

*INTERIM REPORT 2007*



**BERJAYA**

**BERJAYA HOLDINGS (HK) LIMITED**

Stock Code: 288

The Board of Directors of Berjaya Holdings (HK) Limited (the “Company”) is pleased to present the unaudited interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 31st October 2007, which is set out on pages 6 to 18 of this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the six months ended 31st October 2007, the Group reported a profit of HK\$4,493,000, compared to a loss of HK\$1,074,000 for the six months ended 31st October 2006. This is primarily due to a fair value gain of HK\$5,903,000 arising from the investment properties and the share of profit of an associated company amounting to HK\$1,438,000 whereas a fair value gain of HK\$2,100,000 and a profit of HK\$157,000 was shared by the Group in the last period. The Group continued to generate stable rental income from its investment properties.

There had been no significant changes in the financial position of the Group since the latest annual report for the year ended 30th April 2007. There were also no acquisitions and disposals of significant assets by the Group during the six months ended 31st October 2007.

The management believes that the Group will continue to have adequate working capital for its operations. Other than normal operating cash flow, there is no significant cash requirement in the year to 30th April 2008. As of 31st October 2007, the Group had outstanding bank loan of approximately HK\$6,795,000 (30th April 2007: HK\$6,885,000), which was secured by the investment properties of the Group located in Hong Kong of HK\$53,241,000 (30th April 2007: HK\$47,533,000). In addition to the bank loan, the Group also had outstanding loans from a shareholder of HK\$24,729,000 (30th April 2007: HK\$22,972,000), which are unsecured and are not repayable within the next twelve months.

The gearing ratio for the Group as at 31st October 2007 is 22% (30th April 2007: 26%) which is calculated based on the total bank loan to the total equity of the Group.

## **INTERIM DIVIDEND**

The Directors have resolved not to declare any interim dividend for the six months ended 31st October 2007 (2006: Nil).

## **DETAILS OF THE CHARGES ON GROUP ASSETS**

Investment properties in Hong Kong with an aggregate carrying value of HK\$53,241,000 as at 31st October 2007 (30th April 2007: HK\$47,533,000) have been pledged to secure general banking facilities granted to the Company.

## **SHARE CAPITAL**

The total issued share capital of the Company as at 31st October 2007 was 591,047,975 shares of HK\$0.20 each.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the six months ended 31st October 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the shares of the Company during the period.

## **CONTINGENT LIABILITIES**

At 31st October 2007, the Group did not have any significant contingent liabilities.

## **INTERESTS OF DIRECTORS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or their associates 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, nor their associates, had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as at 31st October 2007.

## INTEREST OF SUBSTANTIAL SHAREHOLDERS 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 2007, the Company had been notified of the following interest of the substantial shareholders and short positions, being 5% or more of the issued share capital of the Company. These interests are in addition to those disclosed above in respect of the Directors.

Name	Number of shares	Percentage
Berjaya Corporation Berhad ( <i>Notes 1 and 3</i> )	292,149,475	49.43
Berjaya Group Berhad ( <i>Notes 2 and 3</i> )	292,149,475	49.43
Berjaya Group (Cayman) Limited ( <i>Notes 2 and 3</i> )	252,149,475	42.66
Grandgroup Investments Limited ( <i>Note 3</i> )	118,180,000	19.99
Berjaya Leisure (Cayman) Limited ( <i>Notes 2 and 3</i> )	40,000,000	6.77

### Notes:

1. Berjaya Corporation Berhad is the parent company of Berjaya Group Berhad and is deemed to be interested in the shares held by Berjaya Group Berhad.
2. The interests of Berjaya Group Berhad in the issued share capital of the Company refer to the interests of Berjaya Group (Cayman) Limited and Berjaya Leisure (Cayman) Limited, both being subsidiaries of Berjaya Group Berhad.
3. None of the Directors is the ultimate shareholder of these companies.

## **CORPORATE GOVERNANCE**

During the six months ended 31st October 2007, the Company has complied with the code provisions set out on the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except the deviations as follows:

### **Code Provisions A.1.1**

Full Board meetings have not been held frequently as the Directors consider meetings by circulation are sufficient.

### **Code Provisions A.2**

Mr. Chan Kien Sing is the Chairman of the Board. The Company has no such title as the Chief Executive Officer and the daily operation and management of the Company is monitored by the Executive Directors as well as the senior management.

### **Code Provisions A.4.1**

Although the Directors are not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

### **Code Provisions E.1.2**

The Chairman of the Board was unable to attend the 2007 Annual General Meeting of the Company because of other business commitment.

## **SECURITIES TRANSACTIONS OF THE DIRECTORS**

The Company has adopted the code of conduct regarding securities transactions of the Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules. Having made specific enquiry of all Directors, they all have confirmed that they have complied with the required standard as set out in the Model Code throughout the period.

## **BOARD OF DIRECTORS**

During the period, the Board comprises seven directors, of which four are Executive Directors, namely Mr. Chan Kien Sing, Mr. Chin Chee Seng Derek, Ms. Tan Ee Ling and Mr. Wong Man Hong and three are Independent Non-executive Directors, namely Dato' Lee Ah Hoe, Mr. Tan Tee Yong and Mr. Leou Thiam Lai and there is no subsequent change in the composition of the Board. Mr. Chan Kien Sing remains as the Chairman of the Board.

## **REMUNERATION COMMITTEE**

The Remuneration Committee of the Company has been established in accordance with the requirement of the Code on Corporate Governance Practices. The Remuneration Committee comprises three Independent Non-executive Directors namely Dato' Lee Ah Hoe, Mr. Tan Tee Yong and Mr. Leou Thiam Lai. Dato' Lee Ah Hoe is the Chairman of the Remuneration Committee.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with management, including a review of the unaudited interim financial information for the six months ended 31st October 2007.

On behalf of the Board

**Chan Kien Sing**

*Chairman*

Hong Kong, 10th January 2008

**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)***For the six months ended 31st October 2007*

	Note	2007 <b>HK\$'000</b>	2006 <i>HK\$'000</i>
Revenue	3	<b>912</b>	762
Cost of operations		<b>(28)</b>	(36)
Gross profit		<b>884</b>	726
Other income		–	1,119
Administrative expenses		<b>(1,186)</b>	(1,615)
Changes in fair value of investment properties		<b>5,903</b>	2,100
Operating profit	4	<b>5,601</b>	2,330
Share of profit of an associated company		<b>1,438</b>	157
Financial expenses		<b>(1,513)</b>	(3,193)
Profit/(loss) before taxation		<b>5,526</b>	(706)
Taxation	5	<b>(1,033)</b>	(368)
Profit/(loss) for the period		<b>4,493</b>	(1,074)
Attributable to:			
Equity holders		<b>4,541</b>	(1,034)
Minority interests		<b>(48)</b>	(40)
		<b>4,493</b>	(1,074)
		<b>HK cents</b>	<i>HK cents</i>
Profit/(loss) per share	6	<b>0.77</b>	(0.17)

**CONSOLIDATED BALANCE SHEET (UNAUDITED)***As at 31st October 2007*

	Note	31st October 2007 HK\$'000	30th April 2007 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	7	130	118
Investment properties	7	55,929	50,026
Associated company		11,944	10,118
Available-for-sale financial assets		295	295
Amount due from a shareholder		559	559
		<u>68,857</u>	<u>61,116</u>
<b>Current assets</b>			
Debtors and prepayments	8	264	357
Cash and bank balances		320	167
		<u>584</u>	<u>524</u>
<b>Total assets</b>		<u>69,441</u>	<u>61,640</u>
<b>EQUITY</b>			
Share capital	9	118,210	118,210
Reserves		(86,630)	(91,559)
<b>Total equity</b>		<u>31,580</u>	<u>26,651</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term liabilities	10	33,134	31,515
Deferred taxation liabilities		3,128	2,095
		<u>36,262</u>	<u>33,610</u>
<b>Current liabilities</b>			
Creditors and accruals	11	1,419	1,199
Current portion of long-term liabilities	10	180	180
		<u>1,599</u>	<u>1,379</u>
<b>Total liabilities</b>		<u>37,861</u>	<u>34,989</u>
<b>Total equity and liabilities</b>		<u>69,441</u>	<u>61,640</u>



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 31st October 2007

	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Net cash used in operating activities	<b>(198)</b>	(1,222)
Net cash used in investing activities	<b>(60)</b>	(14)
Net cash from financing activities	<b>411</b>	621
Increase/(decrease) in cash and bank balances	<b>153</b>	(615)
Cash and bank balances at beginning of the period	<b>167</b>	762
Cash and bank balances at end of the period	<b>320</b>	147

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 31st October 2007

	Share capital	Reserves	Equity holders	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30th April 2007	118,210	(91,559)	26,651	–	26,651
Exchange differences	–	388	388	–	388
Profit/(loss) for the period	–	4,541	4,541	(48)	4,493
Excess of loss covered by advances from minority interests	–	–	–	48	48
<b>At 31st October 2007</b>	<b>118,210</b>	<b>(86,630)</b>	<b>31,580</b>	<b>–</b>	<b>31,580</b>
At 30th April 2006	118,210	(90,307)	27,903	–	27,903
Exchange differences	–	(35)	(35)	–	(35)
Loss for the period	–	(1,034)	(1,034)	(40)	(1,074)
Excess of loss covered by advances from minority interests	–	–	–	40	40
At 31st October 2006	118,210	(91,376)	26,834	–	26,834

## NOTES TO THE FINANCIAL INFORMATION

### 1 General information

Berjaya Holdings (HK) Limited (the “Company”) is incorporated in Hong Kong with limited liability on 19th January 1971. The address of its registered office is Unit 1701, 17th Floor, Austin Plaza, 83 Austin Road, Jordan, Kowloon, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are property investment, development and investment holding.

The unaudited interim financial information has been approved by the Board of Directors on 10th January 2008.

### 2 Basis of preparation

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets which are carried at fair values, and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30th April 2007.

In 2007, the Group adopted the new standard, amendment and interpretation of Hong Kong Financial Reporting Standards, which are relevant to its operations, set out below.

- |                      |   |
|----------------------|---|
| • HKAS 1 (Amendment) | Presentation of Financial Statements: Capital Disclosures |
| • HK(IFRIC)-Int 10   | Interim Reporting and Impairment                          |
| • HKFRS 7            | Financial Instruments: Disclosures                        |

The adoption of these new standard, amendment and interpretation does not have any significant impact on the results and financial position nor any substantial changes in the accounting policies of the Group, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 requires additional disclosures to be made in the annual financial statements.

### 3 Segment information

In accordance with the internal financial reporting and operating activities of the Group, the primary segment reporting is by business segments and the secondary segment reporting is by geographical segments. Segment asset consist primarily of non-current assets, debtors and prepayments. Segment liabilities comprise creditors and accruals. There are no sales or trading transactions between the business segments. In respect of geographical segment reporting, sales are based on the country in which the customer is located and total assets and capital expenditure are where the assets are located.

(a) *Business segment*

	<b>Property investment and development</b> <i>HK\$'000</i>	<b>Investment holding</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Six months ended 31st October 2007</b>			
Revenue	<b>912</b>	-	<b>912</b>
Segment results	<b>5,601</b>	-	<b>5,601</b>
Share of profit of an associated company	-	<b>1,438</b>	<b>1,438</b>
Financial expenses			<b>(1,513)</b>
Profit before taxation			<b>5,526</b>
Taxation			<b>(1,033)</b>
Profit for the period			<b>4,493</b>
Equity holders			<b>4,541</b>
Minority interests	<b>(48)</b>	-	<b>(48)</b>
Capital expenditure	-	<b>60</b>	<b>60</b>
Depreciation	-	<b>10</b>	<b>10</b>
Change in fair value of investment properties	<b>5,903</b>	-	<b>5,903</b>
As at 31st October 2007			
Segment assets	56,513	130	56,643
Associated company	-	11,944	11,944
Unallocated assets			854
Total assets			<b>69,441</b>
Segment liabilities	538	295	833
Unallocated liabilities			37,028
Total liabilities			<b>37,861</b>

### 3 Segment information (Continued)

(a) Business segment (Continued)

	Property investment and development <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 31st October 2006			
Revenue	<b>762</b>	–	<b>762</b>
Segment results	<b>2,330</b>	–	<b>2,330</b>
Share of profit of an associated company	–	<b>157</b>	<b>157</b>
Financial expenses			<b>(3,193)</b>
Loss before taxation			<b>(706)</b>
Taxation			<b>(368)</b>
Loss for the period			<b>(1,074)</b>
Equity holders			<b>(1,034)</b>
Minority interests	<b>(40)</b>	–	<b>(40)</b>
Capital expenditure	–	<b>14</b>	<b>14</b>
Depreciation	–	<b>10</b>	<b>10</b>
Change in fair value of investment properties	<b>2,100</b>	–	<b>2,100</b>
As at 30th April 2007			
Segment assets	50,432	118	50,550
Associated company	–	10,118	10,118
Unallocated assets			972
Total assets			<b>61,640</b>
Segment liabilities	539	–	539
Unallocated liabilities			34,450
Total liabilities			<b>34,989</b>

### 3 Segment information (Continued)

#### (b) Geographical segment

	Revenue <i>HK\$'000</i>	Operating profit <i>HK\$'000</i>	Total assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
<b>Six months ended 31st October 2007</b>				
Hong Kong	912	5,506	56,709	60
Mainland China	-	95	788	-
Malaysia/Singapore	-	-	11,944	-
	<u>912</u>	<u>5,601</u>	<u>69,441</u>	<u>60</u>
 Six months ended 31st October 2006				
Hong Kong	762	2,330	48,961	14
Mainland China	-	-	39,790	-
Malaysia/Singapore	-	-	5,757	-
	<u>762</u>	<u>2,330</u>	<u>94,508</u>	<u>14</u>

#### 4 Operating profit

	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Operating profit is stated after charging the following:		
Depreciation	<b>10</b>	10
Operating lease rental for buildings	<b>122</b>	130
Loss on disposal of plant and equipment	<b>38</b>	–
	<hr/> <b>          </b>	<hr/> <b>          </b>

#### 5 Taxation

	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Hong Kong profits tax		
Current	–	–
Deferred	<b>1,033</b>	368
	<hr/> <b>          </b>	<hr/> <b>          </b>
	<b>1,033</b>	368

Provision for Hong Kong profits tax has been made at the rate of 17.5% (2006: 17.5%). No provision for overseas taxation has been made as there is no assessable profit for the period (2006: Nil).

#### 6 Earnings/(loss) per share

The calculation of earnings/(loss) per share is based on the profit/(loss) attributable to equity holders for the six months ended 31st October 2007 of HK\$4,541,000 (2006: loss of HK\$1,034,000) and on the 591,047,975 shares (2006: 591,047,975 shares) in issue during the period.

The diluted earnings/(loss) per share equal to the basic earnings/(loss) per share since there are no diluted potential shares in issue during the period.

## 7 Capital expenditure

	<b>Investment properties</b> <i>HK\$'000</i>	<b>Furniture, fixture and equipment</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 30th April 2007	50,026	118	50,144
Additions	–	60	60
Disposals	–	(38)	(38)
Depreciation	–	(10)	(10)
Change in fair value	5,903	–	5,903
<b>At 31st October 2007</b>	<b>55,929</b>	<b>130</b>	<b>56,059</b>
At 30th April 2006	45,795	112	45,907
Additions	–	14	14
Depreciation	–	(10)	(10)
Change in fair value	2,100	–	2,100
At 31st October 2006	47,895	116	48,011



## 8 Debtors and prepayments

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Trade debtors	<b>9</b>	31
Other debtors and prepayments	<b>255</b>	326
	<b>264</b>	357

The credit terms granted to trade debtors are usually 15 days. The ageing analysis of the trade debtors, based on the due date of the invoices, is as follows:

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Two to three months	<b>9</b>	31

## 9 Share capital

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Authorised: 1,250,000,000 shares of HK\$0.20 each	<b>250,000</b>	250,000
Issued and fully paid: 591,047,975 shares of HK\$0.20 each	<b>118,210</b>	118,210

**10 Long-term liabilities**

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Secured bank loan	<b>6,795</b>	6,885
Loan from a shareholder	<b>24,729</b>	22,972
Loan from a minority shareholder	<b>1,790</b>	1,838
	<b>33,314</b>	31,695
Current portion included under current liabilities		
Secured bank loan	<b>(180)</b>	(180)
	<b>33,134</b>	31,515

**11 Creditors and accruals**

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Other creditors	<b>681</b>	847
Accrued expenses	<b>443</b>	352
Amount due to a related company	<b>295</b>	–
	<b>1,419</b>	1,199

## 12 Commitments

### (a) Operating lease rental receivable

The future aggregate minimum lease rental income in respect of investment properties under non-cancellable operating leases is receivable in the following years:

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Within one year	<b>1,598</b>	1,265
One to five years	<b>540</b>	519
	<b><u>2,138</u></b>	<u>1,784</u>

### (b) Operating lease rental payable

The future aggregate minimum lease rental expense in respect of buildings under a non-cancellable operating lease is payable in the following years:

	<b>31st October 2007 HK\$'000</b>	30th April 2007 HK\$'000
Within one year	<b>192</b>	108
One to five years	<b>128</b>	–
	<b><u>320</u></b>	<u>108</u>