



BERJAYA

BERJAYA HOLDINGS (HK) LIMITED

Stock Code: 288

INTERIM REPORT

2008

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 2008. The condensed consolidated income statement, cash flow statement and statement of changes in equity of the Group for the six months ended 31st October 2008 and the condensed consolidated balance sheet as at 31st October 2008 of the Group, along with the notes, are set out on pages 6 to 18 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 31st October 2008, the Group reported a loss of HK\$15,275,000, compared to a profit of HK\$4,493,000 for the six months ended 31st October 2007. This is primarily due to a fair value loss of HK\$8,746,000 arising from the revaluation of investment properties and the share of loss of an associated company amounting to HK\$6,665,000 whereas a fair value gain of HK\$5,903,000 and a share of profit of HK\$1,438,000 were recognised by the Group in the last corresponding 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 2008. There were also no acquisitions and disposals of significant assets by the Group during the six months ended 31st October 2008.

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 2009. As of 31st October 2008, the Group had outstanding bank loan of approximately HK\$6,615,000 (30th April 2008: HK\$6,705,000), which was secured by the investment properties of the Group located in Hong Kong of HK\$52,438,000 (30th April 2008: HK\$60,901,000). In addition to the bank loan, the Group also had outstanding loans from a shareholder of HK\$27,516,000 (30th April 2008: HK\$25,824,000), which are unsecured and are not repayable within the next twelve months.

The gearing ratio for the Group as at 31st October 2008 is 59% (30th April 2008: 44%) which is calculated based on the net borrowings to the total capital of the Group.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 31st October 2008 (2007: Nil).

DETAILS OF THE CHARGES ON GROUP ASSETS

Investment properties in Hong Kong with an aggregate carrying value of HK\$52,438,000 as at 31st October 2008 (30th April 2008: HK\$60,901,000) 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 2008 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 2008. 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 2008, 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 2008.

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 2008, the Company had been notified of the following interests 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 2008, the Company has complied with the code provisions set out on the Code of 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 2008 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. 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 2008.

On behalf of the Board

Chan Kien Sing

Chairman

Hong Kong, 5th January 2009

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)*For the six months ended 31st October 2008*

	Note	2008 HK\$'000	2007 <i>HK\$'000</i>
Revenue	4, 5	1,060	912
Cost of services		<u>(16)</u>	<u>(28)</u>
Gross profit		1,044	884
Administrative expenses		(1,179)	(1,186)
Changes in fair values of investment properties		<u>(8,746)</u>	<u>5,903</u>
Operating (loss)/profit	6	(8,881)	5,601
Share of (loss)/profit of an associated company		(6,665)	1,438
Finance costs		<u>(1,260)</u>	<u>(1,513)</u>
(Loss)/profit before tax		(16,806)	5,526
Income tax credit/(expense)	7	<u>1,531</u>	<u>(1,033)</u>
(Loss)/profit for the period		<u>(15,275)</u>	<u>4,493</u>
Attributable to:			
Equity holders of the Company		(15,244)	4,541
Minority interests		<u>(31)</u>	<u>(48)</u>
		<u>(15,275)</u>	<u>4,493</u>
		HK cents	<i>HK cents</i>
Basic and diluted (loss)/earnings per share	8	<u>(2.58)</u>	<u>0.77</u>

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31st October 2008

	Note	31st October 2008 HK\$'000	30th April 2008 HK\$'000
ASSETS			
Non-current assets			
Plant and equipment	9	116	126
Investment properties	9	55,222	63,968
Investment in an associated company		5,144	15,191
Available-for-sale financial assets		295	295
		<u>60,777</u>	<u>79,580</u>
Current assets			
Debtors and prepayments	10	318	314
Cash and bank balances		502	117
		<u>820</u>	<u>431</u>
Total assets		<u>61,597</u>	<u>80,011</u>
EQUITY			
Share capital	11	118,210	118,210
Reserves		(100,221)	(81,595)
Shareholders' funds		17,989	36,615
Minority interests		4,983	5,014
Total equity		<u>22,972</u>	<u>41,629</u>
LIABILITIES			
Non-current liabilities			
Borrowings	12	33,951	32,349
Deferred income tax liabilities		3,004	4,535
		<u>36,955</u>	<u>36,884</u>
Current liabilities			
Creditors and accruals	13	1,490	1,318
Borrowings	12	180	180
		<u>1,670</u>	<u>1,498</u>
Total liabilities		<u>38,625</u>	<u>38,382</u>
Total equity and liabilities		<u>61,597</u>	<u>80,011</u>
Net current liabilities		<u>(850)</u>	<u>(1,067)</u>
Total assets less current liabilities		<u>59,927</u>	<u>78,513</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 31st October 2008

	2008 HK\$'000	2007 HK\$'000
Net cash used in operating activities	(124)	(198)
Net cash used in investing activities	-	(60)
Net cash from financing activities	<u>509</u>	<u>411</u>
Increase in cash and bank balances	385	153
Cash and bank balances at beginning of period	<u>117</u>	<u>167</u>
Cash and bank balances at end of period	<u>502</u>	<u>320</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 31st October 2008

	Attributable to equity holders of the Company				Total equity HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Equity holders HK\$'000	Minority interests HK\$'000	
At 1st May 2008	118,210	(81,595)	36,615	5,014	41,629
Exchange differences	-	(1,194)	(1,194)	-	(1,194)
Share of reserves from an associated company	-	(2,188)	(2,188)	-	(2,188)
Loss for the period	-	(15,244)	(15,244)	(31)	(15,275)
At 31st October 2008	118,210	(100,221)	17,989	4,983	22,972
At 1st May 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
At 31st October 2007	118,210	(86,630)	31,580	-	31,580

NOTES TO THE INTERIM 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 and investment holding.

The unaudited interim financial information has been approved by the Board of Directors on 5th January 2009.

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 2008.

The adoption of new/revised HKFRS

There are no new standards, amendments to standards and interpretations, which are relevant to the Group’s operations for the six months ended 31st October 2008.

3 Financial risk management

All aspect of the Group’s financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 30th April 2008.

4 Segment information

In accordance with the internal financial reporting and operating activities of the Group, the primary segment reporting is by business segment and the secondary segment reporting is by geographical segment. Segment assets 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

	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 31st October 2008			
Revenue	<u>1,060</u>	<u>-</u>	<u>1,060</u>
Segment results	(8,881)	-	(8,881)
Share of loss of an associated company	-	(6,665)	(6,665)
Finance costs			<u>(1,260)</u>
Loss before tax			(16,806)
Income tax credit			<u>1,531</u>
Loss for the period			<u>(15,275)</u>
Depreciation	-	10	10
Changes in fair values of investment properties	<u>(8,746)</u>	<u>-</u>	<u>(8,746)</u>
As at 31st October 2008			
Segment assets	56,042	-	56,042
Investment in an associated company	-	5,144	5,144
Unallocated assets			<u>411</u>
Total assets			<u>61,597</u>
Segment liabilities	673	355	1,028
Unallocated liabilities			<u>37,597</u>
Total liabilities			<u>38,625</u>

4 Segment information (Continued)

(a) Business segment (Continued)

	Property Investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 31st October 2007			
Revenue	<u>912</u>	<u>–</u>	<u>912</u>
Segment results	5,601	–	5,601
Share of profit of an associated company	–	1,438	1,438
Finance costs – net			<u>(1,513)</u>
Profit before tax			5,526
Income tax expense			<u>(1,033)</u>
Profit for the period			<u>4,493</u>
Capital expenditure	–	60	60
Depreciation	–	10	10
Changes in fair values of investment properties	<u>5,903</u>	<u>–</u>	<u>5,903</u>
As at 30th April 2008			
Segment assets	64,399	–	64,399
Investment in an associated company	–	15,191	15,191
Unallocated assets			<u>421</u>
Total assets			<u>80,011</u>
Segment liabilities	586	355	941
Unallocated liabilities			<u>37,441</u>
Total liabilities			<u>38,382</u>

4 Segment information (Continued)

(b) Geographical segment

	Revenue <i>HK\$'000</i>	Operating (loss)/ profit <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Six months ended 31st October 2008			
Hong Kong	1,060	(8,898)	–
Mainland China	–	17	–
	<u>1,060</u>	<u>(8,881)</u>	<u>–</u>
 Six months ended 31st October 2007			
Hong Kong	912	5,506	60
Mainland China	–	95	–
	<u>912</u>	<u>5,601</u>	<u>60</u>
		31st October 2008 <i>HK\$'000</i>	30th April 2008 <i>HK\$'000</i>
Total assets			
Hong Kong		55,569	63,953
Mainland China		884	867
Singapore		<u>5,144</u>	<u>15,191</u>
		<u>61,597</u>	<u>80,011</u>

5 Revenue

	2008 HK\$'000	2007 <i>HK\$'000</i>
Turnover		
Rental income	1,060	912

6 Operating (loss)/profit

	2008 HK\$'000	2007 <i>HK\$'000</i>
Operating (loss)/profit is stated after charging the following:		
Depreciation	10	10
Operating lease rental for buildings	96	122
Loss on disposal of plant and equipment	-	38

7 Income tax (credit)/expense

	2008 HK\$'000	2007 <i>HK\$'000</i>
Hong Kong profits tax		
Current	-	-
Deferred	(1,531)	1,033
	(1,531)	1,033

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period. No overseas taxation has been provided as there is no assessable profit for the period (2007: Nil).

8 Basic and diluted (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the Group's loss attributable to equity holders for the six months ended 31st October 2008 of HK\$15,244,000 (2007: profit of HK\$4,541,000) and on the 591,047,975 shares (2007: 591,047,975 shares) in issue during the period.

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

9 Capital expenditure

	Investment properties <i>HK\$'000</i>	Furniture, fixture and equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1st May 2008	63,968	126	64,094
Depreciation	–	(10)	(10)
Change in fair value	(8,746)	–	(8,746)
Net book value at 31st October 2008	55,222	116	55,338
Net book value at 1st May 2007	50,026	118	50,144
Additions	–	60	60
Disposals	–	(38)	(38)
Depreciation	–	(10)	(10)
Change in fair value	5,903	–	5,903
Net book value at 31st October 2007	55,929	130	56,059

10 Debtors and prepayments

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Trade debtors	22	12
Other debtors and prepayments	296	302
	318	314

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

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
One to two months	22	–
Two to three months	–	12
	22	12

11 Share capital

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Authorised: 1,250,000,000 shares of HK\$0.20 each	250,000	250,000
Issued and fully paid: 591,047,975 shares of HK\$0.20 each	118,210	118,210

12 Borrowings

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Non-current		
Secured bank loan	6,435	6,525
Loan from a shareholder	27,516	25,824
	33,951	32,349
Current		
Secured bank loan	180	180
	34,131	32,529

13 Creditors and accruals

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Other creditors	549	586
Accrued expenses	462	377
Amounts payable to related companies	479	355
	1,490	1,318

14 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:

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Within one year	1,452	1,377
One to five years	<u>491</u>	<u>271</u>
	<u>1,943</u>	<u>1,648</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:

	31st October 2008 HK\$'000	30th April 2008 HK\$'000
Within one year	143	192
One to five years	<u>-</u>	<u>46</u>
	<u>143</u>	<u>238</u>