



COSWAY CORPORATION LIMITED

(formerly known as Berjaya Holdings (HK) Limited)
(Stock Code: 288)

Interim Report
2009

The Board of Directors of Cosway Corporation Limited (formerly known as 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 2009. The unaudited condensed consolidated income statement, unaudited condensed consolidated statement of comprehensive income, unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated statement of cash flows of the Group for the six months ended 31st October 2009 and the unaudited condensed consolidated statement of financial position as at 31st October 2009 of the Group, along with the notes, are set out on pages 12 to 28 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 31st October 2009, the Group reported a profit of HK\$14,317,000 compared to a loss of HK\$15,275,000 for the six months ended 31st October 2008. This is primarily due to a fair value gain of HK\$15,407,000 arising from the revaluation of investment properties and the share of profit of an associate amounting to HK\$394,000 whereas a fair value loss of HK\$8,746,000 and a share of loss of an associate of HK\$6,665,000 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 2009 other than the fair value gain adjustments of the investment properties. On 13th October 2009, the Company has entered into various Agreements with various parties to acquire 100% of Cosway Group (comprising 100% equity interest in Cosway M and 60% of eCosway) and 40% equity interest in eCosway (the “Acquisition”) to be satisfied by way of cash, Consideration shares and ICULS. The Cosway Group is principally engaged in direct sales of consumer products including health and nutrition, slimming products, personal care, skincare, cosmetics, perfumes, household and car care products, food and beverage, water filtration systems, kitchenware, bodyshaping lingerie, etc through network marketing. The operations of Cosway Group span across various countries with the main operations in Malaysia, Hong Kong and Taiwan. For details, please refer to the announcement of the Company dated 13th October 2009 and the circular of the company dated 30th October 2009.

Capitalised terms herein shall have the same meanings as defined in the circular (“Circular”) of the Company dated 30th October 2009 in relation to, among other things, the SP Agreements, the Loan Capitalisation Agreement, the Whitewash Waiver, unless the context herein requires otherwise.

Given the proven track record in direct selling industry of the Cosway Group in the region, their wide range of products provided and their large direct selling distribution network, the Directors are optimistic about the future prospect of the direct selling business, and believe that by leveraging on Cosway Group’s strong presence and brand name, the Acquisition in Cosway Group presents a solid platform for the Group to enter into the direct selling business. The Acquisition was completed on 8th December 2009.

Management believes that the Group will continue to have adequate working capital for its operations. As of 31st October 2009, the Group had outstanding bank loan of approximately HK\$6,435,000 (30th April 2009: HK\$6,525,000), which was secured by the investment properties of the Group located in Hong Kong of HK\$54,409,000 (30th April 2009: HK\$46,787,000). In addition to the bank loan, the Group also had outstanding loans from a shareholder of HK\$36,489,000 (30th April 2009: HK\$28,895,000), which are unsecured and are not repayable within the next twelve months.

The gearing ratio for the Group as at 31st October 2009 is 55% (30th April 2009: 65%) 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 2009 (2008: Nil).

DETAILS OF THE CHARGES ON GROUP ASSETS

Investment properties in Hong Kong with an aggregate carrying value of HK\$54,409,000 as at 31st October 2009 (30th April 2009: HK\$46,787,000) have been pledged to secure general banking facilities granted to the Group.

SHARE CAPITAL

The total issued share capital of the Company as at 31st October 2009 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 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the shares of the Company during the period.

STAFF EMPLOYMENT

The total number of employees of the Group as at 31st October 2009 was 2. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. The Group operates a mandatory provident fund scheme which covers all the employees of the Group in Hong Kong.

CONTINGENT LIABILITIES

At 31st October 2009, 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

As at 31st October 2009, the interests of the directors, chief executives and their associates or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies (the “Model Code”) in the Listing Rules were as follows:

(i) Long positions in shares and underlying shares of the Company

Name of Director	Capacity	Number of shares held	Number of Capitalisation Shares upon completion of the Loan Capitalisation Agreement/ Consideration Shares upon completion of the SP Agreements/ underlying shares upon conversion of the ICULS	Total interest	Approximate percentage of shareholding
Tan Yeong Sheik, Rayvin (Note)	Beneficial owner	-	449,436,972	449,436,972	76.04%

Note: Upon completion of the SP Agreements, Mr. Tan will hold a total of 449,436,972 shares including 437,250,000 underlying shares which could be issued by conversion of the ICULS held by him.

(ii) Long positions in shares and underlying shares of associated corporation

(1) Berjaya Corporation Berhad ("BCorp")

Name of director	Capacity	Number of shares held	Number of underlying shares under derivative interest held	Total interest	Approximate percentage of shareholding
Tan Yeong Sheik, Rayvin	Beneficial owner	316,000	-	316,000	0.00%
Chan Kien Sing	Beneficial owner	47,688	-	47,688	0.00%
Chin Chee Seng, Derek	Beneficial owner	90,000	-	90,000	0.00%
Leou Thiam Lai	Beneficial owner	300,000	-	300,000	0.00%
Tan Thiam Chai	Beneficial owner/ interests of spouse	274,458 (Note 1)	-	274,458	0.00%
Cheng Chi Fan, Vivienne	Beneficial owner	4,400	-	4,400	0.00%

Note:

- Of these shares, 151,164 shares are held by Lim Beng Poh, the spouse of Tan Thiam Chai, and are deemed to be interested by Tan Thiam Chai.

(2) Berjaya Land Berhad

Name of director	Capacity	Number of shares held	Number of underlying shares under derivative interest held	Total interest	Approximate percentage of shareholding
Tan Thiam Chai	Beneficial owner	10,000	-	10,000	0.00%

(3) *Berjaya Sports Toto Berhad*

Name of director	Capacity	Number of shares held	Number of underlying shares under derivative interest held	Total interest	Approximate percentage of shareholding
Chan Kien Sing	Beneficial owner	3,428	-	3,428	0.00%
Tan Yeong Sheik, Rayvin	Beneficial owner	165,000	-	165,000	0.01%
Tan Thiam Chai	Beneficial owner/ interests of spouse	228,543 (Note 1)	-	228,543	0.01%

Note:

1. Of these shares, 65,000 shares are held by Lim Beng Poh, the spouse of Tan Thiam Chai, and are deemed to be interested by Tan Thiam Chai.

Save as disclosed above, as at 31st October 2009, none of the Directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company pursuant to the Model Code of the Listing Rules.

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors and chief executives of the Company or their associates to acquire benefits by means of the acquisition of shares and/or debt securities, including debentures of the Company or any other body corporate.

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 2009, the Company had been notified of the following interests of the substantial shareholders and short positions in the shares or underlying shares of the Company, 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.

Long positions in shares and underlying shares

Name of shareholders	Capacity and nature of interest	Number of shares held	Number of Capitalisation Shares upon completion of the Loan Capitalisation Agreement/ Consideration Shares upon completion of the SP Agreements/ underlying shares upon conversion of the ICULS	Total interest	Approximate percentage of shareholding
Tan Chee Yioun, Vincent ("TSVT") (Note 1-3)	Interests through controlled corporation/ Beneficial owner	292,149,475	10,457,231,717	10,749,381,192	1,818.70%
Berjaya Corporation Berhad ("BCorp") (Note 2)	Interests through controlled corporation	292,149,475 (Note 3)	9,929,381,776	10,221,531,251	1,729.39%

Name of shareholders	Capacity and nature of interest	Number of shares held	Number of Capitalisation Shares upon completion of the Loan Capitalisation Agreement/ Consideration Shares upon completion of the SP Agreements/ underlying shares upon conversion of the ICULS	Total interest	Approximate percentage of shareholding
Cosway Corporation Berhad (Note 4)	Interests through controlled corporation/ Beneficial owner	–	9,528,170,097	9,528,170,097	1,612.08%
Penta Investment Advisers Limited (Note 5, 6)	Investment Manager	27,435,000	1,114,014,977	1,141,449,977	193.12%
Zwaanstra John (Note 5, 6)	Interests through controlled corporation	27,435,000	1,114,014,977	1,141,449,977	193.12%
Penta Strategic Partners SPC Ltd. (Note 6)	Interests through controlled corporation	–	1,114,014,977	1,114,014,977	188.48%
Berjaya Capital Berhad (Note 7)	Interests through controlled corporation	–	123,634,718	123,634,718	20.91%
Grandgroup Investments Limited	Beneficial owner	118,180,000	–	118,180,000	19.99%
Berjaya Land Berhad (Note 3)	Interests through controlled corporation	40,000,000	–	40,000,000	6.77%

Notes:

1. TSVT directly and indirectly controls approximately 54.32% of the total issued share capital of BCorp. TSVT is deemed to be interested in those interests held by BCorp and TSVT himself will also hold 527,849,941 shares upon completion of the SP Agreements including 513,536,715 underlying shares which could be issued by conversion of the ICULS held by him.
2. Upon the completion of the SP Agreements, the Loan Capitalisation Agreement and full conversion of ICULS as disclosed in the Circular, BCorp will hold a total of 10,221,531,251 shares through Berjaya Group (Cayman) Limited, Berjaya Leisure (Cayman) Limited, Cosway Corporation Berhad, Biofield Sdn Bhd, Prime Credit Leasing Sdn Bhd, Berjaya Sompoo Insurance Berhad and Inter-Pacific Securities Sdn Bhd and Berjaya Hills Berhad which includes 9,002,213,284 underlying shares which could be issued upon conversion of the ICULS. The amount of 10,221,531,251 includes 292,149,475 shares which are already held by BCorp as at 31st October 2009.
3. The interests of BCorp in the issued share capital of the Company as at 31st October 2009 refer to the interests of Berjaya Group (Cayman) Limited ("BCayman") and Berjaya Leisure (Cayman) Limited, both being subsidiaries of Berjaya Group Berhad. BCorp is the parent company of Berjaya Group Berhad. BCorp and Berjaya Group Berhad are deemed to be interested in the shares held by BCayman and Berjaya Leisure (Cayman) Limited. Berjaya Land Berhad which wholly controls Berjaya Leisure (Cayman) Limited is deemed to be interested in 40,000,000 shares.
4. Biofield Sdn Bhd ("Biofield"), a wholly owned subsidiary of Cosway Corporation Berhad, will hold 115,752,272 Second Tranche Consideration Shares and ICULS in a principal amount of HK\$113.0 million upon completion of the Second Cosway M Agreement. Cosway Corporation Berhad itself will hold 625,417,825 First Tranche Consideration Shares and ICULS in a principal amount of HK\$1,644.4 million upon completion of the First Cosway M Agreement. A total of 8,787,000,000 underlying shares could be issued upon conversion of the ICULS held by Cosway Corporation Berhad and Biofield.
5. Penta Investment Advisers Limited ("Penta Investment") and Mr. Zwaanstra John are deemed to be interested in the underlying shares held by Penta Strategic Partners SPC Ltd. and 27,435,000 shares already held by various funds managed by Penta Investment as at 31 October 2009.
6. Penta Strategic Partners SPC Ltd. will hold 117,014,977 Third Tranche Consideration Shares and ICULS in a principal amount of HK\$199.4 million upon completion of the Third Cosway M Agreement through Madison County LLC. 997,000,000 underlying shares could be issued upon conversion of the ICULS.
7. Upon completion of the SP Agreements, Berjaya Capital Berhad will hold a total of 123,634,718 shares through Prime Credit Leasing Sdn Bhd, Berjaya Sompoo Insurance Berhad and Inter-Pacific Securities Sdn Bhd including 120,282,228 underlying shares which could be issued by conversion of the ICULS.

Save as disclosed above, as at 31st October 2009, the Company had not been notified of any person's interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

CORPORATE GOVERNANCE

During the six months ended 31st October 2009, the Company has complied with the code provisions set out in 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.2.1

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 2009 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, all of which are Executive Directors, namely Mr. Chan Kien Sing, Mr. Tan Yeong Sheik, Rayvin, Ms. Cheng Chi Fan, Vivienne, Mr. Tan Thiam Chai, 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 2009.

On behalf of the Board

Chan Kien Sing

Chairman

Hong Kong, 17th December 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
		31st October	
		2009	2008
		Unaudited	Unaudited
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
REVENUE	3, 4	1,038	1,060
Cost of services		(10)	(16)
Gross profit		1,028	1,044
Other income	4	2	–
Fair value gains/(losses) on investment properties		15,407	(8,746)
Finance costs	5	(1,395)	(1,260)
Administrative expenses		(1,119)	(1,179)
Share of profit/(loss) of an associate		394	(6,665)
PROFIT/(LOSS) BEFORE TAX	6	14,317	(16,806)
Tax	7	–	1,531
PROFIT/(LOSS) FOR THE PERIOD		14,317	(15,275)
Attributable to:			
Equity holders of the Company		14,318	(15,244)
Minority interests		(1)	(31)
		14,317	(15,275)
		HK cent	<i>HK cent</i>
BASIC EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8	2.42	(2.58)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	31st October	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Profit/(loss) for the period	14,317	(15,275)
Other comprehensive income:		
Exchange differences on translation of foreign operations	254	(1,194)
Share of other comprehensive income of an associate	950	(2,188)
	<hr/>	<hr/>
Other comprehensive income/(loss) for the period, net of tax	1,204	(3,382)
	<hr/>	<hr/>
Total comprehensive income/(loss) for the period, net of tax	15,521	(18,657)
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Equity holders of the Company	15,522	(18,626)
Minority interests	(1)	(31)
	<hr/>	<hr/>
	15,521	(18,657)
	<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st October 2009

	31st October 2009 Unaudited HK\$'000	30th April 2009 Audited HK\$'000
<i>Notes</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	273	292
Investment properties	64,799	49,392
Investment in an associate	7,128	5,531
Available-for-sale investment	200	200
Prepayments	5,248	–
	<hr/>	<hr/>
Total non-current assets	77,648	55,415
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
CURRENT ASSETS		
Trade receivables	9	9
Prepayments, deposits and other receivables	214	309
Cash and bank balances	370	127
	<hr/>	<hr/>
Total current assets	618	445
	<hr/>	<hr/>
CURRENT LIABILITIES		
Other payables and accruals	10	630
Due to related companies	124	473
Interest-bearing bank borrowings	180	180
	<hr/>	<hr/>
Total current liabilities	597	1,283
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
NET CURRENT ASSETS/ (LIABILITIES)	21	(838)
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	77,669	54,577
	<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31st October 2009

	Notes	31st October 2009 Unaudited HK\$'000	30th April 2009 Audited HK\$'000
NON-CURRENT LIABILITIES			
Other payables	10	326	259
Interest-bearing bank borrowings		6,255	6,345
Loan from a shareholder		36,489	28,895
		<hr/>	<hr/>
Total non-current liabilities		43,070	35,499
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net assets		34,599	19,078
		<hr/>	<hr/>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	118,210	118,210
Reserves		(88,593)	(104,115)
		<hr/>	<hr/>
Minority interests		29,617	14,095
		4,982	4,983
		<hr/>	<hr/>
Total equity		34,599	19,078
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st October 2009

	Attributable to equity holders of the Company					Total	Minority interests	Total Equity
	Issued capital	Share premium account	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st May 2009	118,210	12,282	213	782	(117,392)	14,095	4,983	19,078
Profit for the period	-	-	-	-	14,318	14,318	(1)	14,317
Other comprehensive income for the period	-	-	950	254	-	1,204	-	1,204
Total comprehensive income for the period	-	-	950	254	14,318	15,522	(1)	15,521
At 31st October 2009	118,210	12,282*	1,163*	1,036*	(103,074)*	29,617	4,982	34,599
At 1st May 2008	118,210	12,282	2,325	1,762	(97,964)	36,615	5,014	41,629
Loss for the period	-	-	-	-	(15,244)	(15,244)	(31)	(15,275)
Other comprehensive income for the period	-	-	(1,194)	(2,188)	-	(3,382)	-	(3,382)
Total comprehensive income for the period	-	-	(1,194)	(2,188)	(15,244)	(18,626)	(31)	(18,657)
At 31st October 2008	118,210	12,282	1,131	(426)	(113,208)	17,989	4,983	22,972

* These reserve accounts comprise the consolidated negative reserves of HK\$88,593,000 (30th April 2009: HK\$104,115,000) in the unaudited condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	31st October	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(5,858)	(124)
Net cash outflow from investing activities	(8)	–
Net cash inflow from financing activities	6,109	509
Net increase in cash and cash equivalents	243	385
Cash and cash equivalents at beginning of period	127	117
Cash and cash equivalents at end of period	370	502

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Accounting policies

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the annual financial statements for the year ended 30 April 2009.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s accounting periods beginning on or after 1 May 2009.

HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligation Arising on Liquidation</i>
HKFRS 1 and HKAS 27 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	<i>Amendments to HKFRS 7 Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	<i>Amendments to HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreement for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i>
HKFRSs Amendments	<i>Improvements to HKFRSs</i>

1 Accounting policies (Continued)

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 8, which replaced HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments. The Group determined that the operating segments were the same as the business segments previously identified under HKAS 14 *Segment Reporting*.

The adoption of the other new and revised HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented.

2 Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i> ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs – The Additional Exemptions for First-time Adopters</i> ²
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i> ²
HKFRS 3 (Revised)	<i>Business Combinations</i> ¹
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ¹
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i> ³
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ⁴
HKFRS 9	<i>Financial Instruments</i> ⁵
HKAS 39 Amendments	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> ¹
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i> ¹

2 Impact of issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

- ¹ Effective for annual periods beginning on or after 1st July 2009
- ² Effective for annual periods beginning on or after 1st January 2010
- ³ Effective for annual periods beginning on or after 1st February 2010
- ⁴ Effective for annual periods beginning on or after 1st January 2011
- ⁵ Effective for annual periods beginning on or after 1st January 2013

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 May 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3 Segment information

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provided. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operation decision-maker.

Operating segment

	Property investment Unaudited HK\$'000	Investment holding Unaudited HK\$'000	Total Unaudited HK\$'000
Six months ended 31st October 2009			
Sales to external customers	<u>1,038</u>	<u>-</u>	<u>1,038</u>
Segment results	15,318	-	15,318
Share of profit of an associate	-	394	394
Finance costs			<u>(1,395)</u>
Profit before tax			14,317
Tax			<u>-</u>
Profit for the period			<u>14,317</u>

3 Segment information (continued)

Operating segment (continued)

	Property investment Unaudited <i>HK\$'000</i>	Investment holding Unaudited <i>HK\$'000</i>	Total Unaudited <i>HK\$'000</i>
Six months ended 31st October 2008			
Sales to external customers	1,060	–	1,060
Segment results	(8,881)	–	(8,881)
Share of loss of an associate	–	(6,665)	(6,665)
Finance costs			(1,260)
Loss before tax			(16,806)
Tax			1,531
Loss for the period			(15,275)

4 Revenue and other income

	Six months ended 31st October 2009 Unaudited <i>HK\$'000</i>	2008 Unaudited <i>HK\$'000</i>
Revenue		
Gross rental income	1,038	1,060
Other income		
Miscellaneous income	2	–

5 Finance cost

	Six months ended	
	31st October	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest on bank loan	154	167
Interest on loan from a shareholder	1,241	1,093
	<u>1,395</u>	<u>1,260</u>

6 Profit/(loss) before tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended	
	31st October	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Depreciation	27	10
Minimum lease payments under operating lease on land and buildings	87	96
Fair value losses/(gains) on investment properties	(15,407)	8,746
	<u>(15,407)</u>	<u>8,746</u>

7 Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2008: Nil). No provision for overseas tax has been provided as the Group did not generate any assessable profits arising outside Hong Kong during the period (2008: Nil).

	Six months ended	
	31st October	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current		
Hong Kong	-	-
Deferred	-	(1,531)
	<u> </u>	<u> </u>
	-	(1,531)
	<u> </u>	<u> </u>

The share of tax attributable to an associate amounting to HK\$96,000 (2008: Nil) is included in "Share of profit/(loss) of an associate" on the face of the unaudited condensed consolidated income statement.

8 Basic Earnings/(loss) per share attributable to ordinary equity holders of the Company

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity holders of the Company for the six months ended 31st October 2009 of HK\$14,318,000 (2008: loss HK\$15,244,000) and on the 591,047,975 ordinary shares (2008: 591,047,975 ordinary shares) in issue during the period.

Diluted earnings/(loss) per share amounts for the six months ended 31st October 2009 and 2008 have not been disclosed as no diluting events existed during the period.

9 Trade receivables

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

	31st October 2009 Unaudited HK\$'000	30th April 2009 Audited HK\$'000
One to two months	34	9

10 Other payables and accruals

	31st October 2009 Unaudited HK\$'000	30th April 2009 Audited HK\$'000
Other payables	481	510
Accruals	138	379
	619	889
Less: other payables classified as non-current liabilities	(326)	(259)
Current portion	293	630

Other payables are non-interest-bearing. Except for rental deposit payables of HK\$326,000 (30 April 2008: 259,000) which are included in the category of other payables classified as non-current liabilities, all other payables are expected to be settled within the next twelve months. The carrying amounts of other payables approximate to their fair values.

11 Share capital

	31st October 2009 Unaudited HK\$'000	30th April 2009 Audited 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

Subsequent to 31st October 2009, the authorised and issued share capital were increased for the Acquisition of Cosway Group and the Loan Capitalisation.

Further details of the Acquisition and Loan Capitalisation are disclosed in the announcements published on the Company's website on 13th October 2009, 23rd November 2009, 8th December 2009 and 14th December 2009 respectively.

12 Commitments

(a) As lessor

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 2009 HK\$'000	30th April 2009 HK\$'000
Within one year	470	1,563
One to five years	1,560	646
	2,030	2,209

12 Commitments (continued)

(b) *As lessee*

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 2009 HK\$'000	30th April 2009 HK\$'000
Within one year	157	45
One to five years	115	–
	272	45

13 Related party transactions

(a) The Group had the following material transactions with related parties during the period:

		Six months ended 31st October	
		2009	2008
	<i>Notes</i>	HK\$'000	HK\$'000
Interest expense paid to a shareholder	<i>(i)</i>	1,241	1,093
Rental income from a related company	<i>(ii)</i>	186	165

Notes:

- (i) Interest expense was charged at 3% per annum above the Hong Kong Dollar prime lending rate of the Hongkong and Shanghai Banking Corporation Limited on the loan from a shareholder.
- (ii) Rental income from a related company was charged in accordance with the terms set out in the agreement between the parties.

13 Related party transactions (continued)

(b) Outstanding balances with related parties:

- (i) Except for an amount due to a related company of HK\$118,000 (30th April 2009: HK\$118,000) which is repayable on the expiry of the lease term in relation to a lease arrangement entered into between the Company and that related company, amounts due to related companies, subsidiaries of the Company's substantial shareholder, are unsecured, interest-free and repayable on demand. The carrying amounts of balances with related companies approximate to their fair values.
- (ii) The loan from a shareholder is unsecured, bears interest at 3% per annum above the Hong Kong Dollar prime lending rate of the Hongkong and Shanghai Banking Corporation Limited and is not repayable within the next twelve months. The carrying amount of the loan approximates to its fair value.

(c) Compensation of key management personnel of the Group:

	Six months ended 31st October	
	2009	2008
	HK\$'000	HK\$'000
Short term employee benefits	101	177
Post-employment benefits	13	13
	<hr/>	<hr/>
Total compensation paid to key management personnel	114	190
	<hr/>	<hr/>

14 Post balance sheet events

On 13th October 2009, the Company has entered into various Sale and Purchase Agreements to acquire 100% of the Cosway Group (comprising 100% equity interest in Cosway M (including 60% equity interest already held by Cosway M in eCosway) and 40% equity interest in eCosway) at the consideration of HK\$2.47 billion in form of cash, Consideration shares and ICULS (the "Acquisition") (capitalized terms shall have the same meanings as defined in the circular dated 30th October 2009). The Acquisition is subject to certain conditions, among others, the approval of the Stock Exchange of the listing of and permission to deal in the Consideration shares and ICULS, approval by the independent shareholders at the Extraordinary General Meeting ("EGM"), Whitewash Waiver being obtained, approval of the shareholders at the EGM for the increase of the authorized share capital and consents of the relevant authorities and relevant bankers. On 13th October 2009, the Company also entered into the Loan Capitalisation Agreement with the substantial shareholder of the Company, Berjaya Group (Cayman) Limited ("BCayman") to which the Company shall allot to BCayman 180,000,000 shares and BCayman shall accept such Capitalisation Shares in satisfaction of HK\$36 million being part of the indebtedness due to BCayman. ("Loan Capitalisation").

The Independent Shareholders have approved the Acquisition and the Loan Capitalisation at the EGM held on 23rd November 2009 and all conditions precedent have been satisfied. Accordingly, the Acquisition has been completed on 8th December 2009. Consideration shares and ICULS have been allotted to the respective vendors in this regard. The Company has also passed a special resolution to change the name from "Berjaya Holdings (HK) Limited" to "Cosway Corporation Limited" to reflect the identity following the Acquisition. The change of name has taken effect on 11th December 2009.

Further details of the Acquisition and Loan Capitalisation, EGM, Completion of the Agreements and Change of Name are disclosed in the announcements published on the Company's website on 13th October 2009, 23rd November 2009, 8th December 2009 and 14th December 2009 respectively.