwill arising from consolidation is written off to the income statement.

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

The Company's investments in subsidiaries, associates and 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.

#### (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. Plant and machinery-in-progress is not depreciated until ready for its intended use. 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%
Motor vehicles	20%
Renovation and electrical installation	10% - 20%
Office and computer equipment, furniture and fittings	5% - 33 1/3%

Upon the disposal of an item of property, plant or 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 investments in land 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).

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (f) Investment Properties (Cont'd.)

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 reliably estimated, 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 reliably estimated, 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 year 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.

#### (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 in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (j) Finance Leases or Hire Purchase (Cont'd.)

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.

#### (l) Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Prior to the adoption of MASB 25 Income Taxes on 1 May 2003, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation. The adoption of MASB 25 has not given rise to any material financial effects in the prior period financial statements and accordingly this change in accounting policy has not been accounted for retrospectively.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (m) Revenue Recognition (Cont'd.)

##### (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:

	2004 RM	2003 RM
Euro	4.60	4.27
United States Dollar	3.80	3.80
Singapore Dollar	2.25	2.16
Japanese Yen	0.034	0.032

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (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 provision for any permanent diminution in value.

On disposal of an 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 determined on the weighted average basis 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.

#### (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 year in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (p) Financial Instruments (Cont'd.)

##### (vi) Equity instruments

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

#### (q) Employee Benefits

##### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

Prior to the adoption of MASB 29: Employee Benefits on 1 May 2003, no liability was recognised for the obligations in respect of short-term employee benefits in the form of accumulating compensated absences. This change in accounting policy has not been accounted for retrospectively as its effects are immaterial.

### 3. REVENUE

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

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Gross dividends from subsidiaries	-	-	11,064,286	11,700,000
Management fees from subsidiaries	-	-	299,000	305,200
Management fees from associates	55,000	42,000	55,000	42,000
Construction contracts	23,342,367	37,553,298	-	-
Sales of goods and services	990,201,211	63,255,745	-	-
	1,013,598,578	100,851,043	11,418,286	12,047,200



## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 4. STAFF COSTS

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Wages and salaries	7,734,168	7,279,870	919,276	1,252,971
Social security costs	68,613	65,889	6,248	7,791
Short term accumulating compensated absences	126,329	-	15,258	-
Pension costs - defined contribution plans	975,934	1,250,821	111,482	134,118
Other staff related expenses	3,203,868	966,346	119,421	(52,758)
	12,108,912	9,562,926	1,171,685	1,342,122

Included in staff costs of the Group and of the Company are executive directors' remuneration excluding directors' fees and benefits-in-kind amounting to RM1,751,296 (2003: RM983,370) and RM103,040 (2003: RM334,880) respectively as further disclosed in Note 8.

### 5. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is stated after charging/(crediting):

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Auditors' remuneration:				
- Statutory audit	102,350	99,461	26,000	22,000
- Others	34,000	4,000	4,000	4,000
Amortisation of royalty	-	11,823	-	-
Bad debts written off	-	24,066	206,496	-
Bank guarantee claim	-	424,800	-	-
Executive directors' fees (Note 8)	-	12,000	-	12,000
Impairment of investment in a subsidiary	-	-	100,000	-
Investment in subsidiaries written off	-	-	7	-
Loss on disposal of other investments	173,990	-	173,990	-
Non-executive directors' fees (Note 8)	64,000	22,000	64,000	22,000
Net foreign exchange losses:				
- Realised	15,805	9,173	-	-
- Unrealised	-	10,106	-	-
Property, plant and equipment written off	268,486	347,400	-	75,896
Provision for commitment of losses in jointly controlled entity	462,272	519,000	-	-

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 5. PROFIT/(LOSS) FROM OPERATIONS (CONT'D.)

	Group		Company	
	1.5.2003	1.3.2002	1.5.2003	1.3.2002
	to	to	to	to
	30.4.2004	30.4.2003	30.4.2004	30.4.2003
	RM	RM	RM	RM
Provision for diminution in value of:				
- Investment property	269,624	183,252	-	-
- Other investments	6,211,515	87,320	6,177,110	1,320
- Golf club membership	-	49,000	-	-
- Marketable securities	-	41,138	-	-
Provision for doubtful debts for:				
- Trade receivables	3,750	1,298,633	-	-
- Sundry receivables	2,645	-	2,645	-
- Subsidiaries	-	-	3,266,932	2,482,055
- Associates	4,062,699	11,018	3,796,699	11,018
- Jointly controlled entity	26,577	29,305	26,577	29,305
Provision for contract costs (Note 25(b))	2,600,000	-	-	-
Provision for liquidated ascertained damages	253,357	465,300	-	-
Provision for warranties	10,835,000	294,533	-	-
Provision for liability on corporate guarantee on borrowings of an associate	4,391,041	-	4,391,041	-
Rental of offices and stores	1,415,196	629,705	294,549	345,617
Write down of inventories	1,232,710	650,472	-	-
Write off of inventories	-	481,677	-	-
Bad debts recovered	(148,894)	(214,153)	-	-
Gain on disposal of property, plant and equipment	(132,681)	(442,028)	(90,298)	(163,535)
Gain on disposal of marketable securities	(7,668)	-	-	-
Interest income	(505,975)	(142,286)	(1,292,019)	(1,055,623)
Rental income - premises	(100,000)	(67,200)	(350,400)	(436,800)
Rental income - others	(25,445)	-	-	-
Write back of provision for doubtful debts -sundry receivables	(51,695)	-	(51,695)	-

## 6. NON-OPERATING INCOME

	Group		Company	
	1.5.2003	1.3.2002	1.5.2003	1.3.2002
	to	to	to	to
	30.4.2004	30.4.2003	30.4.2004	30.4.2003
	RM	RM	RM	RM
Gain on disposal of subsidiaries	8,128,293	-	1	-
Gain on settlement of debts (Note (a))	18,834,650	-	18,834,650	-
	26,962,943	-	18,834,651	-

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 6. NON-OPERATING INCOME (CONT'D.)

Note (a): The gain on settlement of debts represents gain arising from the settlement of debts owing by a third party pursuant to a promissory note previously issued to the Company. The settlement was satisfied by RM3,113,000 cash, RM14,973,000 Irredeemable Convertible Unsecured Loan Stocks and RM748,650 new ordinary shares of RM1.00 each issued by a third party, totaling RM18,834,650.

### 7. NON-OPERATING EXPENSES

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Goodwill written off	-	52,755,980	-	-
Restructuring expenses	1,413,256	1,496,951	1,413,256	1,496,951
	1,413,256	54,252,931	1,413,256	1,496,951

Included in restructuring expenses is an amount of RM99,500 (2003: RM220,000) payable to the auditors for services rendered in connection to the restructuring exercise.

### 8. DIRECTORS' REMUNERATION

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	1,206,000	322,000	92,000	322,000
Fees	-	12,000	-	12,000
Bonus:				
- current year's provision	78,000	12,880	-	12,880
- over provision in prior year	-	(38,640)	-	(38,640)
EPF	76,080	38,640	11,040	38,640
Benefits-in-kind	3,508	6,883	3,508	6,883
	1,363,588	353,763	106,548	353,763
Non-Executive:				
Fees	64,000	22,000	64,000	22,000

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 8. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>Other Directors</b>				
Executive:				
Salaries and other emoluments	349,300	570,650	-	-
Bonus:				
- current year's provisions	-	13,160	-	-
EPF	41,916	64,680	-	-
Benefits-in-kind	5,600	11,200	-	-
	396,816	659,690	-	-
Total	1,824,404	1,035,453	170,548	375,763
Analysis:				
Total executive directors' remuneration excluding fees and benefits-in-kind (Note 4)	1,751,296	983,370	103,040	334,880
Total non-executive directors' remuneration excluding benefits-in-kind (Note 5)	64,000	22,000	64,000	22,000
Total	1,815,296	1,005,370	167,040	356,880

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

	Number of directors	
	2004	2003
Executive directors:		
Below RM50,000	-	1
RM100,001 - RM150,000	1	-
RM250,001 - RM300,000	1	-
RM350,001 - RM400,000	-	1
RM950,001 - RM1,000,000	1	-
Non-executive directors:		
Below RM50,000	3	3

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 9. FINANCE COSTS

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Interest expense on borrowings	2,686,984	3,610,474	213,545	712,084
Less: Amount capitalised in costs of construction contracts (Note 21)	(114,285)	(175,652)	-	-
	2,572,699	3,434,822	213,545	712,084

Borrowing costs capitalised in the qualifying assets during the year relates to interest on bankers' acceptances and bank overdrafts obtained for specific projects with interest rates as disclosed in Note 26.

### 10. TAXATION

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Income tax:				
Malaysian income tax	36,936,256	1,158,311	2,759,622	2,918,000
Overprovided in prior years	(79,739)	(182,038)	(62,476)	-
Deferred tax:				
Relating to temporary differences (Note 18)	(2,771,427)	(5,231)	-	-
Share of taxation of:				
- associates	187,200	86,800	-	-
- jointly controlled entity	-	-	-	-
	34,272,290	1,057,842	2,697,146	2,918,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 10. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
<b>Group</b>		
Profit/(loss) before taxation	132,716,083	(60,808,106)
Taxation at Malaysia statutory tax rate of 28% (2003: 28%)	37,160,503	(17,026,270)
Effects of different tax rates for subsidiaries with paid-up capital of RM2.5 million and below	(80,000)	(16,000)
Expenses not deductible for tax purposes	6,323,725	17,089,411
Income not subject to tax	(8,434,243)	(76,816)
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(941,450)	(209,330)
Deferred tax assets not recognised	323,494	1,478,885
Overprovision in prior years	(79,739)	(182,038)
Tax expense for the year/period	34,272,290	1,057,842
<b>Company</b>		
Profit before taxation	9,990,242	6,469,207
Taxation at Malaysia statutory tax rate of 28% (2003: 28%)	2,797,267	1,811,378
Expenses not deductible for tax purposes	5,115,883	1,253,936
Income not subject to tax	(5,089,363)	(49,887)
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(64,165)	(97,427)
Overprovision in prior years	(62,476)	-
Tax expense for the year/period	2,697,146	2,918,000

Tax savings during the financial year arising from:

	<b>Group</b>		<b>Company</b>	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Utilisation of current year/period tax losses	479,870	531,388	479,870	531,388
Utilisation of previously unrecognised tax losses	112,589	138,415	82,913	133,159

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 11. EARNINGS/(LOSS) PER SHARE

### (a) Basic

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

	Group	
	1.5.2003 to 30.4.2004	1.3.2002 to 30.4.2003
Net profit/(loss) for the year/period (RM)	98,432,496	(62,230,210)
Weighted average number of ordinary shares in issue	135,600,000	14,307,512
Basic earnings/(loss) per share (sen)	72.59	(434.95)

### (b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) of the year/period and the weighted average number of ordinary shares in issue during the financial year/period have been adjusted for the dilution effects of all potential ordinary shares, i.e. warrant.

	Group	
	1.5.2003 to 30.4.2004	1.3.2002 to 30.4.2003
Net profit/(loss) for the year/period (RM)	98,432,496	(62,230,210)
Weighted average number of ordinary shares in issue	135,600,000	14,307,512
Effect of dilution:		
Warrants	16,459,000	-
Adjusted weighted average number of ordinary shares in issue and issuable	152,059,000	14,307,512
Diluted earnings/(loss) per share (sen)	64.73	(434.95)

## 12. DIVIDENDS

	Amount		Net Dividends per Ordinary Share	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 Sen	1.3.2002 to 30.4.2003 Sen
<b>First Interim</b>				
3% less 28% taxation, on 113,000,000 ordinary shares, declared on 22 December 2003 and paid on 30 January 2004	2,440,800	-	2.16	-

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 12. DIVIDENDS (CONT'D.)

	Amount		Net Dividends per Ordinary Share	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 Sen	1.3.2002 to 30.4.2003 Sen
<b>Second Interim</b> 3% less 28% taxation, on 180,800,000 ordinary shares, declared on 22 March 2004 and paid on 30 April 2004	3,905,280	-	2.16	-
	6,346,080	-	4.32	-
<b>Third Interim</b> 3% less 28% taxation, on 180,800,000 ordinary shares, payable on 20 August 2004	3,905,280	-	2.16	-
<b>Final</b> 3% less 28% taxation, on 180,800,000 ordinary shares	3,905,280	-	2.16	-
	7,810,560	-	4.32	-
	14,156,640	-	8.64	-

A third interim dividend in respect of the financial year ended 30 April 2004, of 3% less 28% taxation on 180,800,000 ordinary shares, amounting to a dividend payable of RM3,905,280 (2.16 sen net per ordinary share) has been declared on 14 June 2004 and will be paid on 20 August 2004.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2004, of 3% less 28% taxation on 180,800,000 ordinary shares amounting to a dividend payable of RM3,905,280 (2.16 sen net per ordinary share) will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect these dividends. The third interim dividend and the final dividend (if approved by the shareholders) will be accounted for in equity as an appropriation of profits in the financial year ending 30 April 2005.



# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and Buildings *	Plant, Machinery, Jigs and Tools	Motor Vehicles	Renovation, Electrical Installation, Office and Computer Equipment, Furniture and Fittings	Total
	RM	RM	RM	RM	RM
<b>Cost</b>					
At 1 May 2003	6,166,872	10,516,336	3,443,996	7,015,410	27,142,614
Additions	-	23,475,550	1,341,564	4,896,292	29,713,406
Disposals	-	-	(805,212)	(134,772)	(939,984)
Written off	-	-	(4,386)	(644,625)	(649,011)
Disposal of subsidiaries (Note 15a)	-	(3,560,351)	(845,312)	(1,042,613)	(5,448,276)
At 30 April 2004	6,166,872	30,431,535	3,130,650	10,089,692	49,818,749
<b>Accumulated Depreciation and Impairment Losses</b>					
At 1 May 2003	311,301	3,546,860	2,278,599	4,652,322	10,789,082
Charge for the year:	44,404	3,084,147	560,620	1,216,159	4,905,330
Recognised in income statement	44,404	3,051,255	529,393	1,194,505	4,819,557
Capitalised in amounts due from customers on contracts (Note 21)	-	32,892	31,227	21,654	85,773
Disposals	-	-	(721,605)	(80,173)	(801,778)
Written off	-	-	(3,655)	(376,870)	(380,525)
Disposal of subsidiaries (Note 15a)	-	(2,600,670)	(673,783)	(754,962)	(4,029,415)
At 30 April 2004	355,705	4,030,337	1,440,176	4,656,476	10,482,694
<b>Net Book Value</b>					
At 30 April 2004	5,811,167	26,401,198	1,690,474	5,433,216	39,336,055
At 30 April 2003	5,855,571	6,969,476	1,165,397	2,363,088	16,353,532
<b>Details at 1 March 2002</b>					
Cost	3,493,785	3,488,196	3,678,235	6,371,081	17,031,297
Accumulated depreciation and impairment losses	326,578	2,053,988	2,594,360	4,423,335	9,398,261

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold Land and Buildings *	Plant, Machinery, Jigs and Tools	Motor Vehicles	Renovation, Electrical Installation, Office and Computer Equipment, Furniture and Fittings	Total
	RM	RM	RM	RM	RM
<b>Depreciation charge for 2003</b>					
Recognised in the income statement	42,887	341,154	442,771	473,386	1,300,198
Capitalised in amounts due from customers (Note 21)	-	46,449	-	-	46,449
	42,887	387,603	442,771	473,386	1,346,647

Company	Freehold Land and Buildings*	Motor Vehicles	Renovation, Electrical Installation, Office and Computer Equipment, Furniture and Fittings	Total
	RM	RM	RM	RM
<b>Cost</b>				
At 1 May 2003	2,966,872	343,021	1,169,910	4,479,803
Additions	-	-	38,490	38,490
Disposals	-	(334,592)	-	(334,592)
At 30 April 2004	2,966,872	8,429	1,208,400	4,183,701

**Accumulated Depreciation and Impairment Losses**

At 1 May 2003	295,301	343,015	928,476	1,566,792
Charge for the year	36,403	1	47,970	84,374
Disposals	-	(334,592)	-	(334,592)
At 30 April 2004	331,704	8,424	976,446	1,316,574

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 13. 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
<b>Net Book Value</b>				
At 30 April 2004	2,635,168	5	231,954	2,867,127
At 30 April 2003	2,671,571	6	241,434	2,913,011
<b>Details at 1 March 2002</b>				
Cost	3,493,785	481,980	1,314,221	5,289,986
Accumulated depreciation and impairment losses	326,578	457,231	949,160	1,732,969
<b>Depreciation charge for 2003</b>	42,471	24,743	64,464	131,678

### \* Freehold land and buildings

Group	Freehold Land RM	Buildings RM	Total RM
<b>Cost</b>			
At 1 May 2003/30 April 2004	3,946,695	2,220,177	6,166,872
<b>Accumulated Depreciation and Impairment Losses</b>			
At 1 May 2003	-	311,301	311,301
Charge for the year	-	44,404	44,404
At 30 April 2004	-	355,705	355,705
<b>Net Book Value</b>			
At 30 April 2004	3,946,695	1,864,472	5,811,167
At 30 April 2003	3,946,695	1,908,876	5,855,571

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

#### \* Freehold land and buildings

	Freehold Land RM	Buildings RM	Total RM
<b>Details at 1 March 2002</b>			
Cost	1,243,895	2,249,980	3,493,875
Accumulated depreciation and impairment losses	-	326,578	326,578
<b>Depreciation charge for 2003</b>	-	42,887	42,887
<b>Company</b>			
<b>Cost</b>			
At 1 May 2003/30 April 2004	1,146,695	1,820,177	2,966,872
<b>Accumulated Depreciation and Impairment Losses</b>			
At 1 March 2003	-	295,301	295,301
Charge for the year	-	36,403	36,403
At 30 April 2004	-	331,704	331,704
<b>Net Book Value</b>			
At 30 April 2004	1,146,695	1,488,473	2,635,168
At 30 April 2003	1,146,695	1,524,876	2,671,571
<b>Details at 1 March 2002</b>			
Cost	1,243,895	2,249,890	3,493,785
Accumulated depreciation and impairment losses	-	326,578	326,578
<b>Depreciation charge for 2003</b>	-	42,471	42,471

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

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Motor vehicles	615,034	823,103	-	-
Plant, machinery, jigs and tools	-	79,107	-	-
	615,034	902,210	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (b) During the year, the Group acquired property, plant and equipment with an aggregate cost of RM29,713,406 (2003: RM441,028) of which RM342,981 (2003: RM208,000) were acquired by means of finance lease or hire purchase arrangements.
- (c) Freehold land and building and machinery and equipment of the Group with net book values of RM3,176,000 (2003: RM3,184,000) and RM19,262,290 (2003: RM3,646,335) are pledged to a financial institution for the term loan facility as referred to in Note 26.
- (d) Included in plant, machinery, jigs and tools of the Group is plant and machinery-in-progress amounting to RM5,535,986 (2003: RM Nil), which is not depreciated until ready for its intended use.

### 14. INVESTMENT PROPERTIES

	Group	
	2004 RM	2003 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	(2,483,547)	(2,213,923)
	1,600,000	1,869,624

The freehold land which was previously pledged to a licensed bank for the term loan facility as referred to in Note 26 is in the process of being discharged by the licensed bank.

### 15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2004 RM	2003 RM
Unquoted shares:		
At valuation	3,245,841	3,245,841
At cost	820,013	1,795,889
	4,065,854	5,041,730
Less: Accumulated impairment losses	(2,336,025)	(3,211,901)
Less: Investment written off	(7)	-
	1,729,822	1,829,829

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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 Bursa Malaysia Securities Berhad. The surplus arising from the said revaluation was credited to reserves as a surplus on revaluation of subsidiaries.

#### (a) Disposal of subsidiaries

The Group disposed of its entire 96.79% equity interest in Transwater Cooling Towers Sdn. Bhd. on 8 December 2003 for a total consideration of RM90,436.

On 22 March 2004, the Group disposed of its 20% equity interest in its 60% owned subsidiary, Pentagon Engineering Sdn. Bhd. ("PESB") for a total consideration of RM1. Consequently, PESB became an associate of the Group.

The disposal had the following effects on the Group's financial results for the year/period:

	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Revenue	13,853,265	28,951,307
Loss from operations	(514,865)	(2,439,216)
Net loss for the year/period	(791,071)	(3,113,299)

The disposal had the following effects on the financial position of the Group as at the end of the year/period:

	2004 RM	2003 RM
Property, plant and equipment (Note 13)	1,418,861	1,742,459
Inventories	688,285	1,393,498
Trade and other receivables	9,511,552	19,825,932
Cash and bank balances	146,376	220,406
Fixed deposit	51,000	15,000
Trade and other payables	(16,430,142)	(25,555,295)
Bank overdrafts	(969,863)	(1,314,954)
Tax payable	(12,397)	(12,397)
Borrowings	(2,441,528)	(3,463,317)
Fair value of net assets disposed	(8,037,856)	(7,148,668)
Gain on disposal to the Group	8,128,293	
Disposal proceeds	90,437	

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

#### (a) Disposal of subsidiaries (Cont'd.)

	2004 RM
Disposal proceeds settled by:	
Cash	90,437
Cash inflow arising on disposals:	
Cash consideration, representing cash inflow of the Group	90,437
Cash and cash equivalents of subsidiaries disposed	772,487
Net cash inflow of the Group	862,924

The disposal of subsidiaries had the following effects on the financial results of the Company:

	2004 RM
Total disposal proceeds	1
Less: Cost of investments in subsidiaries	
- At cost	650,584
- Accumulated impairment losses	(650,584)
Gain on disposal of subsidiaries	1

#### (b) Deregistration of subsidiaries

During the current financial year, the Company applied to the Companies Commission of Malaysia to deregister the following subsidiaries:

- (i) Transwater Resort Sdn. Bhd.
- (ii) Transwater Properties Holdings Sdn. Bhd.
- (iii) Nagasari Bebas Sdn. Bhd.
- (iv) Embun Ikhlas Sdn. Bhd.
- (v) Transwater Land Sdn. Bhd.

There was no material impact to the financial results and financial position of the Group arising from this deregistration which was completed subsequent to the financial year end.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 15. 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 (%)		Principal Activities
		2004	2003	
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
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	100	Investment holding company
Transwater Resort Sdn. Bhd. *	2	100	100	Dormant
Detik Nagasari Sdn. Bhd.	100,000	100	100	Construction and infrastructure



## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Subsidiaries	Paid-up Capital RM	Effective Interests Held (%)		Principal Activities
		2004	2003	
Transwater Prima Construction Sdn. Bhd.	2	100	100	Dormant
Transwater Properties Holdings Sdn. Bhd. *	2	100	100	Dormant
<b>Subsidiary of Transwater Engineering Sdn. Bhd.</b>				
Trans Sisa Sdn. Bhd.	20,000	80	80	Specialist engineers for supply and manufacture of water and wastewater equipment
<b>Subsidiaries of Transwater Technologies Sdn. Bhd.</b>				
Transwater Cooling Towers Sdn. Bhd.	1,400,000	-	96	Specialist engineers for manufacture, supply and installation of cooling towers
IAP Gas Measurement Sdn. Bhd.	100,000	100	100	Specialist engineers for supply and installation of gas metering equipment and systems

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Subsidiaries	Paid-up Capital RM	Effective Interests Held (%)		Principal Activities
		2004	2003	
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	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

\* These subsidiaries have been deregistered by the Companies Commission of Malaysia subsequent to the financial year end.

@ The investments in these subsidiaries were pledged for the short term loan taken by the Company in the prior year referred to in Note 26 and have been subsequently discharged.

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 16. INVESTMENTS IN ASSOCIATES

	Group	
	2004 RM	2003 RM
At cost:		
Unquoted Redeemable Convertible Cumulative Preference Shares	21,800	21,800
Unquoted shares	2,230,584	1,580,002
	2,252,384	1,601,802
Share of post-acquisition reserves less losses	(1,358,652)	(456,830)
	893,732	1,144,972
Represented by:		
Share of net tangible assets	893,732	1,144,972

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

Name of Associates	Effective Interests Held (%)		Principal Activities
	2004	2003	
<b>Associate of Hyundai-Berjaya Corporation Berhad</b>			
Pentagon Engineering Sdn. Bhd.	40	60	Provision of metal and machinery fabrication
<b>Associate of Transwater Engineering Sdn. Bhd.</b>			
Transwater NWWPEL Sdn. Bhd.*	50	50	Dormant
<b>Associates of Transwater Tenaga Sdn. Bhd.</b>			
Transwater Api Sdn. Bhd. @	40	40	Specialist engineers for supply and installation of oil and gas equipment
Transwater Resources Sdn. Bhd.*	40	40	Dormant
<b>Associate of Detik Nagasari Sdn. Bhd.</b>			
Gerbang Perdana Sdn. Bhd.	20	20	Design and build the Gerbang Selatan Bersepadu Project

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 16. INVESTMENTS IN ASSOCIATES (CONT'D.)

@ The investment in this associate was pledged for the short term loan taken by the Company in the prior year referred to in Note 26 and has been subsequently discharged.

\* These associates have been deregistered by the Companies Commission of Malaysia subsequent to the financial year end.

### 17. OTHER INVESTMENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At cost:				
Quoted shares in Malaysia	494,852	46,125	494,775	46,125
Quoted warrants in Malaysia @	2,454,452	2,454,452	-	-
Irredeemable Convertible				
Unsecured Loan Stocks in Malaysia	14,874,865	-	14,874,865	-
	17,824,169	2,500,577	15,369,640	46,125
Less: Provision for diminution in value:				
Quoted shares in Malaysia	(223,070)	(44,005)	(223,065)	(44,005)
Quoted warrants in Malaysia	(2,394,252)	(2,359,852)	-	-
Irredeemable Convertible				
Unsecured Loan Stocks in Malaysia	(5,998,050)	-	(5,998,050)	-
	(8,615,372)	(2,403,857)	(6,221,115)	(44,005)
At net relisable value	9,208,797	96,720	9,148,525	2,120
Market value:				
Quoted shares in Malaysia	271,782	2,120	271,710	2,120
Quoted warrants in Malaysia	60,200	94,600	-	-
Irredeemable Convertible				
Unsecured Loan Stocks in Malaysia	8,938,437	-	8,938,437	-
	9,270,419	96,720	9,210,147	2,120

@ The quoted warrants were pledged for the short term loan taken by the Company in the prior year referred to in Note 26 and have been subsequently discharged.

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 18. DEFERRED TAXATION

	Group	
	2004 RM	2003 RM
At 1 May 2003/1 March 2002	78,000	83,231
Recognised in the income statement (Note 10)	(2,771,427)	(5,231)
At 30 April	(2,693,427)	78,000
Presented after appropriate offsetting as follows:		
Deferred tax assets	(2,705,427)	-
Deferred tax liabilities	12,000	78,000
	(2,693,427)	78,000

The components and movements of deferred tax liabilities and assets during the financial year/period prior to offsetting are as follows:

### Deferred Tax Liabilities of the Group:

	Property, plant and equipment RM	Total RM
At 1 May 2003	78,000	78,000
Recognised in income statement	(66,000)	(66,000)
At 30 April 2004	12,000	12,000
At 1 March 2002	83,231	83,231
Recognised in income statement	(5,231)	(5,231)
At 30 April 2003	78,000	78,000

### Deferred Tax Assets of the Group:

	Provision for liabilities RM	Total RM
At 1 May 2003	-	-
Recognised in income statement	2,705,427	2,705,427
At 30 April 2004	2,705,427	2,705,427

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 18. DEFERRED TAXATION (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2004 RM	2003 RM
Unused tax losses	9,239,712	7,720,000
Unabsorbed capital allowances	1,967,514	1,562,000
	11,207,226	9,282,000
	Company	
	2004 RM	2003 RM
Unused tax losses	4,693,913	5,260,032
Unabsorbed capital allowances	1,494,302	1,441,342
	6,188,215	6,701,374

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiaries. The availability of the unabsorbed capital allowances is subject to the availability of taxable profits from similar businesses.

### 19. INVENTORIES

	Group	
	2004 RM	2003 RM
At cost:		
Finished goods	109,821,121	8,448,005
Inventories-in-transit	614,210	762,763
Spares, parts and accessories	7,908,350	1,138,812
	118,343,681	10,349,580
At net realisable value:		
Finished goods	1,920,000	84,600
	120,263,681	10,434,180

The cost of inventories recognised as an expense during the year in the Group amounted to RM834,956,202 (2003: RM51,500,473).

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 20. TRADE RECEIVABLES

	Group	
	2004 RM	2003 RM
Trade receivables	19,900,966	39,482,055
Due from customers on contracts (Note 21)	472,950	3,427,550
Retention sums (Note 21)	2,018,697	2,689,642
	22,392,613	45,599,247
Provision for doubtful debts	(1,951,785)	(4,117,699)
	20,440,828	41,481,548
Due from an associate	8,696,179	10,667,388
Provision for doubtful debts	(266,000)	-
	8,430,179	10,667,388
Due from other related companies	-	217,624
Due from related parties	4,861,407	6,771,199
	13,291,586	17,656,211
	33,732,414	59,137,759

Included in trade receivables are amounts due from major customers of RM8,696,179 (2003: RM10,667,388), RM4,453,844 (2003: RM6,834,019), RM4,861,407 (2003: RM6,769,127) and RM Nil (2003: RM15,506,631) due from Transwater Api Sdn. Bhd. (an associate), Atoz Motor Marketing Sdn. Bhd. (an unrelated party), Hyumal Trading 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 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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 21. DUE (TO)/FROM CUSTOMERS ON CONTRACTS

	Group	
	2004 RM	2003 RM
Construction contract costs incurred to date	47,147,829	53,572,898
Attributable profits	796,424	1,655,311
	47,944,253	55,228,209
Progress billings	(48,113,059)	(54,655,586)
	(168,806)	572,623
Due from customers on contracts (Note 20)	472,950	3,427,550
Due to customers on contracts (Note 28)	(641,756)	(2,854,927)
	(168,806)	572,623
Retention sums on contracts, included in trade receivables (Note 20)	2,018,697	2,689,642

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

	Group	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Depreciation of property, plant and equipment	85,773	46,449
Interest expense (Note 9)	114,285	175,652

### 22. OTHER RECEIVABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Due from holding company	-	1,542,242	-	-
Due from a corporate shareholder	1,454,411	-	-	-
	1,454,411	1,542,242	-	-
Due from subsidiaries	-	-	162,841,648	141,251,724
Less: Provision for doubtful debts	-	-	(37,640,776)	(34,597,275)
	-	-	125,200,872	106,654,449



# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 22. OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Due from associates	3,794,277	723,322	3,794,277	723,322
Less: Provision for doubtful debts	(3,794,277)	(121,634)	(3,794,277)	(121,634)
	-	601,688	-	601,688
Due from related parties				
- Booking deposits	57,840,017	2,600,523	-	-
- Others	267,335	-	-	-
	58,107,352	2,600,523	-	-
Deposits	780,409	442,588	113,370	113,370
Prepayments	46,832	119,987	38,209	45,997
Sundry receivables	7,179,628	6,145,836	5,586,369	5,420,372
Less: Provision for doubtful debts	(5,542,636)	(5,424,117)	(5,542,636)	(5,424,117)
	2,464,233	1,284,294	195,312	155,622
	62,025,996	6,028,747	125,396,184	107,411,759

The booking deposits of the Group included in the amount due from related parties are in respect of deposits placed for the purchase of motor vehicles from Hyumal Motor Sdn. Bhd. and Inokom Corporation Sdn. Bhd. of RM31,345,704 (2003: RM1,094,160) and RM26,494,313 (2003: RM1,506,363) respectively.

The amounts due from corporate shareholder, subsidiaries, associates and related parties are unsecured, interest free and have no fixed terms of repayment except for amounts due from subsidiaries of RM31,072,645 (2003: RM11,536,316) and amount due from an associate of RM3,794,277 (2003: RM Nil) which is interest bearing at 2.5% to 9% (2003: 9%) and 9% (2003: Nil) per annum respectively.

The Group has no other significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 23. MARKETABLE SECURITIES

	Group	
	2004 RM	2003 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

## 24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash on hand and at banks	24,146,642	40,125,347	1,849,182	30,031
Deposits with licensed banks	23,160,463	3,813,976	6,000,000	-
Cash and bank balances	47,307,105	43,939,323	7,849,182	30,031
Less: Bank overdrafts (Note 26)	(1,050,904)	(4,381,575)	-	(1,258,842)
Cash and cash equivalents	46,256,201	39,557,748	7,849,182	(1,228,811)

Included in deposits with licensed banks of the Group is RM13,074,597 (2003: RM3,813,976) pledged to banks for credit facilities granted to certain subsidiaries as referred to in Note 26.

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

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Licensed banks	2.20 - 3.41	2.60 - 3.20	2.20	-

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

	Group		Company	
	2004 Days	2003 Days	2004 Days	2003 Days
Licensed banks	1 - 90	30 - 90	1 - 30	-

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 25. PROVISION FOR LIABILITIES

Group	Provision for Liability on Corporate Guarantee on Borrowings of an Associate RM	Provision for Contract Costs RM	Provision for Commitment of Losses in Jointly Controlled Entity RM	Liquidated Ascertained Damages RM	Warranties RM	Total RM
At 1 May 2003	-	-	1,019,178	465,300	4,486,286	5,970,764
Provision during the year	4,391,041	2,600,000	462,272	253,357	10,835,000	18,541,670
Utilisation of provisions during the year	-	-	-	(465,300)	(961,652)	(1,426,952)
Reversal	-	-	-	-	(365,526)	(365,526)
Disposal of subsidiaries	-	-	-	-	(62,358)	(62,358)
At 30 April 2004	4,391,041	2,600,000	1,481,450	253,357	13,931,750	22,657,598
At 30 April 2004:						
Current	4,391,041	2,600,000	1,481,450	253,357	6,347,250	15,073,098
Non current						
Later than 1 year but not later than 2 years	-	-	-	-	7,584,500	7,584,500
	4,391,041	2,600,000	1,481,450	253,357	13,931,750	22,657,598
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
<b>Company</b>						
At 1 May 2003	-	-	-	-	-	-
Provision during the year	4,391,041	-	-	-	-	4,391,041
At 30 April 2004	4,391,041	-	-	-	-	4,391,041

- (a) Provision for liability on corporate guarantee on borrowings of an associate

This provision is in respect of corporate guarantee to banks for an associate's banking facilities.

- (b) Provision for contract costs

Provision for contract costs is in respect of a legal claim filed by two third parties against a subsidiary of the Group, Transwater Tenaga Sdn. Bhd. for alleged breach of contract and wrongful procurement in relation to the construction of a gas metering and reticulation system.

- (c) Provision for commitment of losses in jointly controlled entity

This provision relates to the share of joint venture post acquisition losses of one of the subsidiaries of the Group in excess of its capital contribution in the jointly controlled entity.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 25. PROVISION FOR LIABILITIES (CONT'D.)

(d) Liquidated ascertained damages

Provision for liquidated ascertained damages is in respect of a project undertaken by one of the subsidiaries of the Group. The provision is recognised for expected liquidated ascertained damages claims based on the terms of the applicable contract agreements.

(e) Warranties

One of the subsidiaries of 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.

### 26. BORROWINGS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Short Term Borrowings</b>				
Secured:				
Bankers' acceptances #	18,329,543	3,785,000	-	-
Term loans *	2,666,667	12,376,503	-	12,117,495
Lease and hire purchase payables due within one year (Note 27)	225,215	310,335	-	-
	21,221,425	16,471,838	-	12,117,495
Unsecured:				
Bank overdrafts **	1,050,904	4,381,575	-	1,258,842
Bankers' acceptances **	212,000	4,100,173	-	-
Term loans	-	18,043,087	-	17,791,087
	1,262,904	26,524,835	-	19,049,929
	22,484,329	42,996,673	-	31,167,424
<b>Long Term Borrowings</b>				
Secured:				
Term loans *	12,008,432	5,047,509	-	-
Lease and hire purchase payables due after one year (Note 27)	482,579	650,754	-	-
	12,491,011	5,698,263	-	-
Unsecured:				
Term loans	-	1,239,535	-	951,594
	12,491,011	6,937,798	-	951,594

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 26. BORROWINGS (CONT'D.)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Total Borrowings</b>				
Bank overdrafts (Note 24)	1,050,904	4,381,575	-	1,258,842
Bankers' acceptances	18,541,543	7,885,173	-	-
Term loans*	14,675,099	36,706,634	-	30,860,176
Lease and hire purchase payables (Note 27)	707,794	961,089	-	-
	34,975,340	49,934,471	-	32,119,018
<b>Maturity of borrowings (excluding finance lease):</b>				
Within one year	22,259,114	42,686,338	-	31,167,424
More than 1 year and less than 2 years	3,999,996	4,286,033	-	951,594
More than 2 years and less than 5 years	8,008,436	2,001,011	-	-
	34,267,546	48,973,382	-	32,119,018

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

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Bank overdrafts	7.50 - 8.00	7.90 - 8.90	-	8.15
Bankers' acceptances	2.90 - 4.90	4.35 - 5.41	-	-
Term loans	8.00	7.65 - 15.00	-	8.40 - 8.90

\* These loans are secured by certain assets of the Group and the Company as disclosed in Notes 13 to 17.

# Bankers' acceptances are secured by corporate guarantee and deposits with licensed banks as disclosed in Note 24.

\*\* Bank overdrafts and bankers' acceptances of the subsidiaries are guaranteed by the Company to the licensed banks.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 27. FINANCE LEASE AND HIRE PURCHASE PAYABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Minimum lease payments:</b>				
Not later than 1 year	272,010	389,511	-	-
Later than 1 year and not later than 2 years	235,058	353,718	-	-
Later than 2 years and not later than 5 years	301,599	372,313	-	-
	808,667	1,115,542	-	-
Less: Future finance charges	(100,873)	(154,453)	-	-
Present value of finance lease liabilities	707,794	961,089	-	-
<b>Present value of finance lease liabilities:</b>				
Not later than 1 year	225,215	310,335	-	-
Later than 1 year and not later than 2 years	207,624	305,421	-	-
Later than 2 years and not later than 5 years	274,955	345,333	-	-
	707,794	961,089	-	-
<b>Analysed as:</b>				
Due within 12 months (Note 26)	225,215	310,335	-	-
Due after 12 months (Note 26)	482,579	650,754	-	-
	707,794	961,089	-	-

The lease and hire purchase liabilities of the Group bear interest during the year/period of between 5.35% to 10.69% (2003: 7.60% to 12.42%) per annum.

### 28. TRADE PAYABLES

	Group	
	2004 RM	2003 RM
Trade payables	36,326,662	39,221,859
Due to customers on contracts (Note 21)	641,756	2,854,927
Due to other related companies	-	353,488
	36,968,418	42,430,274

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

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 29. OTHER PAYABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Due to corporate shareholder	300,000	-	300,000	-
Due to holding company	-	9,728	-	2
Due to subsidiaries	-	-	-	4,004,489
Due to associates	207,362	-	101,015	-
Due to related parties	2,878,168	-	-	-
Due to other related companies	-	2,405,912	-	101,073
Accruals	13,634,385	10,942,461	429,918	664,723
Sundry payables	25,268,200	12,184,564	68,828	1,943,570
	42,288,115	25,542,665	899,761	6,713,857

Included in sundry payables of the Group are booking deposits of RM5,215,246 (2003: RM4,679,972) received by a subsidiary for the sale of motor vehicles.

The amounts due to a corporate shareholder, subsidiaries, associates and related parties are unsecured, interest free and have no fixed terms of repayment except for an advance from a related party of RM1,585,810 (2003: RM1,432,392) which is interest bearing at 11% (2003: 11 %) per annum.

### 30. JOINTLY CONTROLLED ENTITY

	Group	
	2004 RM	2003 RM
Capital contribution	2,554,585	2,554,585
Less: Share of joint venture post acquisition losses	(2,554,585)	(2,554,585)
	-	-
Provision for commitment of losses in jointly controlled entity (Note 25)	1,481,450	1,019,178

Name of Jointly Controlled Entity	Share of Interest (%)		Principal Activity
	2004	2003	
Selangor Industrial Corporation Sdn. Bhd. - Transwater Engineering Sdn. Bhd. Joint Venture	70	70	Construction, development and sale of double-storey shops and one-and-a-half storey terrace factories

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 30. 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:

	2004 RM	2003 RM
Current assets	4,949,383	4,456,939
Current liabilities	(4,608,620)	(3,653,904)
Net assets	340,763	803,035
Revenue	-	168,000
Expenses	(462,272)	(698,000)

### 31. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2004	2003	2004 RM	2003 RM
Authorised:				
At 1 May 2003/1 March 2002	500,000,000	100,000,000	500,000,000	100,000,000
Created during the year/period	-	400,000,000	-	400,000,000
At 30 April	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 May 2003/1 March 2002	113,000,000	13,000,000	113,000,000	13,000,000
Issued and paid up during the year/period	67,800,000	100,000,000	67,800,000	100,000,000
At 30 April	180,800,000	113,000,000	180,800,000	113,000,000

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM113,000,000 to RM180,800,000 by way of a renounceable rights issue of 67,800,000 new ordinary shares of RM1 each ("Rights Shares") together with 67,800,000 free detachable warrants at an issue price of RM1 per Rights Share together with one free warrant on the basis of three rights shares together with three free warrants attached thereto for every five existing ordinary shares of RM1.00 each. The new shares issued rank pari passu in all respects with existing ordinary shares of the Company. The proceeds raised from the rights issue were utilised to settle the Group's external borrowings and as working capital for the Group.



## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 32. 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 Bursa Malaysia Securities Berhad. 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) above.

### 33. COMMITMENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Approved and contracted for	2,908,200	24,357,155	2,158,200	2,158,200

Included in commitments of the Group is an amount of RMNil (2003: RM22,198,955) in respect of investment in plant and machinery in relation to a project undertaken by its subsidiary, Hyundai-Berjaya Sdn Bhd.

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.

### 34. CONTINGENT LIABILITIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Unsecured</b>				
Corporate guarantees for credit facilities granted to subsidiaries given to:				
Principals/Suppliers	3,100,000	3,100,000	-	-
Banks	-	-	28,426,000	14,710,000
Liquidated ascertained damages (Note (a))	1,957,500	-	-	-
	5,057,500	3,100,000	28,426,000	14,710,000

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 34. CONTINGENT LIABILITIES (CONT'D.)

Note (a): A subsidiary company has made an application to a customer for an Extension of Time ("EOT") from 15 May 2004 to 31 January 2005 for a completion and handover of the construction of a sewage treatment plant to the customer. In the event the EOT is not granted by the customer, the subsidiary company may be imposed Liquidated Ascertained Damages ("LAD") of up to RM1,957,500 by the customer. The LAD was not provided for in the accounts for the current financial year as the directors are of the opinion that there is reasonable grounds for the EOT.

### 35. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Transactions with:				
<b>Corporate Shareholder</b>				
Management fee payable	300,000	-	300,000	-
<b>Holding Company</b>				
Management fee payable	-	13,118	-	-
<b>Subsidiaries</b>				
Gross dividend income receivable	-	-	11,064,286	11,700,000
Management fees receivable	-	-	299,000	305,200
Interest income receivable	-	-	1,103,787	1,026,319
Rental income receivable	-	-	270,800	369,600
<b>Associated company</b>				
<b>-Transwater Api Sdn Bhd</b>				
Management fees receivable	48,000	42,000	48,000	42,000
Rental income receivable	57,600	67,200	57,600	67,200
Sales of goods and services	38,763,071	34,099,855	-	-
<b>Related parties</b>				
Interest expense payable to:				
Prime Credit Leasing Sdn. Bhd.*	153,418	-	-	-
Sales to Hyumal Trading Sdn. Bhd.^	24,888,443	6,494,642	-	-
Purchases from:				
Hyumal Motor Sdn. Bhd.**	463,250,883	10,664,489	-	-
Inokom Corporation Sdn. Bhd.**	318,311,721	14,316,424	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

	Group		Company	
	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM	1.5.2003 to 30.4.2004 RM	1.3.2002 to 30.4.2003 RM
Consultancy fee paid to Ahara Associates (Malaysia) Sdn. Bhd., a director related company	55,000	-	-	-
Contract sales to and service jobs for DiGi Telecommunications Sdn. Bhd.***	11,359,540	17,733,865	-	-
Secondment incentive received from Hyumal Motor Sdn. Bhd.	500,000	500,000	-	-
<b>Related companies</b>				
Prime Credit Leasing Sdn. Bhd.^ ^	-	807,600	-	-
Juara Sejati Sdn. Bhd.^ ^	-	380,074	-	-

\* This company is a subsidiary of the corporate shareholder.

\*\* These companies are associates of the corporate shareholder.

\*\*\* 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.

^ This company is a subsidiary of Hyumal Motor Sdn. Bhd.

^ ^ These companies are subsidiaries of the former holding company, Berjaya Group Berhad ("BGroup").

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) The Group has successfully completed its Corporate Exercise to regularise its financial condition pursuant to Practice Note 4/2001 of the Listing Requirements of Bursa Malaysia Securities Berhad which inter alia, included the following:
  - (a) Acquisition of the entire issued and paid-up share capital of Berjaya Systems Integrators Sdn. Bhd. ("BSISB") by the Company of 2 ordinary shares of RM1 each from BGroup for a cash consideration of RM2 and the acquisition by BSISB of a 51% equity interest in Hyundai-Berjaya Sdn. Bhd. ("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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 36. SIGNIFICANT EVENTS (CONT'D.)

(d) 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) Transfer of listing status to the Main Board of Bursa Malaysia Securities Berhad.

Items (a) to (c) were completed in the prior financial period. Items (d) and (e) were completed during the current financial year.

(ii) On 8 December 2003, a subsidiary of the Company, Transwater Technologies Sdn. Bhd. entered into a share sale agreement to dispose of its entire shareholding of 96.79% equity interest in another subsidiary, Transwater Cooling Towers Sdn. Bhd. for a cash consideration of RM90,436.

(iii) On 19 January 2004, the Company's substantial shareholder, Bizurai Bijak (M) Sdn. Bhd., a wholly-owned subsidiary of BGroup, placed out a total of 15 million ordinary shares of RM1 each, representing 8.3% stake in the Company. As a result, the Company has ceased to be a subsidiary of BGroup and in turn has become a 40.31% owned associated company of BGroup.

(iv) On 22 March 2004, the Company entered into a share sale agreement to dispose of 20% equity interest in its 60% owned subsidiary, Pentagon Engineering Sdn. Bhd. for a cash consideration of RM1.

(v) The Company withdrew its winding up petition against a third party following the completion of the debt settlement agreement dated 26 March 2002 and a supplemental agreement thereto dated 26 June 2003 entered into between the Company and the third party for the settlement of a debt pursuant to a promissory note issued to the Company arising from a novation agreement for a total amount of RM18,834,650, which was received during the year.

### 37. SUBSEQUENT EVENTS

(i) Subsequent to the financial year ended 30 April 2004, the following subsidiaries and associates of the Group have been struck off from the register of the Companies Commission of Malaysia and dissolved pursuant to Section 308(2) of the Companies Act, 1965:

- a) Transwater Resort Sdn. Bhd.
- b) Transwater Properties Holdings Sdn. Bhd.
- c) Transwater Land Sdn. Bhd.
- d) Embun Ikhlas Sdn. Bhd.
- e) Nagasari Bebas Sdn. Bhd.
- f) Transwater Resources Sdn. Bhd.
- g) Transwater NWWPEL Sdn. Bhd.

(ii) On 18 June 2004, the Company's corporate shareholder, BGroup and certain subsidiaries of BGroup, have entered into conditional sale and purchase agreements ("SPAs") with Space Tracks Sdn. Bhd., a wholly-owned subsidiary of Sime Darby Berhad for the proposed disposal of shares and warrants to Sime Darby Berhad at an offer price of RM3.60 per ordinary share of RM1 each and RM2.60 per warrant issued.

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 38. 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 2004. 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 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 Euro. Foreign currency denominated 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:

Functional Currencies of Group	Group	
	2004 Ringgit Malaysia RM	2003 Ringgit Malaysia RM
<b>Trade Receivables</b>		
United States Dollar	594,591	1,463,231
Euro Dollar	420,035	-
Singapore Dollar	-	38,916
Japanese Yen	-	5,379
<b>Trade Payables</b>		
United States Dollar	2,680,042	7,510,108
Singapore Dollar	-	24,740
Japanese Yen	-	156,598
Euro Dollar	-	43,722

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 38. FINANCIAL INSTRUMENTS (CONT'D.)

#### (d) Liquidity Risk

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), Atoz Motor Marketing Sdn. Bhd., (an unrelated party), Hyumal Trading 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 year are represented as follows:

		Group		Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
30 April 2004					
Financial Assets					
Amount due from corporate shareholder	22	1,454,411	*	-	-
Amounts due from subsidiaries	22	-	-	125,200,872	*
Amounts due from related parties	22	58,107,352	*	-	-
Financial Liabilities					
Amount due to corporate shareholder	29	300,000	*	300,000	*
Amounts due to associates	29	207,362	*	101,015	*
Amounts due to related parties	29	2,878,168	*	-	-
Term loans	26	14,675,099	***	-	-
Finance lease and hire purchase payables**	27	707,794	792,072	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 38. FINANCIAL INSTRUMENTS (CONT'D.)

#### (f) Fair Values (Cont'd.)

		Group		Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>30 April 2003</b>					
<b>Financial Assets</b>					
Amount due from holding company	22	1,542,242	*	-	-
Amounts due from subsidiaries	22	-	-	106,654,449	*
Amounts due from associates	22	601,688	*	601,688	*
Amounts due from related parties	22	2,600,523	*	-	-
<b>Financial Liabilities</b>					
Amount due to holding company	29	9,728	*	2	*
Amounts due to subsidiaries	29	-	-	4,004,489	*
Amounts due to other related companies	29	2,405,912	*	101,073	*
Term loans	26	36,706,634	***	30,860,176	***
Finance lease and hire purchase payables**	27	961,089	933,326	-	-

\* It is not practical to estimate the fair value of amounts due from/to holding company, corporate shareholder, subsidiaries, associates, other 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 term loans are loans that 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, 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.

## NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

### 38. FINANCIAL INSTRUMENTS (CONT'D.)

#### (f) Fair Values (Cont'd.)

##### (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

### 39. SEGMENT INFORMATION

#### (a) Business Segments:

The Group is organised into three major business segments:

- (i) 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
- (ii) 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;
- (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 in Malaysia.

#### Financial year ended 30 April 2004

	Specialist Engineering RM	Automotive RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
<b>Revenue</b>					
External sales	67,191,385	946,455,355	-	(103,162)	1,013,543,578
Inter-segment non-trade revenue	-	-	22,668,286	(22,613,286)	55,000
<b>Total revenue</b>					<b>1,013,598,578</b>



# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 39. SEGMENT INFORMATION (CONT'D.)

Financial year ended 30 April 2004

	Specialist Engineering RM	Automotive RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
<b>Results</b>					
Segment results	(132,430)	126,839,769	2,299,984	(13,209,152)	115,798,171
Finance costs	(1,097,829)	(1,616,610)	(962,047)	1,103,787	(2,572,699)
Share of results of associates	655,961	-	-	-	655,961
Gain on debt settlement			18,834,650		18,834,650
Taxation	(366,343)	(34,586,973)	(5,847,146)	6,528,172	(34,272,290)
Profit after taxation					98,443,793
Minority interests	(11,297)	-	-	-	(11,297)
Net profit for the year					98,432,496
<b>Assets</b>					
Segment assets	25,564,131	270,498,177	250,550,869	(229,343,593)	317,269,584
Investments in equity accounted associates	40,000	-	-	853,732	893,732
Consolidated total assets					318,163,316
<b>Liabilities</b>					
Segment liabilities	28,311,817	140,244,442	143,297,630	(165,124,431)	146,729,458
<b>Other Information</b>					
Capital expenditure	553,311	29,121,226	38,490	379	29,713,406
Depreciation:					
Recognised in income statement	783,204	3,951,600	84,374	379	4,819,557
Capitalised in amounts due from customers on contracts	85,773	-	-	-	85,773
Non-cash expenses other than depreciation and amortisation	3,907,573	11,971,619	14,985,867	1,420	30,866,479

Financial year ended 30 April 2003

### 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

# NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2004 (CONT'D.)

## 39. SEGMENT INFORMATION (CONT'D.)

Financial year ended 30 April 2003

	Specialist Engineering RM	Automotive RM	Investment Holding and Management RM	Elimination RM	Consolidated RM
<b>Results</b>					
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	(444,976)	-	-	(364,262)
Net loss for the period					(62,230,210)
<b>Assets</b>					
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
<b>Liabilities</b>					
Segment liabilities/ consolidated total liabilities	65,088,468	35,362,330	175,688,347	(148,022,957)	128,116,188
<b>Other Information</b>					
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

## LIST OF GROUP PROPERTIES AS AT 30 APRIL 2004

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	10 years	2,635,168	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	-	1,116,498	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 1½ Storey semi-detached factory with extra land	22,400 sq. ft.	Workshop	Freehold	5 years	3,176,000	1/11/2001

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

## ADDITIONAL INFORMATION

### NON-AUDIT FEES

The amount of non-audit fees paid or payable to external auditors for the financial year ended 30 April 2004 amounted to RM133,500.

### MATERIAL CONTRACTS

Other than as disclosed in Notes 8, 20, 22, 29, 35, 36 and 37 of the financial statements for the financial year ended 30 April 2004, there were no other material contracts entered into by Hyundai-Berjaya Corporation Berhad ("HBCB") and its subsidiaries, involving directors and major shareholders.

### RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of transactions conducted pursuant to the shareholders mandate during the financial year ended 30 April 2004 were as follows:

Related Party	Transacting Parties	Nature of Transactions	RM'000	Relationship with HBCB
Transwater Api Sdn Bhd ("TASB")	Transwater Technologies Sdn Bhd	Purchase/sales of equipment,	38,763	Associated company where a director and substantial shareholder of TASB is connected to a former director of HBCB.
	Transwater Tenaga Sdn Bhd	commissioning and		
	Pentagon Engineering Sdn Bhd	installation services		
	Transwater Automation Sdn Bhd	relating to oil and gas industries		
	Transwater Cooling Towers Sdn Bhd			
	HBCB	Management fees payable to HBCB	48	
	HBCB	Rental of office space from HBCB	58	
		Total	<b>38,869</b>	
Transwater Cooling Towers Sdn Bhd	HBCB	Management fees payable to HBCB	24	Former subsidiary company where a former director of HBCB has an interest
	HBCB	Rental of office space from HBCB	29	
		Total	<b>53</b>	
Berjaya Group Berhad ("BGroup")	HBCB	Management fees payable to BGroup for services rendered that include, inter-alia, the provision of accounting, secretarial and general administrative services	300	A deemed substantial shareholder of HBCB

## ADDITIONAL INFORMATION (CONT'D.)

### RECURRENT RELATED PARTY TRANSACTIONS (CONT'D.)

Related Party	Transacting Parties	Nature of Transactions	RM'000	Relationship with HBCB
Berjaya Registration Services Sdn Bhd	HBCB	Receipt of share registration services by HBCB	10	Subsidiary of BGroup
Hyumal Motor Sdn Bhd ("Hyumal")	Hyundai-Berjaya Sdn Bhd ("HBSB")	Purchase of motor vehicles by HBSB	463,251	Associated company of BGroup
Hyumal Trading Sdn Bhd	HBSB	Sale of motor vehicles by HBSB	24,888	Subsidiary company of Hyumal
Inokom Corporation Sdn Bhd	HBSB	Purchase of motor vehicles by HBSB	318,312	Associated company of BGroup
DiGi Telecommunications Sdn Bhd ("DiGi")	Pentagon Engineering Sdn Bhd	Purchase of goods and services by DiGi	11,360	The Chairman and substantial shareholder of DiGi is also a deemed substantial shareholder of HBCB
	HBSB	Renting of rooftop area for substation to DiGi	20	
		Total	<u>11,380</u>	

## STATISTICS ON SHAREHOLDINGS AS AT 16 AUGUST 2004

### SUBSTANTIAL SHAREHOLDERS AS AT 16 AUGUST 2004

	Direct Interest	%	Deemed Interest	%
1. Bizurai Bijak (M) Sdn Bhd	54,300,000	30.03	5,660,380 <sup>(a)</sup>	3.13
2. Espeetex Sdn Bhd	12,300,000	6.80	-	-
3. Employees Provident Fund Board	10,012,600	5.54	-	-
4. Dato' Yeoh Choon San	9,600,000	5.31	-	-
5. Berjaya Group Berhad	-	-	72,865,180 <sup>(c)</sup>	40.30
6. Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	72,865,180 <sup>(d)</sup>	40.30

#### Notes:-

<sup>(a)</sup> Deemed interested by virtue of its interest in Berjaya Capital Berhad.

<sup>(b)</sup> Deemed interested by virtue of its 100% interests in Bizurai Bijak (M) Sdn Bhd, Juara Sejati Sdn Bhd, Espeetex Sdn Bhd and its interest in Berjaya Capital Berhad, the holding company of Berjaya General Insurance Berhad, Prime Credit Leasing Sdn Bhd and Inter-Pacific Securities Sdn Bhd.

<sup>(c)</sup> Deemed interested by virtue of his interests in Berjaya Group Berhad.

### STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 16 AUGUST 2004

	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Datuk Abdul Rahim bin Haji Din	-	-	-	-
Dato' Yeoh Choon San	9,600,000	5.31	-	-
Lee Kok Chuan	5,000	0.002	-	-
Amer Hamzah Ahmad	-	-	-	-
Freddie Pang Hock Cheng	100	-	-	-
Dato' Mohd Salleh Bin Ahmad	-	-	-	-
Lim Hock Chye	-	-	-	-

	Warrants			
	Direct Interest	%	Deemed Interest	%
Dato' Yeoh Choon San	6,100,000	8.99	-	-
Freddie Pang Hock Cheng	100	-	-	-

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 16 August 2004.

# STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

AS AT 16 AUGUST 2004

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Shareholdings
Less than 100	181	8.71	856	0.00
100 – 1,000	553	26.61	484,514	0.27
1,001 – 10,000	1,024	49.28	3,989,100	2.21
10,001 – 100,000	231	11.12	8,309,650	4.60
100,001 – 9,039,999	85	4.09	111,415,880	61.62
9,040,000* and above	4	0.19	56,600,000	31.30
	<b>2,078</b>	<b>100.00</b>	<b>180,800,000</b>	<b>100.00</b>

### Note :

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 16 AUGUST 2004

Name of Shareholders	No. of Shares Held	%
1 Bizurai Bijak (M) Sdn Bhd	25,500,000	14.10
2 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Espeetex Sdn Bhd	12,300,000	6.80
3 Dato' Yeoh Choon San	9,600,000	5.31
4 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	9,200,000	5.09
5 DB (Malaysia) Nominee (Asing) Sdn Bhd UBS AG for Artradis Barracuda Fund	9,035,100	5.00
6 Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	9,000,000	4.98
7 Pasti Eksklusif Sdn Bhd	8,200,000	4.54
8 MIDF Sisma Nominees (Tempatan) Sdn Bhd MIDF Sisma Holdings Sdn Bhd for Bizurai Bijak (M) Sdn Bhd	7,000,000	3.87
9 AMMB Nominees (Tempatan) Sdn Bhd AmInternational (L) for Angsana Embun Sdn Bhd	5,889,950	3.26
10 Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	5,870,900	3.25
11 Employees Provident Fund Board	4,129,300	2.28
12 Berjaya General Insurance Berhad	4,073,900	2.25
13 Sumland Development Sdn Bhd	3,393,800	1.88
14 CIMB Nominees (Tempatan) Sdn Bhd Commerce International Merchant Bankers Berhad	3,022,800	1.67
15 HSBC Nominees (Asing) Sdn Bhd BNY Brussels for JF Asean Fund	3,000,000	1.66

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

AS AT 16 AUGUST 2004 (CONT'D.)

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 16 AUGUST 2004 (CONT'D.)

Name of Shareholders	No. of Shares Held	%
16 Mayban Nominees (Asing) Sdn Bhd GK Goh Stockbrokers Pte Ltd	2,650,000	1.47
17 Cartaban Nominees (Asing) Sdn Bhd State Street London Fund U8S8 for AIG South East Asia Fund PLC	2,306,600	1.28
18 Mayban Nominees (Asing) Sdn Bhd G K Goh Stockbrokers Pte Ltd for Alpha Secs Pte Ltd	2,300,000	1.27
19 DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for Diversified Asian Atrategies Fund	2,240,500	1.24
20 DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for PMA Prospect Fund	2,206,600	1.22
21 TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	2,140,000	1.18
22 Amanah Raya Berhad B/O : SBB Value Fund	1,951,500	1.08
23 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Arsam Bin Damis	1,930,050	1.07
24 HSBC Nominees (Asing) Sdn Bhd Mscoil for Shorewater Ltd	1,892,900	1.05
25 HSBC Nominees (Asing) Sdn Bhd Mscoil for Royal Bank of Canada	1,800,000	1.00
26 Cartaban Nominees (Asing) Sdn Bhd State Street Australia Fund Q3VD for Fullerton (Private) Limited	1,725,800	0.95
27 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Kidsave Trust	1,548,700	0.86
28 A.A. Assets Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	1,460,000	0.81
29 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Han Kook	1,143,100	0.63
30 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Equity Trust	1,126,000	0.62
<b>Total</b>	<b>147,637,500</b>	<b>81.67</b>



## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

AS AT 16 AUGUST 2004 (CONT'D.)

### ANALYSIS OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	179	20.27	820	0.00
100 – 1,000	358	40.54	232,200	0.34
1,001 – 10,000	283	32.05	857,800	1.26
10,001 – 100,000	48	5.44	1,591,700	2.35
100,001 – 3,389,999	9	1.02	2,900,630	4.28
3,390,000* and above	6	0.68	62,216,850	91.77
	<b>883</b>	<b>100.00</b>	<b>67,800,000</b>	<b>100.00</b>

**Note :**

\* Denotes 5% of the warrants outstanding.

### LIST OF THIRTY (30) LARGEST WARRANT HOLDERS AS AT 16 AUGUST 2004

	Name of Warrant Holders	No. of Warrants Held	%
1	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	20,600,000	30.38
2	Batumadu Sdn Bhd	16,516,850	24.36
3	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd	10,000,000	14.75
4	Dato' Yeoh Choon San	6,100,000	9.00
5	Sumland Development Sdn Bhd	4,800,000	7.08
6	Pasti Eksklusif Sdn Bhd	4,200,000	6.20
7	Berjaya General Insurance Berhad	864,300	1.28
8	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Prime Credit Leasing Sdn Bhd	363,000	0.53
9	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Arsam Bin Damis	321,200	0.47
10	Moh Bee Leng	300,000	0.44
11	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bukit Tinggi Resort Berhad	251,100	0.37
12	Juara Sejati Sdn Bhd	226,800	0.33
13	Prime Credit Leasing Sdn Bhd	203,130	0.30
14	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Susy Ding	201,200	0.30
15	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Han Kook	169,900	0.25
16	Adeline Chew Li Ling	96,700	0.14
17	Su Ming Yaw	72,000	0.11
18	Berjaya General Insurance Berhad	67,800	0.10

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

AS AT 16 AUGUST 2004 (CONT'D.)

### LIST OF THIRTY (30) LARGEST WARRANT HOLDERS AS AT 16 AUGUST 2004 (CONT'D.)

Name of Warrant Holders	No. of Warrants Held	%
19 Fong Moh Cheek @ Fong Mow Kit	65,300	0.10
20 Wu Teng Siong	65,000	0.10
21 HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Wee Hian Kok	61,000	0.09
22 Liew Lee Kien	60,000	0.09
23 Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Keng Aik	60,000	0.09
24 JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Paragon Pacific Ventures Sdn Bhd	58,900	0.09
25 Amsec Nominees (Asing) Sdn Bhd James Hugh Alexander Hay	52,700	0.08
26 John Hancock Life Insurance (Malaysia) Berhad	51,000	0.08
27 UT Securities Sdn Bhd IVT (NKC)	50,000	0.07
28 Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Kua Hock Lai	50,000	0.07
29 Kok Mew Leng	47,500	0.07
30 KBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Prime Credit Leasing Sdn Bhd	45,000	0.07
<b>Total</b>	<b>66,020,380</b>	<b>97.39</b>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting of Hyundai-Berjaya Corporation Berhad will be held at the Greens 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, 47410 Petaling Jaya, Selangor on Tuesday, 12 October 2004 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 ended 30 April 2004 and the Directors' and Auditors' Reports thereon. (Resolution 1)
2. To approve the payment of a final dividend of 3% per share less income tax in respect of the year ended 30 April 2004. (Resolution 2)
3. To approve the payment of Directors' Fees amounting to RM64,000 for the year ended 30 April 2004. (Resolution 3)
4. To re-elect the following Directors:-
  - a. Freddie Pang Hock Cheng (Resolution 4)
  - b. Lee Kok Chuan (Resolution 5)
  - c. Amer Hamzah Ahmad (Resolution 6)
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)
6. As special business:

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 8)

**(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, Bursa Securities Listing Requirements 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

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D.)

the Circular to Shareholders dated 20 September 2004 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 9)**

BY ORDER OF THE BOARD

**TAN PENG**  
Secretary

Petaling Jaya  
20 September 2004

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D.)

### 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 or 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 SS 25/2, 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 4, 5 AND 6

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

Directors	Profile of Directors	Directors' Shareholdings
a. Freddie Pang Hock Cheng	Page 4	Page 88
b. Lee Kok Chuan	Page 3	Page 88
c. Amer Hamzah Ahmad	Page 4	Page 88

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

#### (C) SPECIAL BUSINESS

- (i) Resolution 8 is proposed pursuant to Section 132D 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 9 if passed will approve the Shareholders' Mandate 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 Bursa Securities Listing Requirements. The explanatory notes on Ordinary Resolution 9 is out in the Circular to Shareholders dated 20 September 2004 attached to the Annual Report.

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**HYUNDAI-BERJAYA 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. \_\_\_\_\_

(New and Old I.C. Nos. or Company No.)

of \_\_\_\_\_

(Address)

being a member/members of **HYUNDAI-BERJAYA 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-Third Annual General Meeting** of the Company to be held at the Greens 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, 47410 Petaling Jaya, Selangor on **Tuesday, 12 October 2004 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 final dividend.		
RESOLUTION 3 – To approve payment of Directors' Fees.		
RESOLUTION 4 – To re-elect Freddie Pang Hock Cheng as Director.		
RESOLUTION 5 – To re-elect Lee Kok Chuan as Director.		
RESOLUTION 6 – To re-elect Amer Hamzah Ahmad as Director.		
RESOLUTION 7 – To re-appoint Ernst & Young as Auditors.		
RESOLUTION 8 – To approve authority to allot and issue shares.		
RESOLUTION 9 – To approve mandate on Recurrent Related Party Transactions.		

No. of Shares held

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\_\_\_\_\_  
Signature of Shareholder

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2004

**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 or 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 SS 25/2, 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.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY  
HYUNDAI-BERJAYA CORPORATION BERHAD  
83 Jalan SS 25/2, Taman Bukit Emas,  
47301 Petaling Jaya, Selangor

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1st fold here