



# BERJAYA BERJAYA HOLDINGS (HK) LIMITED

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 288)

## ANNOUNCEMENT OF 2005/2006 ANNUAL RESULTS

The Board of Directors of Berjaya Holdings (HK) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30th April 2006 as follows:

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 2006

		2006 HK\$'000	Restated 2005 HK\$'000
	<i>Note</i>		
Turnover	2	5,677	1,957
Cost of sales		(4,449)	(475)
Gross profit		1,228	1,482
Other income		164	–
Administrative expenses		(3,846)	(4,020)
Change in fair value of investment properties		4,079	9,289
Loss on disposal of a subsidiary company		(9,635)	–
Operating (loss)/profit	4	(8,010)	6,751
Share of (loss)/profit of an associated company		(425)	218
Financial expenses	5	(5,883)	(4,415)
(Loss)/profit before taxation		(14,318)	2,554
Taxation	6	(714)	(1,626)
(Loss)/profit for the year		(15,032)	928
Attributable to:			
Equity holders		(14,945)	976
Minority interests		(87)	(48)
		(15,032)	928
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share	7	(2.53)	0.17

### CONSOLIDATED BALANCE SHEET AS AT 30TH APRIL 2006

		2006 HK\$'000	Restated 2005 HK\$'000
	<i>Note</i>		
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		112	129
Investment properties		45,795	41,716
Leasehold land for development		–	54,203
Associated company		5,633	5,643
Available-for-sale financial assets		295	–
Long-term investments		–	295
Amount due from a shareholder		559	559
Other receivable		8,210	–
		60,604	102,545
Current assets			
Property held for sale		–	4,162
Debtors and prepayments	8	31,495	566
Cash and bank balances		762	1,345
		32,257	6,073
Total assets		92,861	108,618
<b>EQUITY</b>			
Share capital		118,210	118,210
Reserves		(90,307)	(75,274)
Total equity		27,903	42,936
<b>LIABILITIES</b>			
Non-current liabilities			
Long-term liabilities		60,724	61,114
Deferred taxation liabilities		1,414	700
		62,138	61,814
Current liabilities			
Creditors and accruals	9	2,345	3,364
Current portion of long-term liabilities		475	504
		2,820	3,868
Total liabilities		64,958	65,682
Total equity and liabilities		92,861	108,618

#### Notes:

#### 1. Changes in accounting policies

For the financial year ended 30th April 2006, the Group adopted the following new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and interpretations (“HK(SIC) - Int”) (collectively the “new HKFRSs”), which are relevant to the operations of the Group.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HK(SIC)-Int 12	Consolidation – Special Purpose Entities
HK(SIC)-Int 15	Operating Leases – Incentives
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 3	Business Combinations

HKAS 1 has affected the presentation of minority interests, share of net after-tax results of an associated company and other disclosures. The adoption of new and revised HKASs 2, 7, 8, 10, 21, 23, 24, 27, 28, 33, 36 and HK(SIC)-Int 12 and 15, does not have any substantial changes to the accounting policies of the Group. The major changes to the principal accounting policies and effect of adopting these new policies are summarised as follows:

#### (i) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value and valuations are reviewed annually by external valuers. Changes in fair values are recognised in the profit and loss account.

In previous years, a deficit in valuation was charged to the profit and loss account; an increase was first credited to the profit and loss account to the extent of valuation deficit previously charged and thereafter was credited to the assets revaluation reserve. This accounting policy has been changed to conform with HKAS 40 “Investment Property”. As at 30th April 2005, the investment properties revaluation surplus was credited to the revaluation reserve and, consequently, a prior period adjustment has been made to transfer such reserve of HK\$3,998,000 to the accumulated loss.

#### (ii) Land held for development

The up-front prepayments made for leasehold land held for development are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account.

In previous years, the land held for development was stated at cost, less provisions for foreseeable losses. This accounting policy has been changed to conform with HKAS 17 “Leases”. As a result, a prior period adjustment has been made for the amortisation of leasehold land for the previous years amounting to HK\$15,444,000 and increasing accumulated loss as at 30th April 2005.

#### (iii) Investments

The Group has reclassified its investments in the balance sheet following the adoption of HKAS 39 “Financial Instruments: Recognition and Measurement”. In addition, available-for-sale financial assets and trading investments are subsequently carried at fair value. Derivatives are also categorised as trading investments unless they are designated as hedges. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the profit and loss account in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account.

In previous years, the Group classified its investments, other than subsidiaries and associated companies, as long-term investments. Long-term investments were carried at cost less provision. This change in accounting policy does not have any significant impact to the Group.

#### (iv) Deferred taxation

The adoption of HK(SIC)-Interpretation 21 “Income Taxes – Recovery of Revalued Non-Depreciable Assets” has resulted in a change in the accounting policy for deferred taxation in relation to the revaluation of investment properties. Such deferred taxation arising from the revaluation of the property should be calculated on the basis that the recovery of the carrying amount of the property would be through use.

In previous years, deferred taxation arising from the revaluation of the investment properties was calculated on the basis that the recovery of the carrying amount of the property would be through sale. As a result, prior year adjustment has been made to increase both deferred taxation liabilities and accumulated loss as at 30th April 2005 by HK\$700,000.

#### (v) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All changes in the accounting policies require retrospective application, except HKAS 39 for which transitional provisions are applied. As a result, the 2005 comparative figures have also been restated or amended in accordance with the relevant requirements. The effects of all the changes in accounting policies are summarised in notes (a) and (b) below.

**(a) Impact to 2006 financial statements**

The following summary sets out the increase/(decrease) of the relevant headings in the consolidated profit and loss account and consolidated balance sheet for the year ended 30th April 2006 following the adoption of new HKFRSs:

*(i) Consolidated profit and loss account*

	HKAS 17 HK\$'000	HKAS 40 HK\$'000	HK(SIC)-Int 21 HK\$'000	Total HK\$'000
Administrative expenses	975	—	—	975
Change in fair value of investment properties	—	4,079	—	4,079
Profit before taxation				3,104
Taxation	—	—	(714)	(714)
Profit/(loss) for the year	(975)	4,079	(714)	2,390
Attributable to:				
Equity holders	(975)	4,079	(714)	2,390
(Loss)/earnings per share (HK cents)	(0.16)	0.69	(0.12)	0.40

*(ii) Consolidated balance sheet*

	HKAS 17 HK\$'000	HKASs 32 and 39 HK\$'000	HKAS 40 HK\$'000	HK(SIC)-Int 21 HK\$'000	Total HK\$'000
<b>Non-current assets</b>					
Investment properties	—	—	4,079	—	4,079
Leasehold land for development	(975)	—	—	—	(975)
Available-for-sale financial assets	—	295	—	—	295
Long-term investments	—	(295)	—	—	(295)
<b>Total assets</b>	(975)	—	4,079	—	3,104
<b>Equity</b>					
Reserves	(975)	—	4,079	(714)	2,390
<b>Non-current liabilities</b>					
Deferred tax liabilities	—	—	—	714	714
<b>Total equity and liabilities</b>	(975)	—	4,079	—	3,104

**(b) Impact to 2005 financial statements**

The following summary sets out the impact made in accordance with the respective new HKFRSs as set out above to each of the relevant headings in consolidated profit and loss account and consolidated balance sheet as previously reported in the financial statements for the year ended 30th April 2005:

*(i) Consolidated profit and loss account*

	As previously reported HK\$'000	HKAS 17 HK\$'000	HKAS 40 HK\$'000	HK(SIC)-Int 21 HK\$'000	As restated HK\$'000
Turnover	1,957				1,957
Cost of sales	(475)				(475)
Gross profit	1,482				1,482
Administrative expenses	(2,628)	(1,392)			(4,020)
Change in fair value of investment properties	5,291		3,998		9,289
Operating profit	4,145				6,751
Share of profit of an associated company	218				218
Financial expenses	(4,415)				(4,415)
(Loss)/profit before taxation	(52)				2,554
Taxation	—			(1,626)	(1,626)
(Loss)/profit for the year	(52)	(1,392)	3,998	(1,626)	928
Attributable to:					
Equity holders	(4)	(1,392)	3,998	(1,626)	976
Minority interests	(48)	—	—	—	(48)
	(52)	(1,392)	3,998	(1,626)	928
(Loss)/earnings per share (HK cents)	(0.0007)	(0.24)	0.69	(0.28)	0.17

*(ii) Consolidated balance sheet*

	As previously reported HK\$'000	HKAS 17 HK\$'000	HK(SIC)-Int 21 HK\$'000	As restated HK\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	129			129
Investment properties	41,716			41,716
Leasehold land for development	69,647	(15,444)		54,203
Associated company	5,643			5,643
Long-term investments	295			295
Amount due from a shareholder	559			559
	117,989			102,545
<b>Current assets</b>				
Property held for sale	4,162			4,162
Debtors and prepayments	566			566
Cash and bank balances	1,345			1,345
	6,073			6,073
<b>Total assets</b>	124,062			108,618
<b>EQUITY</b>				
Share capital	118,210			118,210
Reserves	(59,130)	(15,444)	(700)	(75,274)
Total equity	59,080			42,936
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term liabilities	61,114			61,114
Deferred taxation liabilities	—		700	700
	61,114			61,814
<b>Current liabilities</b>				
Creditors and accruals	3,364			3,364
Current portion of long-term liabilities	504			504
	3,868			3,868
<b>Total liabilities</b>	64,982			65,682
<b>Total equity and liabilities</b>	124,062	(15,444)	—	108,618

**2 Turnover**

	2006 HK\$'000	2005 HK\$'000
Rental income	1,515	1,957
Sales of property held for sale	4,162	—
	5,677	1,957

**3 Segment information**

The Group is principally engaged in property investment, development and investment holding. 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 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 summary of business segment is set out as follows:

	Property investment HK\$'000	Property development HK\$'000	Investment holding HK\$'000	Total HK\$'000
<b>Year ended 30th April 2006</b>				
Turnover	5,677	—	—	5,677
Segment results	2,600	—	(10,610)	(8,010)
Share of loss of an associated company	—	—	—	(425)
Financial expenses	—	—	—	(5,883)
Loss before taxation				(14,318)
Taxation				(714)
Loss for the year				(15,032)
Equity holders				(14,945)
Minority interests	—	(87)	—	(87)
Segment assets	47,098	—	39,164	86,262
Associated company	—	—	5,633	5,633
Unallocated assets				966
Total assets				92,861
Segment liabilities	526	—	—	526
Unallocated liabilities				64,432
Total liabilities				64,958
Capital expenditure	—	—	139	139
Amortisation of leasehold land for development	—	—	975	975
Depreciation	—	—	20	20

**Year ended 30th April 2005**

Turnover	1,957	—	—	1,957
Segment results	8,143	—	(1,392)	6,751
Share of profit of an associated company	—	—	218	218
Financial expenses				(4,415)
Profit before taxation				2,554
Taxation				(1,626)
Profit for the year				928
Equity holders				976
Minority interests	—	(48)	—	(48)
Segment assets	43,627	4,162	54,203	101,992
Associated company	—	—	5,643	5,643
Unallocated assets				983
Total assets				108,618
Segment liabilities	501	—	—	501
Unallocated liabilities				65,181
Total liabilities				65,682
Capital expenditure	—	—	59	59
Amortisation of leasehold land for development	—	—	1,392	1,392
Depreciation	—	—	23	23

A summary of the geographical segments is set out as follows:

	Turnover HK\$'000	Operating profit/(loss) HK\$'000	Total asset HK\$'000	Capital expenditure HK\$'000
<b>Year ended 30th April 2006</b>				
Hong Kong	1,405	3,618	47,445	10
Malaysia/Singapore	4,267	(51)	5,677	—
Mainland China	5	(11,577)	39,739	129
	5,677	(8,010)	92,861	139
<b>Year ended 30th April 2005</b>				
Hong Kong	1,389	8,177	43,909	12
Malaysia/Singapore	458	118	9,870	—
Mainland China	110	(1,544)	54,839	47
	1,957	6,751	108,618	59

**4 Operating (loss)/profit**

Operating (loss)/profit is stated after (crediting) and charging the following:

	2006 HK\$'000	2005 HK\$'000
Depreciation	20	23
Amortisation of leasehold land for development	975	1,392
Staff costs (including Directors' remuneration)		
Salaries and other allowances	550	538
Contributions to defined contribution scheme	22	21
Exchange difference	469	(41)
Auditors' remuneration		
Audit services	310	280
Non-audit services	250	—

**5 Financial expenses**

	2006 HK\$'000	2005 HK\$'000
Interest on bank loans	638	572
Interest on loans from shareholders	4,631	3,321
Interest on loans from related companies	614	522
	5,883	4,415

**6 Taxation**

	2006 HK\$'000	2005 HK\$'000
Current	—	—
Deferred	714	1,626
	714	1,626

Provision for Hong Kong profits tax has been made at the rate of 17.5%.

7 (Loss)/earnings per share

The calculation of (loss)/earnings per share is based on the loss attributable to equity holders for the year of HK\$14,945,000 (2005: profit of HK\$976,000) and on the 591,047,975 shares (2005: 591,047,975 shares) in issue during the year.

	2006	2005
	HK\$'000	HK\$'000
Trade debtors (note a)	17	99
Amount due from a related company (note b)	30,954	–
Other debtors and prepayments	524	467
	<u>31,495</u>	<u>566</u>

- (a) Trade debtors are denominated in Hong Kong dollars, and the carrying amount of the balance approximates its fair value.
- 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:

	2006	2005
	HK\$'000	HK\$'000
31 to 90 days	<u>17</u>	<u>99</u>

- (b) During the year, the Group disposed of its entire 82% equity interest in a subsidiary company to third parties. In view of the foreign exchange control in China, part of the consideration amounting to RMB32,219,000 (equivalent to HK\$30,954,000) has therefore been received by a related company in China on behalf of the Group since the Group does not have a Renminbi bank account in China. The Group is in the process of applying to the State Administration of Foreign Exchange, Shanghai Branch for the approval to remit the said consideration out of China.

	2006	2005
	HK\$'000	HK\$'000
Other creditors	1,441	2,739
Accrued expenses	904	625
	<u>2,345</u>	<u>3,364</u>

BUSINESS REVIEW AND PROSPECT

During the year, the Group reported a loss before taxation and loss attributable to shareholders of approximately HK\$14.32 million and HK\$14.95 million respectively compared to a profit before taxation of approximately HK\$2.55 million and profit attributable to shareholders of approximately HK\$976,000 in the preceding year. This is primarily due to the loss on disposal of a subsidiary of HK\$9.64 million and the lower surplus of revaluation of investment properties of HK\$4.08 million recorded this year compared to HK\$9.29 million in the preceding year.

The Group continued to derive a stable level of rental income from investment properties. In January 2006, the Group has disposed of, through it’s wholly-owned subsidiary, the joint venture in Shanghai which owns a piece of land in the Pudong area, Shanghai for a consideration of HK\$39.42 million.

The Management 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.

DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of the year ended 30th April 2006 (2005: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company’s shares during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 22nd August 2006 to Wednesday, 30th August 2006, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for attending the forthcoming Annual General Meeting, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Monday, 21st August 2006.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out on the Code of Corporate Governance Practices (“Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in the year ended 30 April 2006 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 A.4.2

A special resolution will be proposed to amend the relevant Articles of Association of the Company in relation to the retirement of directors by rotation at the forthcoming Annual General Meeting in order to ensure compliance with the Code.

Code Provisions E.1.2

The chairman of the board was unable to attend the 2005 Annual General Meeting of the Company because of other business commitment.

Further information on the Company’s corporate governance practices is set out in corporate governance report contained in the Company’s annual report.

AUDIT COMMITTEE

The audit committee which comprises three Independent Non-Executive Directors has reviewed the annual results for the year ended 30 April 2006.

The figures in this preliminary announcement of the results of the Group for the year ended 30th April 2006 have been agreed by the Company’s auditors, PricewaterhouseCoopers, to the amounts set out in the Group’s consolidated financial statements for the year. PricewaterhouseCoopers’ works, in this respect, did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

The annual report of the Group containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

On behalf of the Board  
**Chan Kien Sing**  
*Chairman*

Hong Kong, 12 July 2006

As at the date of this announcement, the Board comprises Mr. Chan Kien Sing, Mr. Chin Chee Seng, Derek, Ms. Tan Ee Ling and Mr. Wong Man Hong as Executive Directors and Dato’ Lee Ah Hoe, Mr. Tan Tee Yong and Mr. Leou Thiam Lai as Independent Non-Executive Directors.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of the shareholders of Berjaya Holdings (HK) Limited (the “Company”) will be held at Unit 901-2, 9th Floor, 59 Connaught Road Central, Hong Kong on 30th August 2006, Wednesday at 10:00 a.m. for the following purposes:

- To receive the audited Financial Statements and the reports of the directors and of the auditors for the year ended 30th April 2006 which were set out in the Annual Report 2006 of the Company.
- To re-elect directors and to authorize the board of directors to fix directors’ remuneration.
- To re-appoint auditors and to authorize the board of directors to fix their remuneration.
- To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares (the “Shares”) in the capital of the Company and to make or grant offers, agreements and options which require exercise of such power be and it is hereby generally and unconditionally approved;
- the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as defined below), shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- for the purpose of this resolution:  
“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - the conclusion of the next annual general meeting of the Company;
  - the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinances to be held; or
  - the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at the date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

- To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT

- the existing articles of association of the Company be and are hereby amended in the following manner:
- by inserting the following wording as Article 60.5 after Article 60.4:  
“60.5 if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”
  - by inserting the following wording at the end of Article 62:  
“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- by deleting the existing Article 94 in its entirety and replacing therewith the following new Article 94:

“94 A Director appointed to an office under Article 93 shall be subject to the same provision as to rotation, resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.”

- by deleting the existing Article 110 in its entirety and replacing therewith the following new Article 110:

“110 At the annual general meeting to be held next after the adoption of these Articles and at every succeeding annual general meeting one third of the Directors for the time being (including those appointed for a specified term or holding office as Chairman, Deputy Chairman, Managing Director or other office) shall retire from office and shall be eligible for re-election. Every Director shall be subject to retirement by rotation at least once every three years or within such other period as the laws of such jurisdiction applicable to the Company. If the number of Directors subject to rotation is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office provided that every Director shall be subject to retirement at least once every three years. A Director retiring at a meeting as aforesaid shall retain office until the dissolution of that meeting.”

- by deleting the word “following annual” in the second sentence of the existing Article 115.”

Yours faithfully,  
By Order of the Board  
**Berjaya Holdings (HK) Limited**  
**Tan Ee Ling**  
*Executive Director*

Hong Kong, 12 July 2006

Head office  
Unit 901-2, 9th Floor  
59 Connaught Road Central  
Hong Kong

As at the date of this notice, the Board of Directors of the Company comprises four executive directors namely Mr. Chan Kien Sing, Mr. Chin Chee Seng, Derek, Ms. Tan Ee Ling, Mr. Wong Man Hong; and three Independent Non-Executive Directors namely Dato’ Lee Ah Hoe, Mr. Tan Tee Yong and Mr. Leou Thiam Lai.

Notes:

- A member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. The form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Registered Office of the Company at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- A member who is a corporation may by resolution of its directors or other governing body authorize any of its officials or any other persons to act as the representative in the meeting and exercise the same powers on its behalf as if he had been an individual member of the Company and such corporation shall be deemed to be present in person at any such meeting if a person so authorized is present thereof.
- The register of members will be closed from Tuesday, 22nd August 2006 to Wednesday, 30th August 2006 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the annual general meeting to be held on Wednesday, 30th August 2006, all transfers of shares accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Monday, 21st August 2006.
- Concerning the special resolution set out in item 5 of the above notice, approval is being sought to amend the Company’s Articles of Association in order to comply with certain provisions of the new Code on Corporate Governance Practices contained in Appendix 14 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- Information regarding the proposed resolutions nos.2, 4 and 5 are contained in the circular accompany the 2006 annual report for sending to the shareholders.