



BERJAYA HOLDINGS (HK) LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT OF 2002/2003 ANNUAL RESULTS

The Board of Directors of Berjaya Holdings (HK) Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30th April 2003 together with the comparative figures for the year ended 30th April 2002 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

| | | 2003 | 2002 |
|------------------------------------------------------------------------------|------|--------------|--------------|
| | Note | HK\$'000 | HK\$'000 |
| Turnover | 3 | 1,943 | 2,315 |
| Administrative expenses | | (3,065) | (4,430) |
| Other income/(expenses), net | | | |
| Revaluation deficit on investment properties and leasehold land and building | | (5,033) | (4,363) |
| Impairment loss on investment in an associated company | | (2,515) | – |
| Write-back of creditors and other liabilities | | 7,389 | – |
| Write-down in value of other unlisted investments | | – | (11,204) |
| Unrealised (loss)/gain on other listed investments | | (246) | 1,079 |
| Realised loss on other listed investments | | (948) | – |
| Impairment loss on land pending development | | – | (3,605) |
| Write-off of amounts due from related companies | | – | (2,547) |
| Write-off of mortgage loan receivable | | (561) | – |
| Others | | 201 | 23 |
| Operating loss | 4 | (2,835) | (22,732) |
| Finance costs, net | 5 | (4,207) | (3,811) |
| Share of (loss)/profit of an associated company | | (7,042) | (26,543) |
| | | (5,108) | 203 |
| Loss before taxation and minority interests | | (12,150) | (26,340) |
| Taxation | 6 | | |
| – Company and subsidiaries | | – | – |
| – Associated Company | | – | 3 |
| Loss after taxation | | (12,150) | (26,337) |
| Minority interests | | 41 | 3 |
| Loss attributable to shareholders | | (12,109) | (26,334) |
| Dividends | | – | – |
| Loss per share – Basic | 7 | (2.05) cents | (4.46) cents |
| Loss per share – Diluted | 7 | (2.05) cents | (4.46) cents |

Notes:

1. Basis of preparation of the financial statements

The Group sustained a loss attributable to shareholders of HK\$12,109,000 (2002: HK\$26,334,000) for the year ended 30th April 2003. The loss principally arose from revaluation deficits from its investment properties, impairment provision and share of loss on the investment in an associated company, and the finance costs on the secured long term bank loan and the loans due to related companies and shareholders.

As at 30th April 2003, the Group had consolidated net current liabilities of HK\$5,295,000 before the reclassification of certain investment property with an open market value of approximately HK\$5,406,000 into properties held for sale as further described below (2002: HK\$8,733,000). On the same date, the total assets less current liabilities of the Group was approximately HK\$107,757,000 (2002: HK\$116,177,000).

As at 30th April 2003, the Group was unable to repay certain bank loan instalments amounted to HK\$940,000 when they became due. However, the instalments were subsequently paid after year end.

Since the Group has investment properties, properties held for sale, leasehold land and building and land pending development with a total open market value of approximately HK\$118,426,000 and the bank loan is secured by investment properties and leasehold land and building of HK\$33,527,000, the Directors believe that the Group can service its loan repayment for the coming twelve months by disposing of some of its properties. Accordingly, the Group has identified and is currently seeking buyers to purchase its investment property in Penang, Malaysia which has an open market value of approximately HK\$5,406,000 in order to meet the repayment obligations of the long term bank loan within the next twelve months. The Directors of the Company are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). The accounts have been prepared under the historical cost convention as modified by the valuation of investment properties, leasehold land and building and certain investments in securities.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

| | |
|--------------------|--------------------------------------|
| SSAP 1 (revised): | Presentation of financial statements |
| SSAP 15 (revised): | Cash flow statements |
| SSAP 34 (revised): | Employee benefits |

The adoption of these revised SSAPs do not have any material impact on the reported financial position or results of the Group except for the presentation of accounts.

2. Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 30th April and the Group's attributable share of post-acquisition results and reserves of the associated company.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of a subsidiary.

The results of operation and net assets of a subsidiary, Zhong Freight Limited ("Zhong Freight"), have not been consolidated because the directors are of the opinion that the Company has no control over Zhong Freight as Zhong Freight is undergoing liquidation. Investment in unconsolidated subsidiaries is stated at cost less provision for any impairment in value. Income from the unconsolidated subsidiaries is accounted for to the extent of dividends declared.

3. Segment results

An analysis of the Group's turnover and contributions to operating loss by principal activities and markets is as follows:

| | Turnover | | Operating profit/(loss) | |
|-------------------------|--------------|--------------|-------------------------|-----------------|
| | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| By principal activities | | | | |
| Property letting | 1,943 | 2,315 | (5,521) | (9,002) |
| Property held for sale | – | – | – | – |
| Investment holding | – | – | 2,686 | (13,730) |
| | <u>1,943</u> | <u>2,315</u> | <u>(2,835)</u> | <u>(22,732)</u> |
| By principal markets | | | | |
| Hong Kong | 1,457 | 1,835 | (6,473) | (6,622) |
| Malaysia | 468 | 480 | (1,047) | (9,965) |
| Other | 18 | – | 4,685 | (6,145) |
| | <u>1,943</u> | <u>2,315</u> | <u>(2,835)</u> | <u>(22,732)</u> |

4. Operating loss

Operating loss is stated after charging the following:

| | 2003 | 2002 |
|-----------------------------------------------|-----------|-----------|
| | HK\$'000 | HK\$'000 |
| Auditors' remuneration | 280 | 290 |
| Depreciation of fixed assets | 206 | 251 |
| Staff costs (including directors' emoluments) | | |
| – salaries and other allowances | 849 | 1,287 |
| – pension scheme contributions | | |
| (net of forfeited contribution) | <u>46</u> | <u>75</u> |

5. Finance costs, net

| | 2003 | 2002 |
|----------------------------------------|--------------|--------------|
| | HK\$'000 | HK\$'000 |
| Interest expense on: | | |
| Bank loans repayable within five years | 884 | 885 |
| Bank loans repayable after five years | 322 | 586 |
| Loans from related companies | 426 | 210 |
| Loans from shareholders | 2,575 | 2,196 |
| | <u>4,207</u> | <u>3,877</u> |
| Interest income | – | (66) |
| | <u>4,207</u> | <u>3,811</u> |

6. Taxation

The Company has no estimated assessable profit for Hong Kong profits tax purposes. Taxation on overseas profits has been calculated on the estimated assessable profit for the year and at the rates prevailing in the respective jurisdictions. Potential deferred tax assets arising from estimated accumulated tax losses as of 30th April 2003 has not been recognised in the consolidated financial statements.

7. Loss per share

The calculation of loss per share is based on the consolidated loss attributable to shareholders for the year of approximately HK\$12,109,000 (2002: HK\$26,334,000) and the weighted average of 591,047,975 (2002: 591,047,975) ordinary shares in issue throughout the year ended 30th April 2003.

At 30th April 2003 and 2002, there were no dilutive financial instruments outstanding and therefore, the diluted loss per share for both years is the same as the basic loss per share.

PROPOSED FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 30th April 2003 (2002: Nil).

BUSINESS REVIEW AND PROSPECT

During the year, the Group reported a loss before taxation and loss attributable to shareholders of approximately HK\$12.15 million and HK\$12.11 million respectively compared to a loss before taxation of approximately HK\$26.34 million and loss attributable to shareholders of approximately HK\$26.33 million in the preceding year. This is primarily due to the revaluation deficit on investment properties and leasehold land and building of HK\$5.03 million, the impairment loss on investment in an associated company of HK\$2.52 million and the share of loss of an associated company of HK\$5.11 million. The Group continued to derive a stable level of rental income from investment properties.

Given the bullish property market in Shanghai, the Directors believe that the investment in the land in Pudong will provide great potential returns. The development of which will commence soon.

Other than that, the Directors will continue to seek other investment opportunities to provide growth and to improve the profitability of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year.

COMPLIANCE WITH 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 Stock Exchange of Hong Kong Limited throughout the year except as described below:

- 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
- full board meetings have not been held as frequently as every six months as the Directors consider meetings by circulation are sufficient.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

A detailed results announcement containing all the information required by paragraphs 45(1) to (3) inclusive of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

On behalf of the Board
TAN SRI DATO' TAN KOK PING
Chairman

Hong Kong, 13th August, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Members of the Company will be held at Unit 2301 Wing On House, 71 Des Voeux Road Central, Hong Kong on Monday, 19th September, 2003 at 10:00 a.m. for the following purposes.

ORDINARY BUSINESS

- To receive and consider the Reports of the Directors and of the Auditors, and the consolidated financial statements for the year ended 30th April, 2003;
- To re-elect Directors and to fix their remuneration;
- To re-appoint Auditors and authorise the Board to fix their remuneration;

SPECIAL BUSINESS

- To grant an unconditional general mandate to the Board of Directors to issue, allot and deal with additional shares in the capital of the Company.

By order of the Board
TAN EE LING
Executive Director

Hong Kong, 13th August, 2003

Note: The Register of Members will be closed from Thursday, 11th September 2003 to Friday, 19th September 2003 both days inclusive, during which period no transfer of share can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Secretaries Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 10th September 2003.