

The Board of Directors (the “Directors”) are pleased to present the Interim Report and unaudited condensed accounts of Berjaya Holdings (HK) Limited (the “Company”) and its subsidiaries (the “Group”) for the six months ended 31st October 2003. The consolidated results, consolidated cash flow statement and consolidated statement of changes in equity of the Group for the six months ended 31st October 2003 and the consolidated balance sheet as at 31st October 2003 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 5 to 16 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 31st October 2003, the Group incurred a loss of HK\$2.36 million compared to a loss of HK\$5.12 million for the six months ended 31st October 2002. The lower loss was due to the mortgage loan receivable written off of HK\$542,000, construction cost on land pending development written off of HK\$995,000 and the unrealised loss on the investment listed overseas of HK\$1.12 million in the previous period compared to a realised gain of HK\$5,000 in the current period. The Group continued to generate stable rental income from investment properties.

There had been no significant changes in the Group’s performance since the latest annual report for the year ended 30th April 2003. There were also no acquisitions and disposals of subsidiaries and associated companies within the Group during the six months ended 31st October 2003.

Management believes that the Group will continue to have an adequate working capital. Other than normal operating cash flow, there is no significant cash requirement in the year to 30th April 2004. As of 31st October 2003, the Group had outstanding bank loan of approximately HK\$14.39 million (30th April 2003: HK\$15.44 million). Such bank loan was secured by certain of the investment properties and leasehold land and buildings of the Group located in Hong Kong with a net book value of approximately HK\$33.53 million (30th April 2003: HK\$33.53 million). In addition to the bank loans, the Group has outstanding loans from related companies of HK\$5.63 million (30th April 2003: HK\$5.28 million) and shareholders of HK\$36.94 million (30th April 2003: HK\$32.71 million) which bear interests at Hong Kong Dollar prime lending rate plus 3 percent per annum. These loans are unsecured and not repayable within the next twelve months.

The gearing ratio for the Group as at 31st October 2003 is 27.60% (30th April 2003: 28.33%) which is calculated based on the total bank loan to the total shareholders’ equity of the Group.

In view of the rapid developments of the real estate market in Shanghai particularly in the Pudong area, the Directors believe that the potential for the Shanghai land is good. The development plan of the land would commence soon.

On 2nd January 2004, the Group entered into a sale and purchase agreement to dispose of a leasehold land and building with a carrying value of HK\$5.54 million at 31st October 2003 at a consideration of HK\$5.50 million. The Group will endeavour to divest some of the assets to reduce bank borrowings and at the same time will seek new investment opportunities to improve profitability and to provide growth for the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31st October 2003 (six months ended 31st October 2002: Nil).

DETAILS OF THE CHARGES ON GROUP ASSETS

Certain investment properties and the leasehold land and building in Hong Kong with an aggregate carrying value of approximately HK\$33.53 million as at 31st October 2003 (30th April 2003: approximately HK\$33.53 million) have been mortgaged as securities for the Group's banking facilities.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CONTINGENT LIABILITIES

At 31st October 2003, the Group did not have any significant contingent liabilities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31st October 2003, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the company under Section 352 of the SFO or as notified to the Company were as follows:

Name of director	Nature of interest	Number of shares	Percentage of shareholding
Tan Sri Dato' Tan Kok Ping	Personal	24,000,000	4.06%

Other than those interests disclosed above, at no time during the period was the Company, its holding company, or any of its subsidiaries, associated companies, or fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 31st October 2003, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Long position in shares

Name of shareholders	Number of 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%
Berjaya Leisure (Cayman) Limited	40,000,000	6.77%

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.

Save as disclosed herein, as at 31st October 2003, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the accounting period covered by the interim report 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

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 31st October 2003 with the Directors.

On behalf of the Board
Tan Sri Dato' Tan Kok Ping
Chairman

Hong Kong, 6 January 2004