

Report of the Directors

The directors are pleased to present their report together with the audited financial statements of Berjaya Holdings (HK) Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended April 30, 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and is principally engaged in property investment for rental income and development purposes.

The principal activities of the subsidiaries and the associate are set out in Notes 7, 8 and 9 to the financial statements.

An analysis of the Group’s turnover and contributions to loss from operations by principal activities and markets is as follows:

	Turnover		Loss from operations	
	2002 <i>HK\$’000</i>	2001 <i>HK\$’000</i>	2002 <i>HK\$’000</i>	2001 <i>HK\$’000</i>
By principal activities –				
Property letting	2,315	1,792	(9,002)	(5,673)
Investment holding	–	–	(13,730)	(5,782)
	<u>2,315</u>	<u>1,792</u>	<u>(22,732)</u>	<u>(11,455)</u>
By principal markets –				
Hong Kong	1,835	1,771		
Malaysia	480	21		
	<u>2,315</u>	<u>1,792</u>		

RESULTS, APPROPRIATIONS AND RESERVES

The Group’s results for the year ended April 30, 2002 are set out on page 18 of the financial statements.

The directors do not recommend the payment of a dividend.

The increase in deficit of the Company amounted to approximately HK\$34,671,000 for the year ended April 30, 2002. Other movements in the reserves of the Group and the Company are shown in Note 17 to the financial statements.

FIXED ASSETS

Details of the movements in fixed assets and investment properties of the Group and of the Company during the year are set out in Note 11 to the financial statements.

SUBSIDIARIES AND ASSOCIATE

Details of the subsidiaries of the Company and the associate of the Group and of the Company as of April 30, 2002 are set out in Notes 7, 8 and 9 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 16 to the financial statements.

BANK LOAN

Details of the bank loan of the Group and of the Company are set out in Note 13 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer for the year ended April 30, 2002 represented 21 percent (2001 – 6 percent) of the Group's turnover, and the combined total of the revenue from the five largest customers accounted for 39 percent (2001 – 29 percent) of the Group's total turnover for the year.

The Group had no significant supplier during the year.

At no time during the year did the directors, their associates, or any shareholder of the Company who to the knowledge of the directors owns more than 5 percent of the Company's share capital have any interests in the Group's major customers.

FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results of the Group and its consolidated balance sheets for each of the past five financial years are set out on pages 48 and 49 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on page 50 of the annual report.

DIRECTORS

The directors who held office during the year and up to the date of this report are:

Executive Directors:

Tan Sri Dato' Tan Kok Ping (*Chairman*)

Mr. Chan Kien Sing

Mr. Chin Chee Seng Derek

Ms. Tan Ee Ling

Mr. Kwok Chi Hung

Independent Non-Executive Directors:

Dato' Lee Ah Hoe

Mr. Tan Tee Yong

In accordance with Articles 110 and 111 of the Articles of Association of the Company, Tan Sri Dato' Tan Kok Ping and Mr. Tan Tee Yong retire by rotation and, being eligible, offer themselves for re-election.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS

Board of Directors

Tan Sri Dato' Tan Kok Ping, J.P., aged 56, graduated from Nanyang University, Singapore in 1969 with a Bachelor's degree in Commerce, was appointed as the Chairman of the Company in 1993. Tan Sri Dato' Tan has more than 30 years of experience in the various business sectors which include property development, manufacturing of consumer electronics, garment, corrugated and plastic packaging products. Tan Sri Dato' Tan is currently the President of the Penang Chinese Chamber of Commerce and was the former Deputy President of the Associated Chinese Chambers of Commerce and Industry of Malaysia.

Mr. Chan Kien Sing, aged 46, joined the Group in 1993. He is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Mr. Chan joined Berjaya Group Berhad in 1989 as General Manager, Investment. In 1993, he was appointed as group executive director to the Board of Berjaya Group Berhad. He is a Director of various subsidiary companies under the Berjaya Group of companies in Malaysia. He is also a Director in several foreign based companies in Hong Kong and USA.

Mr. Chin Chee Seng Derek, aged 45, joined the Group in 1993. He was admitted as an advocate and solicitor of the High Court of Malaya in 1983 and practised in the legal firm of Allen & Gledhill, Kuala Lumpur for six years until he joined Berjaya Group Berhad in 1989. He is currently the senior general manager in charge of legal affairs for Berjaya Group Berhad.

Ms. Tan Ee Ling, aged 31, joined the Group in 1993. She holds a Master's Degree in Business Administration and is a daughter of Tan Sri Dato' Tan Kok Ping.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS (CONT'D)

Mr. Kwok Chi Hung, aged 41, joined the Group in 1991. Mr. Kwok has over 10 years of experience in the business sector and has held directorships in finance, investment and garment exporting companies in Hong Kong.

Dato' Lee Ah Hoe, J.P., aged 58, joined the Group in 1994 as an independent non-executive director. Dato' Lee has over 30 years of experience in property development.

Mr. Tan Tee Yong, aged 38, joined the Group in 1998 as an independent non-executive director. Mr. Tan has over 12 years of experience in the business sector and has held directorships in freight forwarding, investment and automobile industry in Malaysia.

DIRECTORS' SERVICE CONTRACTS

No directors have an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN SECURITIES

As of April 30, 2002, the interests of the directors and chief executives of the Company in the equity or debt securities of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register required to be kept pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Name	Type of interest	Number of ordinary shares
Tan Sri Dato' Tan Kok Ping	Personal	24,000,000

Other than as disclosed above, as of April 30, 2002, none of the directors, the chief executives or their associates, had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES IN THE COMPANY

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or their children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

As of April 30, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had a beneficial interest of 10 percent or more in the issued share capital of the Company:

Name of shareholder	Number of ordinary shares	Percentage of shareholding
Berjaya Group Berhad (<i>Note</i>)	292,149,475	49.43%
Berjaya Group (Cayman) Limited (<i>Note</i>)	252,149,475	42.66%
Grandgroup Investments Limited	126,245,000	21.36%

Note: Berjaya Group Berhad's interests in the share capital of the Company include the interests of Berjaya Group (Cayman) Limited and Berjaya Leisure (Cayman) Limited, subsidiaries of Berjaya Group Berhad.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party and in which any of the Company's directors or members of its management had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights under the laws in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the Company were entered into or existed during the year.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the SEHK throughout the year except as described below:

- (1) independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the provisions of the Company's Articles of Association; and
- (2) full board meetings have not been held as frequently as every six months as the directors consider meetings by circulation are sufficient.

AUDIT COMMITTEE

An audit committee was established on December 15, 2000 to act in an advisory capacity and make recommendations to the Board of Directors. Its members currently include Dato' Lee Ah Hoe and Mr. Tan Tee Yong, being the independent non-executive directors of the Company.

During the year, the audit committee has met twice to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters of the Group (including the interim report and annual financial statements) before recommending them to the Board of Directors for approval.

AUDITORS

The accompanying financial statements were audited by Messrs. Arthur Andersen & Co, which do not seek re-appointment upon their retirement at the forthcoming annual general meeting. A resolution for the appointment of PricewaterhouseCoopers as the Company's auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board,

Tan Sri Dato' Tan Kok Ping
Chairman

Hong Kong,
June 7, 2002