



Matrix International Berhad

(Incorporated in Malaysia)
(Company No. 3907-W)



**Annual
Report**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Amar Chong Siew Fai
- Chairman

Chan Kien Sing
Mark Wee Liang Yee
Robert Yong Kuen Loke
Derek Chin Chee Seng
Lim Meng Kwong
Heng Kiah Choong
John Ko Wai Seng
(Alternate Director to Mark Wee Liang Yee)

SECRETARIES

Su Swee Hong (MAICSA No. 0776729)
Wong Pooi Cheong (MAICSA No. 0782043)

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Sri Datuk Amar Chong Siew Fai
- Chairman/Independent Non-Executive Director

Chan Kien Sing
- Non-Independent/Non-Executive Director

Heng Kiah Choong
- Independent Non-Executive Director

SHARE REGISTRARS

Berjaya Registration Services Sdn Bhd
Lot C1-C3, Block C
2nd Floor, KL Plaza
179 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-2145 0533
Fax: 03-2145 9702

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

REGISTERED OFFICE

11th Floor, Menara Berjaya
KL Plaza, 179 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-2935 8888
Fax: 03-2935 8043

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
Bumiputra-Commerce Bank Berhad

STOCK EXCHANGE LISTING

Main Board of Kuala Lumpur Stock Exchange

STOCK SHORT NAME

MATRIX (3239)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF BOARD OF DIRECTORS

TAN SRI DATUK AMAR CHONG SIEW FAI

Chairman

(Independent / Non-Executive)

68 years of age, Malaysian, P.S.M., D.A., P.N.B.S.

He was appointed to the Board on 15 January 2003 as the Chairman. He was admitted to the Lincoln's Inn, London in 1962 to pursue his studies in Law and in 1965, he was called to the English Bar and the Sarawak Bar. Prior to pursuit of law studies, he had been a teacher for over 10 years.

He started his legal career as a practising Advocate in Sarawak. He was appointed a Judge of the High Court in Sabah and Sarawak and served in the High Court in Kuching, Kota Kinabalu and Sibu from 1980 to 1994. In 1994, he was elevated to the Federal Court of Malaysia. In 1995, he was appointed the Chief Judge of the High Court in Sabah and Sarawak and a Judge of the Special Court established under Article 182(1) of the Federal Constitution of Malaysia until his retirement in July 2001.

Whilst practising as an Advocate, he was the President of the Sarawak Advocates' Association from 1975 to 1979. During his tenure of office as the Chief Judge, he served as a Member of the Judicial and Legal Service Commission, Malaysia and also as a Member of the Law Revision Committee, Malaysia. His international judicial experiences include participation in the International Appellate Judges' Conference & the Commonwealth Chief Justices' Conference in Ottawa, Canada and the Asia Law Conference in Manila, Philippines. Currently he is also a Director of B.I.G. Industries Berhad and also a member of the panel of Arbitrators of the Regional Centre for Arbitration, Kuala Lumpur.



CHAN KIEN SING

(Non-Independent / Non-Executive)

47 years of age, Malaysian

He was appointed to the Board on 9 April 2001. He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab - Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad as General Manager, Investments.

Currently, he is the Chief Executive Officer of Berjaya Capital Berhad and an Executive Director of Berjaya Group Berhad and Berjaya Sports Toto Berhad. He is also an Alternate Director of DiGi.Com Berhad, a Director of Berjaya Vacation Club Berhad, Berjaya Holdings (HK) Limited and International Lottery & Totalizator Systems Inc, USA. He is a Director in DiGi Telecommunications Sdn Bhd and several other private limited companies in the Berjaya Group of Companies.

PROFILE OF BOARD OF DIRECTORS



MARK WEE LIANG YEE

(Non-Independent / Non-Executive)

37 years of age, Malaysian

He was appointed to the Board on 9 April 2001. Upon completion of his secondary education in 1983, he was appointed as Managing Director in his family business until 1986 under Wee Hood Teck Group of Companies which are involved in the development of shophouses, industrial factories and condominium development projects. He was the Deputy Managing Director of Empat Nombor Ekor (East Malaysia) Sdn Bhd for two years overseeing the number forecast operation. In 1988, he incorporated Tropicfair Sdn Bhd and Megaquest Sdn Bhd to conduct and operate sweepstakes and number forecast operation for the Sarawak Turf and Equestrian Club and serves as Executive Chairman in both companies.

ROBERT YONG KUEN LOKE

(Non-Independent / Non-Executive)

51 years of age, Malaysian

He was appointed to the Board on 9 April 2001. He is a Fellow member of The Institute of Chartered Accountants (England and Wales), and a member of Malaysian Institute of Accountants and Institute of Certified Public Accountants of Singapore. He is also a Council member of Malaysian Institute of Certified Public Accountants. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked for more than five years in chartered accounting firms in London, including two years with Moore Stephens & Co. Subsequently, he served as an Audit Manager with Price Waterhouse, Singapore from 1979 to 1982. Prior to joining the Berjaya Group of Companies in 1987, he served as Group Finance Manager in UMW Holdings Berhad and as Group Treasurer in Edaran Otomobil Nasional Bhd.

Currently, he is an Executive Director of Berjaya Group Berhad, Berjaya Land Berhad and Berjaya Sports Toto Berhad. He is also a Director of Cosway Corporation Berhad, Berjaya Capital Berhad and Taiga Forest Products Ltd.(Canada). He also holds directorships in Berjaya Golf Resort Berhad and various subsidiaries of the Berjaya Group of Companies.



DEREK CHIN CHEE SENG

(Non-Independent / Non-Executive)

46 years of age, Malaysian

He was appointed to the Board on 9 April 2001. He holds a BA (Hons) Business Law degree from City of London Polytechnic (now known as London Guildhall University) and is a Barrister-at-law. He is currently heading the Legal Department of Berjaya Group of Companies as its Senior General Manager. Prior to joining Berjaya Group Berhad in August 1989, he was practising as an Advocate & Solicitor for six years with the legal firm of Allen & Gledhill in Kuala Lumpur.

Currently, he is also a Director in Berjaya Holdings (HK) Limited and holds directorships in various subsidiaries and associate companies of the Berjaya Group of Companies.

PROFILE OF BOARD OF DIRECTORS

LIM MENG KWONG

(Non-Independent / Non-Executive)

50 years of age, Malaysian

He was appointed to the Board on 7 May 2003. He is a member of Malaysian Institute of Accountants and holds a Master's degree in Business Administration from Cranfield Institute of Management, United Kingdom.

Currently, he is the head of the Group Investment Division of Berjaya Group Berhad holding the position of Senior General Manager. Prior to joining Berjaya Group Berhad, he was working in the Corporate Finance Division in a leading local merchant bank and has various financial and audit experience both in Malaysia and the United Kingdom. He holds directorships in various subsidiaries of Matrix International Berhad and Berjaya Group of Companies.



HENG KIAH CHOONG

(Independent / Non-Executive)

54 years of age, Malaysian

He was appointed to the Board on 27 February 2001. He started his sports-related business upon completion of his Secondary Education in 1966. Currently, he is the Managing Director of Sai (M) Sdn Bhd, overseeing the overall management of the graphic design and Sports Event Management departments. He has extensive interest in sports-related business and activities. He is currently the Vice-President of the Malaysian Tenpin Bowling Congress, President of Kuala Lumpur Tenpin Bowling Congress, Chairman of the Asian Bowling Federation Marketing & Development committee and a Member of the World Tenpin Bowling Association Marketing Committee. His company is the marketing representative of the International Sepak Takraw Federation responsible in the marketing and promotion of sepak takraw and distribution of sepak takraw equipment.

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.

GROUP FINANCIAL HIGHLIGHTS

Description	After change in shareholding*		Before change in shareholding*			
	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
Revenue	191,444	333,751	1,215,953	1,013,563	912,446	943,391
Profit Before Taxation	17,872	21,211	28,538	15,339	11,028	21,634
Profit Attributable To Shareholders	10,515	14,230	13,276	17,367	4,898	15,214
Share Capital	166,004	41,501	41,501	41,501	41,501	41,501
Reserves	36,590	162,364	149,919	138,570	133,155	142,599
Shareholders' Funds	202,594	203,865	191,420	180,071	174,656	184,100
Minority Interests	2,771	2,553	12,095	11,376	15,918	14,779
Deferred Taxation	826	904	-	68	68	68
Long Term Liabilities	-	-	25,449	30,037	33,454	15,902
Current Liabilities	15,564	23,933	337,758	298,477	257,086	283,734
	221,755	231,255	566,722	520,029	481,182	498,583
Property, Plant and Equipment	14,813	22,355	126,972	134,356	146,308	123,924
Associated Company	-	-	1,773	1,888	1,970	1,980
Investments	3,156	1,120	-	-	-	-
Goodwill	179,323	158,043	-	-	-	-
Other Intangible Assets	6,630	-	-	-	-	-
Deferred Expenditure	-	-	-	312	1,634	220
Current Assets	17,833	49,737	437,977	383,473	331,270	372,459
Total Assets	221,755	231,255	566,722	520,029	481,182	498,583
Net Tangible Assets Per Share (RM)	0.14	0.28	1.15	1.08	1.05	1.11
Net Assets Per Share (RM)	1.22	1.23	1.15	1.08	1.05	1.11
Earnings Per Share (Sen)	6.33	8.57	8.00	10.5	2.95	9.16
Gross Dividend Rate (%)	7.00	3.00	6.45	40.0	48.0	12.5

Note:

Figures for 1997 to 2000 are for the year ended 31 December; figures for 2002 are for the 16 months period ended 30 April; figures for 2003 are for the year ended 30 April. Where additional shares are issued, the earnings per share are calculated on a weighted average number of shares.

Net tangible assets per share, net assets per share and earnings per share prior to year 2003 have been adjusted for the effect of bonus shares issued in the financial year ended 30 April 2003.

*Change in shareholding relates to a major change in directorate and direction of the Company

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the Annual Report and Financial Statements of the Group for the financial year ended 30 April 2003.

FINANCIAL RESULTS

For the financial year ended 30 April 2003, the Group registered a revenue of RM191.4 million and pre-tax profit of RM17.9 million, compared to revenue of RM333.8 million and pre-tax profit of RM21.2 million for the 16-month period ended 30 April 2002.

The decline in revenue was mainly due to the deconsolidation of Sabah Flour and Feed Mills Sdn Bhd ("SFFM") following the completion of the disposal of its entire equity in September 2002.

Profit attributable to the shareholders of the Company for the year under review was RM10.5 million. If the results of the previous financial period were pro-rated to 12 months for comparison with the year under review, the profit attributable to shareholders would be RM10.7 million.



A gaming outlet in Sibul, Sarawak

With the disposal of SFFM during the financial year, the Group's principal activity is now gaming, operated through Natural Avenue Sdn Bhd ("NASB").

DIVIDEND

For the financial year under review, the Board declared and paid a first and second interim dividends of 2% and 5% less 28% income tax in January 2003 and July

2003 respectively. The total dividend paid in respect of the financial year ended 30 April 2003 was 7% (16-month period ended 30 April 2002 : 3%)



Draw Hall, in the office building of Centraland Commercial Park

CORPORATE DEVELOPMENTS

In September 2002, the Company completed a 3 for 1 bonus issue of 124.5 million new ordinary shares of RM1.00 each. The aforesaid shares have been granted listing and quotation on the Main Board of the Kuala Lumpur Stock Exchange on 30 September 2002.



External view of Sarawak Turf and Equestrian Club

The disposal of the entire equity of SFFM to Interflour Holdings Limited for RM26 million was completed on 24 September 2002.

The acquisition of the entire equity of Sublime Cartel Sdn Bhd ("SCSB") for RM28 million was completed on 27 September 2002. SCSB is principally involved in the provision of lottery consultancy and related services.

CHAIRMAN'S STATEMENT

In spite of a sluggish economy, which was further aggravated by the war in Iraq and the outbreak of the Severe Acute Respiratory Syndrome in the later part of the financial year under review, NASB's financial performance was commendable. The company recorded a revenue net of gaming tax of RM138 million for the 12 months ended 30 April 2003 compared to RM173 million recorded for the 16-month period ended 30 April 2002. On a pro-rated basis, the revenue for the financial year under review has shown an average increase of 6.3% over the previous financial period. Pre-tax profit increased from RM11 million in the previous financial period to RM14 million for the year ended 30 April 2003, registering a growth of 27.2% despite a shorter reporting period for the financial year under review.



The Controller & Chairperson inspect, weigh and measure the balls to ensure that the diameter and weight meet the required specifications.

During the year under review, the company invested some RM5 million mainly for the acquisition of land and building and related renovation and furnishings for the new draw hall, computer disaster recovery centre, regional office, training centre and engineering workshop.

This investment is expected to benefit the operations in the coming years.

The draw hall which will be relocated from its present remote site at the Turf Club to its newly acquired premises in the Kuching commercial centre will enhance the credibility of the draws and public exposure. The relocation of the Kuching regional office to the new premises which



A gaming outlet in Kuching, Sarawak

is more easily accessible will better serve our customers and agents for the promotion of our products.

During the financial year, NASB had obtained approval from the Ministry of Finance to revise the rate of Pool Betting Duty from 12% to 6% of net sales for the 1+3D number forecast games. Under the revision exercise, the first prize payout for the 1+3D Big game is increased from RM2,200 to RM2,500, and the 1+3D Small game, from RM3,000 to RM3,500 respectively for every RM1.00 stake. The payout for starters is also increased from RM180 to RM200 for every RM1.00 stake. These revisions, which took effect from 1 January 2003, are expected to have a positive impact on the revenue and earnings of the company in the future financial years.

During the year under review, the Group consolidated 5 months of revenue of SFFM of RM41.37 million and profit before tax of RM1.59 million before its disposal in September 2002.



Draw personnel & audience witnessing the draw results

CHAIRMAN'S STATEMENT

FUTURE OUTLOOK

With the disposal of SFFM and the acquisition of SCSB and NASB, the Group is focusing on the gaming business as its core activity. The Number Forecast business is a profitable business with good returns, generates strong cashflows and has growth prospects. With the revised prize payout in place, the Directors expect the current financial year 2004 to be a better year.

APPRECIATION

On behalf of the Board, I would like to express my deep appreciation to the management, employees and agents for their hardwork and dedication and I urge them to continue with the high level of commitment for the betterment of the Group. I would also like to record my sincere gratitude to our customers, business associates, government authorities and shareholders for their continuous support and co-operation.

Tan Sri Datuk Amar Chong Siew Fai

Chairman

12 August 2003

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Matrix International Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2003.

During the financial year ended 30 April 2003, the Audit Committee has been re-designated as the Audit and Risk Management Committee.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit and Risk Management Committee comprises the following:-

Tan Sri Datuk Amar Chong Siew Fai
- Chairman/Independent Non-Executive Director

Chan Kien Sing
- Non-Independent/Non- Executive Director

Heng Kiah Choong
- Independent Non-Executive Director

The Audit and Risk Management Committee held two (2)[#] meetings during the financial year ended 30th April 2003. The details of attendance of the members are as follows:-

Name	Attendance
Tan Sri Datuk Amar Chong Siew Fai (appointed on 15-1-2003)	1/1*
Chan Kien Sing	2/2*
Heng Kiah Choong	2/2*

* *Reflects the attendance and the number of meetings held during the financial year the member held office.*

Two (2) other Audit Committee Meetings scheduled for the year could not be held due to a lack of quorum. The previous Chairman of the Audit Committee was unable to attend the meetings due to medical reasons.

The Senior General Manager of Group Accounts and Budgets was also invited to attend the Audit and Risk Management Committee meetings. The external auditors were also invited to attend one of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities undertaken by the Audit and Risk Management Committee during the financial year ended 30 April 2003 include the following:-

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
2. Reviewed the external auditors' scope of work and audit plan for the year;
3. Reported and updated the Board on the new developments on accounting standards issued by Malaysian Accounting Standards Board and concerns discussed during the Audit and Risk Management Committee's meetings and made the necessary recommendations to the Board.

INTERNAL AUDIT FUNCTION

For the financial year ended 30 April 2003, the internal audit function was outsourced to the immediate holding Company's internal auditors, whose primary function is to assist the Audit and Risk Management Committee in discharging its duties and responsibilities. Their role is to provide the Audit and Risk Management Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

In addition, the Audit and Risk Management Committee worked closely with the external auditors in reviewing the audit plan, systems of control and view any related party transactions. The recommendations of the external auditors are taken up at the Board level by Audit and Risk Management Committee for implementation.

The Audit and Risk Management Committee has also placed reliance on its external auditors to highlight any material weakness in the internal control system of the Group arising as a result of the statutory audit of the Group.

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The terms of reference of the Audit and Risk Management Committee have been revised to include the terms of reference for risk management.

1. MEMBERSHIP

The Audit and Risk Management Committee ("the Committee") shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Kuala Lumpur Stock Exchange.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the board of directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. QUORUM

A quorum for the Committee shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. SECRETARY

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors excluding the attendance of the executive members of the Committee, wherever deemed necessary.

7. DUTIES

The duties of the Committee shall be:-

- (a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;
- (b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;
- (c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:-
 - going concern assumption
 - compliance with accounting standards and regulatory requirements
 - any changes in accounting policies and practices
 - significant issues arising from the audit
 - major judgemental areas;
- (d) To prepare Audit Committee Report at the end of each financial year;
- (e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditors' management letter and management's response;
- (g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (h) To do the following when the internal audit function is established:-
- review the adequacy of scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work;
 - review internal audit programme;
 - ensure coordination of external audit with internal audit;
 - consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of the staff of the internal audit function;
 - approve any appointment or termination of senior staff member of the internal audit function;
 - inform itself of resignations of internal audit staff members and provide the resigning staff member a opportunity to submit his/her reason for resignation;
 - to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
 - to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;
- (i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit and Risk Management Committee and the Board of Directors from time to time;
- (j) In compliance with Paragraph 15.17 of the Kuala Lumpur Stock Exchange ("the Exchange") Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to the Exchange;
- k) To undertake the following risk management activities:-
- *Establishing Strategic Context* -
Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.
 - *Establishing Risk Management Processes* -
Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.
 - *Establishing Risk Management Structure* -
Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.
 - *Embedding Risk Management Capability* -
Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.
 - *Establishing Reporting Mechanism* -
Providing a consolidated risk and assurance report to the Board and Audit Committee to support the statement relating to internal control in the company's annual report.
 - *Integrating & coordinating assurance activity* -
Ensuring alignment and coordination of assurance activity across the organization.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- *Establishing Business Benefits -*
Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.
- *Establishing Effectiveness of Risk Management Processes -*
Simplifying and improving the effectiveness of existing risk management structures.
- *Managing the Group Wide Risk Management Programme -*
Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme (GWRM).

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring that the principles and best practices in corporate governance under the Malaysian Code on Corporate Governance are practised by the Company.

Set out below is a description of how the Corporate Governance framework is applied by the Company for the financial year ended 30th April 2003:-

A. Directors

i) The Board

The Board is responsible for the effective leadership and control of the Matrix group and this includes the following:-

- (a) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- (b) Identifying principal risks to ensure the implementation of appropriate systems to manage these risks;
- (c) Maintaining shareholders and investors relations of the Company; and
- (d) Reviewing the adequacy and integrity of the Company's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board currently has seven members and is comprised of five Non-independent/Non-Executive Directors, and two Independent Non-Executive Directors. The qualifications and experience of each of the Director is set out in the Directors' profile from Pages 3 to 5 of the Annual Report.

During the financial year ended 30th April 2003, five Board Meetings were held and the attendance record of the Directors is set out below:-

Name of Directors	Number of Meetings Attended
Tan Sri Datuk Amar Chong Siew Fai (appointed on 15.1.2003)	1/1*
Mark Wee Liang Yee	3/5
Chan Kien Sing	5/5
Robert Yong Kuen Loke	4/5
Derek Chin Chee Seng	3/5
Heng Kiah Choong	5/5
Lim Meng Kwong (appointed on 7.5.2003)	-

* Reflects the attendance and the number of meetings held during the financial year the member held office.

ii) Nomination Committee

A Nomination Committee currently comprises the following members:-

Chan Kien Sing
- Chairman/Non-Executive Director

Tan Sri Datuk Amar Chong Siew Fai
- Independent/Non-Executive Director

Heng Kiah Choong
- Independent/Non-Executive Director

The Committee is empowered by its terms of reference and its primary function is to recommend to the Board, candidates for directorships of the Company and its subsidiaries and Directors to fill the seats on Board Committees.

The Committee will review the required mix of skills and experience of the Directors of the Board, in determining the appropriate Board balance and size of the non executive participation.

iii) Directors' Training

All Directors and Alternate Director have attended and completed the Mandatory Accreditation Programme ("MAP") conducted by the Research Institute of Investment Analysts Malaysia ("RIIAM"), an affiliate company of the Kuala Lumpur Stock Exchange ("KLSE").

The Directors will continue to undergo other relevant training programme to further enhance their skills and knowledge as well as the latest statutory and/or regulatory requirements on a continuous basis in compliance with Practice Note.15/2003 of the KLSE Listing Requirements on the Continuing Education Programme.

iv) Supply of Information

The Directors are provided with the relevant agenda and Board papers in sufficient time prior to Board Meetings to enable the Directors to obtain further clarifications or explanations, if any to facilitate informed decision making. The Board papers include reports on financial, operational and corporate developments of the group. The Directors also have access to the advice and services of the Company Secretaries and independent professional advice, where necessary at the expense of the Company.

STATEMENT ON CORPORATE GOVERNANCE

v) Re-election

All Directors are required to submit themselves for re-election and at least once in every three years. New Directors appointed since the last Annual General Meeting will be subject to re-election at the forthcoming Annual General Meeting. Pursuant to Section 129(6) of the Companies Act, 1965, Directors who are over seventy (70) years of age are required to submit themselves for reappointment at the Annual General Meeting.

	Fees (RM)	Other Emoluments (RM)	Total (RM)
Executive	-	-	-
Non-Executive	103,000	6,000	109,000
	<u>103,000</u>	<u>6,000</u>	<u>109,000</u>

The number of Directors of the Company who served during the financial year and whose total remuneration from the Group falling within the respective band are as follows:-

B. Directors' Remuneration

i) Remuneration Committee

A Remuneration Committee currently comprises the following members:-

Tan Sri Datuk Amar Chong Siew Fai
- Chairman/Independent/Non-Executive Director

Heng Kiah Choong
- Independent/Non Executive Director

Chan Kien Sing
- Non-Executive Director

The primary functions of the Remuneration Committee are to set up the policy framework and to recommend to the Board on all elements of the remuneration package of the executive directors. The determination of remuneration packages of non-executive directors, including the non-executive Chairman, is a matter for the Board as a whole with the Directors concerned abstaining from deliberation and voting on decision in respect of his individual remuneration.

The fees payable to the Directors will be recommended by the Board for approval by shareholders at the Annual General Meeting.

ii) Details of the Directors' remuneration

For the year ended 30th April 2003, the aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components are as follows:-

	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	5

C. Relations with Shareholders and Investors

Shareholders are encouraged to attend and participate at the Company's Annual General Meeting where the Board members, senior management and Auditors in attendance will clarify any questions or issues in relation to the Company's performance, operations or any other concerns or expectation.

Shareholders, investors and members of the public can also have an overview of the group's performance and operation via the quarterly financial reports, annual reports, announcements and circulars to shareholders made by the Company to the Kuala Lumpur Stock Exchange ("KLSE") during the year. Such information may also be obtained from the Group's website at www.berjaya.cc or the KLSE website at www.klse.com.my

The Board has appointed Tan Sri Datuk Amar Chong Siew Fai as the Senior Non-Executive Director to whom shareholders' concerns may be conveyed.

D. Accountability and Audit

i) Financial Reporting

The Directors aim to provide a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the Annual Report and quarterly financial statements.

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

STATEMENT ON CORPORATE GOVERNANCE

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

ii) Statement of Directors' Responsibility in respect of the Financial Statements

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- (c) make judgements and estimates that are reasonable and prudent; and
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

iii) Internal Controls

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on Internal Control of the Group is set out on Page 17 of the Annual Report.

iv) Relationship with the External Auditors

Through the Audit and Risk Management Committee, the Company has established a transparent and appropriate relationship with the Group's external auditors. From time to time, the auditors highlight to the Audit and Risk Management Committee and the Board on matters that require the Board's attention.

STATEMENT ON INTERNAL CONTROL

Responsibility

The Board of Directors of Matrix International Berhad recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group. The system of internal control of the Group is designed to manage rather than eliminate the risk of failure to achieve business objectives and thus only provides reasonable but not absolute assurance against material misstatement or loss.

The Board's primary objective and direction in managing the Group's risks are focussed on the achievement of the Group's business objectives. The Board, throughout the financial year under review, has identified, evaluated and managed the significant risks faced by the Group through the monitoring of the Group's performance and profitability at its Board meetings.

In line with the Malaysian Code of Corporate Governance, and as part of the Company's plans to further enhance the Group's system of internal control, the Board took cognizance of the importance of having a committee to oversee the task. The Board entrusts the Audit Committee with the overall responsibility to regularly review and monitor the risk management activities of the Group and to approve appropriate risk management procedures and measurement methodologies. Previously, a system that manages risk has already been in place but this system only lacks mere formality and the system was formalised with the Audit Committee assuming this additional role. The Audit Committee is now re-designated as the Audit and Risk Management Committee ("ARMC"). Such move towards a structured risk management process will undoubtedly lead to more effective and efficient identification, evaluation, management and reporting of the Group's risk.

Management Style and Control Consciousness

The Group's main focus is on gaming activities, operated by its principal subsidiary, Natural Avenue Sdn Bhd ("NASB"). Management is delegated with responsibility of managing day to-day operations of the Group. Management of NASB, led by its General Manager, ensures that there are adequate controls in place to manage the strategic, operational and financial aspects of the business. NASB has formulated a business plan, which include the strategies and goals and an

assessment of its current position and future prospects and presented to the Board for approval. The Board also receives regular updates on the Group's performance from management at Board meetings.

The key features of the framework, which encompasses NASB's system of internal control, include:

- Clear reporting line
- Segregation of duties
- Monitoring mechanisms (reports & meetings)
- Surprise checks on agents
- Physical security and Systems access controls
- Trained personnel
- Formal operating and draw procedures
- Independent assurance on the system of internal control from regular internal audit visits

Assurance Mechanism

The Board had tasked the ARMC, in their Terms of Reference, with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Board reviews the minutes of the ARMC's meetings. Internal audit reviews of the Group is provided by the immediate holding company, Berjaya Land Berhad and will primarily focus on the Group's gaming activities. The Internal Audit function will report directly to the ARMC. The report of the ARMC is set out on pages 10 to 13 of the Annual Report.

The Board is committed towards operating a sound system of internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and of the Group for the financial year ended 30 April 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies consist of:

- (i) general trading and commission agent for the Special Cash Sweep Number Forecast Lotteries;
- (ii) provision of lottery consultancy and related services; and
- (iii) investment holding.

There have been no significant changes in the nature of the Group's activities during the financial year other than the disposal and acquisition of subsidiary companies as disclosed in Note 31 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit before taxation	17,872	7,509
Taxation	(3,467)	(3,230)
Profit after taxation	14,405	4,279
Minority interests	(3,890)	-
Profit attributable to members of the Company	10,515	4,279
Retained profits brought forward	136,761	141,497
Profit available for appropriation	147,276	145,776
Less : Bonus issue (3:1)	(124,503)	(124,503)
Interim dividend of 2% less 28% income tax	(2,390)	(2,390)
Prior year's interim dividend of 3% less 28% income tax	(896)	(896)
Retained profits carried forward	19,487	17,987

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company and of the Group during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 22 to the financial statements.

DIRECTORS' REPORT

DIVIDENDS

Dividends paid by the Company since 30 April 2002 were as follows:

RM'000

In respect of the financial period ended 30 April 2002 as reported in the directors' report of that period:

Interim dividend of 3% per share on 41,501,170 ordinary shares, less 28% income tax, paid on 22 July 2002	896
--	-----

In respect of the financial year ended 30 April 2003:

First interim dividend of 2% per share on 166,004,680 ordinary shares, less 28% income tax, paid on 3 January 2003	2,390
	<hr/>
	3,286
	<hr/> <hr/>

On 6 June 2003, the Directors declared a second interim dividend of 5% per share on 166,004,680 ordinary shares, less 28 % income tax, amounting to RM5,976,168 which was paid on 7 July 2003. The financial statements for the current financial year do not reflect this dividend as it was declared after the balance sheet date. As such, this dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2004.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk Amar Chong Siew Fai	(Appointed on 15 January 2003)
Mark Wee Liang Yee	
Chan Kien Sing	
Robert Yong Kuen Loke	
Derek Chin Chee Seng	
Heng Kiah Choong	
Lim Meng Kwong	(Appointed on 7 May 2003)
John Ko Wai Seng (Alternate to Mark Wee Liang Yee)	
Tan Sri Datuk Amar Lee Hun Hoe	(Retired on 25 September 2002)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares and debentures of related corporations as stated below:

ULTIMATE HOLDING COMPANY

	<u>No. of Ordinary Shares of RM1.00 each</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Berjaya Group Berhad				
Robert Yong Kuen Loke	200,000	-	-	200,000

	<u>No. of RM1.00 Nominal Value of 5% Irredeemable Convertible Unsecured Loan Stocks 1999 / 2009</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Robert Yong Kuen Loke	139,000	-	-	139,000

HOLDING COMPANY

	<u>No. of Ordinary Shares of RM1.00 each</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Berjaya Land Berhad				
Robert Yong Kuen Loke	90,000	-	-	90,000

OTHER RELATED CORPORATIONS

	<u>No. of Ordinary Shares of RM1.00 each</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Cosway Corporation Berhad				
Robert Yong Kuen Loke	780,000	-	-	780,000

	<u>No. of Ordinary Shares of RM1.00 each</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Berjaya Capital Berhad				
Chan Kien Sing	10,000	-	-	10,000
Robert Yong Kuen Loke	168,000	-	-	168,000

	<u>No. of Ordinary Shares of RM1.00 each</u>			
	At 1.5.02	Bought	Sold	At 30.4.03
Unza Holdings Berhad				
Robert Yong Kuen Loke	79,000	-	-	79,000
Derek Chin Chee Seng	11,000	-	1,000	10,000
Mark Wee Liang Yee	10,000	-	-	10,000

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

ISSUE OF SHARES

During the financial year, the Company increased its:

- (a) authorised share capital from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each through the creation of 450,000,000 ordinary shares of RM1.00 each; and
- (b) issued and paid-up share capital from RM41,501,170 to RM166,004,680 by way of bonus issue of 124,503,510 ordinary shares of RM1.00 each on the basis of three new ordinary shares for every one existing ordinary share held. The bonus shares rank pari passu in all respects with existing ordinary shares.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 31 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Company and of the Group were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make a provision for doubtful debts in respect of these financial statements; and
 - (ii) the values attributed to the current assets in the financial statements of the Company and of the Group misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company or of the Group which has arisen since the end of the financial year.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company or of the Group to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors

CHAN KIEN SING

ROBERT YONG KUEN LOKE

Kuala Lumpur, Malaysia
12 August 2003

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, CHAN KIEN SING and ROBERT YONG KUEN LOKE, being two of the Directors of MATRIX INTERNATIONAL BERHAD do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 26 to 54 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:

- (i) the state of affairs of the Company and of the Group as at 30 April 2003 and of the results of the business of the Company and of the Group for the year ended on that date; and
- (ii) the cash flows of the Company and of the Group for the year ended 30 April 2003.

Signed on behalf of the Board in accordance with a resolution of the Directors

CHAN KIEN SING

ROBERT YONG KUEN LOKE

Kuala Lumpur, Malaysia
12 August 2003

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, TAN THIAM CHAI, being the person primarily responsible for the financial management of MATRIX INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 26 to 54 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed TAN THIAM CHAI at Kuala Lumpur
in the Federal Territory on 12 August 2003

TAN THIAM CHAI

Before me,

SOH AH KAU (W315)
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS

REPORT OF THE AUDITORS TO THE MEMBERS OF MATRIX INTERNATIONAL BERHAD

We have audited the accompanying financial statements set out on pages 26 to 54. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company and of the Group as at 30 April 2003 and of the results and the cash flows of the Company and of the Group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 32 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG
AF : 0039
Chartered Accountants

Yap Seng Chong
2190 / 12 / 03(J)
Partner

Kuala Lumpur, Malaysia
12 August 2003

BALANCE SHEETS

AS AT 30 APRIL 2003

	Note	GROUP		COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	14,813	22,355	-	-
Subsidiary companies	4	-	-	191,667	198,115
Associated company	5	-	-	-	-
Other investments	6	3,156	1,120	2,156	-
Goodwill on consolidation	7	179,323	158,043	-	-
Other intangible asset	8	6,630	-	-	-
		<u>203,922</u>	<u>181,518</u>	<u>193,823</u>	<u>198,115</u>
CURRENT ASSETS					
Inventories	9	509	14,931	-	-
Receivables	10	1,962	19,584	7,434	34
Tax recoverable		691	498	611	-
Deposits	11	11,369	4,997	-	3,804
Cash and bank balances		3,302	9,727	950	16
		<u>17,833</u>	<u>49,737</u>	<u>8,995</u>	<u>3,854</u>
CURRENT LIABILITIES					
Payables	12	12,959	15,790	1,724	345
Short term borrowings	13	-	5,130	-	-
Tax payable		2,605	3,013	-	1,523
		<u>15,564</u>	<u>23,933</u>	<u>1,724</u>	<u>1,868</u>
NET CURRENT ASSETS					
		<u>2,269</u>	<u>25,804</u>	<u>7,271</u>	<u>1,986</u>
		<u>206,191</u>	<u>207,322</u>	<u>201,094</u>	<u>200,101</u>
FINANCED BY:					
Share capital	14	166,004	41,501	166,004	41,501
Share premium	15	17,103	17,103	17,103	17,103
Reserves	16	19,487	145,261	17,987	141,497
Shareholders' funds		<u>202,594</u>	<u>203,865</u>	<u>201,094</u>	<u>200,101</u>
Minority interests		2,771	2,553	-	-
Capital funds		<u>205,365</u>	<u>206,418</u>	<u>201,094</u>	<u>200,101</u>
NON-CURRENT LIABILITY					
Deferred taxation	17	826	904	-	-
		<u>206,191</u>	<u>207,322</u>	<u>201,094</u>	<u>200,101</u>

The accompanying notes form an integral part of these financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2003

	Note	GROUP		COMPANY	
		12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
Revenue	18	191,444	333,751	17,778	(3,487)
Cost of sales		(162,979)	(295,236)	-	-
Gross profit / (loss)		28,465	38,515	17,778	(3,487)
Other operating income		636	3,513	217	3,017
Distribution and marketing expenses		(2,041)	(5,596)	-	-
Administrative and other operating expenses		(11,653)	(22,678)	(1,728)	(832)
Profit / (loss) from operations	19	15,407	13,754	16,267	(1,302)
Finance costs	21	(36)	(483)	-	-
Share of results of an associated company		-	(30)	-	-
Non operating income / (expenses)	22	2,501	7,970	(8,758)	46,553
Profit before taxation		17,872	21,211	7,509	45,251
Taxation	23	(3,467)	(6,511)	(3,230)	2,657
Profit after taxation		14,405	14,700	4,279	47,908
Minority interests		(3,890)	(470)	-	-
Net profit for the year		10,515	14,230	4,279	47,908
Net dividends per share (sen)	24	5.04	2.16	5.04	2.16
Earnings per share (sen)					
Basic	25	6.33	8.57		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2003

	Note	Share Capital RM'000	Share Premium RM'000	Non - distributable Reserve on Consolidation RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2001		41,501	17,103	6,658	3,627	122,531	191,420
Net profit for the period		-	-	-	-	14,230	14,230
Disposal of subsidiary companies		-	-	1,842	(3,627)	-	(1,785)
At 30 April 2002		41,501	17,103	8,500	-	136,761	203,865
At 1 May 2002							
As previously stated		41,501	17,103	8,500	-	135,865	202,969
Prior year adjustment	26	-	-	-	-	896	896
At 1 May 2002 (restated)		41,501	17,103	8,500	-	136,761	203,865
Bonus issue during the year		124,503	-	-	-	(124,503)	-
Net profit for the year		-	-	-	-	10,515	10,515
Dividends		-	-	-	-	(3,286)	(3,286)
Disposal of a subsidiary company		-	-	(8,500)	-	-	(8,500)
At 30 April 2003		166,004	17,103	-	-	19,487	202,594

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2003

	Note	Share Capital RM'000	Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2001		41,501	17,103	93,589	152,193
Net profit for the period		-	-	47,908	47,908
At 30 April 2002		<u>41,501</u>	<u>17,103</u>	<u>141,497</u>	<u>200,101</u>
At 1 May 2002					
As previously stated		41,501	17,103	140,601	199,205
Prior year adjustment	26	-	-	896	896
At 1 May 2002 (restated)		<u>41,501</u>	<u>17,103</u>	<u>141,497</u>	<u>200,101</u>
Bonus issue during the year		124,503	-	(124,503)	-
Net profit for the year		-	-	4,279	4,279
Dividends		-	-	(3,286)	(3,286)
At 30 April 2003		<u>166,004</u>	<u>17,103</u>	<u>17,987</u>	<u>201,094</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2003

	Note	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers / operating revenue		190,064	233,428
Payments to suppliers, prize winners and other operating expenses		(149,662)	(202,264)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(29,079)	(11,838)
Payment of taxes		(3,856)	(6,773)
Other receipts	(a)	242	295
Net cash generated from operating activities		<u>7,709</u>	<u>12,848</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflow arising from disposal of subsidiary and associated companies	(b)	25,805	78,168
Proceeds from disposal of property, plant and equipment		1	52
Acquisition of property, plant and equipment	(c)	(5,678)	(1,515)
Cash outflow arising from acquisition of subsidiary companies	(b)	(28,069)	(162,085)
Acquisition of other investments		(2,156)	-
Interest received		377	3,156
Inter-company repayments by subsidiary companies disposed		-	47,364
Other receipts arising from investments		-	1,228
Net cash used in investing activities		<u>(9,720)</u>	<u>(33,632)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of bank borrowings		5,280	5,130
Repayment of bank borrowings		-	(2,121)
Interest paid		(36)	(123)
Payment of other borrowings		-	(1,260)
Dividends paid to shareholders of the Company		(3,286)	(1,927)
Net cash generated from / (used in) financing activities		<u>1,958</u>	<u>(301)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(53)	(21,085)
OPENING CASH AND CASH EQUIVALENTS		<u>14,724</u>	<u>35,809</u>
CLOSING CASH AND CASH EQUIVALENTS	(d)	<u><u>14,671</u></u>	<u><u>14,724</u></u>

(a) Other receipts in operating activities during the financial year comprise mainly sales of ticket rolls. In the previous financial period, other receipts in operating activities comprise mainly insurance claims on stolen motor vehicle.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2003

(b) Analysis of the effects of subsidiary companies disposed and acquired:

	Subsidiaries disposed	
	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
Property, plant and equipment	10,015	112,270
Associated companies	-	365
Current assets	44,157	408,061
Short and long term liabilities	(22,237)	(412,289)
Minority interest	-	(12,202)
Gain on disposal	2,501	8,352
Capital reserve	-	(2,500)
(Reserve) / Goodwill on consolidation disposed	(8,500)	1,842
Net assets disposed	<u>25,936</u>	<u>103,899</u>
Cash and cash equivalents of subsidiary companies disposed	<u>(131)</u>	<u>(25,731)</u>
Cash flow on disposal of subsidiary companies	<u><u>25,805</u></u>	<u><u>78,168</u></u>
	Subsidiaries acquired	
	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
Property, plant and equipment	-	(12,190)
Intangible asset	(6,963)	-
Associated company	-	(30)
Other investments	-	(1,136)
Current assets	(361)	(15,640)
Short and long term liabilities	359	21,809
Minority interest	-	2,190
Goodwill acquired	(21,280)	(158,425)
Net assets acquired	<u>(28,245)</u>	<u>(163,422)</u>
Cash and cash equivalents of subsidiary companies acquired	<u>176</u>	<u>1,337</u>
Cash flow on acquisition of subsidiary companies	<u><u>(28,069)</u></u>	<u><u>(162,085)</u></u>

The effect on the Group's results from the date of disposal of subsidiary companies and associated company was the profit after taxation of RM721,000 (2002 : RM1,888,000) being consolidated to the date of disposal and a gain arising from the disposal of RM2,501,000 (2002 : RM8,352,000).

The effect on the Group's results from the date of acquisition resulting in the companies becoming subsidiary companies was an additional profit after taxation of RM555,000 (2002 : RM1,021,000) being consolidated as the effect to the shareholders' funds.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2003

(c) The acquisition of property, plant and equipment were by way of cash payments.

(d) The closing cash and cash equivalents comprise the following balance sheet amounts:

	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
Deposits (Note 11)	11,369	4,997
Cash and bank balances	<u>3,302</u>	<u>9,727</u>
	<u><u>14,671</u></u>	<u><u>14,724</u></u>

The closing cash and cash equivalents include deposit with a licensed bank amounting to RM16,000 (2002 : RM41,000) which is pledged by a subsidiary company for banking facilities granted.

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2003

	Note	12 Months to 30 April 2003 RM'000	16 Months to 30 April 2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment for operating expenses		(1,799)	(1,258)
Payment of taxes		(486)	(429)
Other receipts		23	-
Net cash used in operating activities		<u>(2,262)</u>	<u>(1,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiary and associated companies		25,936	103,899
Acquisition of subsidiary companies		(28,245)	(163,422)
Acquisition of other investments		(2,156)	-
Interest received		194	3,018
Dividends received		12,540	13,000
Inter-company repayments by subsidiary companies disposed		-	47,337
Other receipts arising from investments		-	1,899
Net cash generated from investing activities		<u>8,269</u>	<u>5,731</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Inter-company advances		(5,591)	-
Dividends paid to shareholders of the Company		(3,286)	(1,927)
Net cash used in financing activities		<u>(8,877)</u>	<u>(1,927)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(2,870)</u>	<u>2,117</u>
OPENING CASH AND CASH EQUIVALENTS		<u>3,820</u>	<u>1,703</u>
CLOSING CASH AND CASH EQUIVALENTS	(a)	<u><u>950</u></u>	<u><u>3,820</u></u>

(a) The closing cash and cash equivalents comprise the following balance sheet amounts:

Deposits (Note 11)	-	3,804
Cash and bank balances	950	16
	<u>950</u>	<u>3,820</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

1 CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are general trading and commission agent for the Special Cash Sweep Number Forecast Lotteries and investment holding. There have been no significant changes in the nature of the principal activities during the financial year other than the disposal of Sabah Flour and Feed Mills Sdn Bhd, which operated the manufacture of feed, flour and other related activities and the acquisition of Sublime Cartel Sdn Bhd, which provides lottery consultancy and related services.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Kuala Lumpur Stock Exchange. The registered office of the Company is located at 11th Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur.

The holding and ultimate holding companies of the Company are Berjaya Land Berhad and Berjaya Group Berhad ("BGB") respectively, both of which are incorporated in Malaysia.

Related companies in these financial statements refer to member companies of the BGB group of companies other than subsidiary companies of the Company.

The numbers of employees in the Company and in the Group at the end of the financial year were Nil (2002: Nil) and 66 (2002: 165) respectively. The day to day operations and the maintenance of financial books and records are performed by employees of related companies.

All amounts are stated in Ringgit Malaysia (RM) unless otherwise stated. The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 August 2003.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company and of the Group have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

All the subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

The difference between the acquisition cost and the fair values of the Group's share of net assets of the acquired subsidiary company at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation as appropriate. Goodwill or reserve arising on consolidation is not amortised. Goodwill is reviewed at each balance sheet date and will be written down for impairment when it is considered necessary.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation (continued)

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(c) Associated Companies

Associated companies are investee companies in which the Group has a long term equity interest of between 20 and 50 percent and where it exercises significant influence over the financial and operating policies of the investee through Board representation.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned.

Under the equity method of accounting, the Group's share of results of associated companies acquired or disposed of during the year is included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The Group's interest in associated companies is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves, if any, less impairment losses.

(d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Leasehold land is depreciated over 50 years or the lease period, if shorter. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Short term leasehold land and buildings	Over 50 years
Plant, machinery and equipment	10 - 20 %
Furniture, fittings and office equipment	10 %
Computer equipment	10 %
Renovation	10 %
Motor vehicles	14 %
Others *	10 %

* Others comprise mainly signboards and ponies

(e) Investments

Investments in subsidiary and associated companies are stated at cost less impairment losses.

(f) Inventories

Ticket inventories and gaming equipment components and parts are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Other Intangible Asset

Other intangible asset comprises the right to receive Special Cash Sweep Lottery royalty revenue. The intangible asset is amortised over the period of the right of 30 years commencing 9 November 1999.

(i) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred taxation is provided for on all timing differences using the liability method except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(j) Impairment of Assets

At each balance sheet date, the Company and the Group review the carrying amounts of their assets other than inventories and financial assets, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset have decreased.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

(i) Other Non-Current Investments

Other non-current investments other than investments in subsidiary and associated companies are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred.

(ii) Receivables

Trade and other receivables are carried at anticipated realisable values. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as identified.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial Instruments (continued)

(iii) Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

(l) Revenue Recognition

(i) Investment Income

Dividend income from investments in subsidiary and associated companies is recognised when the right to receive the dividend payment is established. Dividend income from other investments is recognised on a receipt basis.

Interest income from short term deposits and advances are recognised on an accrual basis.

(ii) Sale of goods

Revenue is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer.

(iii) Gaming Activities

Revenue from gaming activities is recognised based on ticket sales in respect of draw days within the financial year.

(iv) Lottery Equipment Sale

Revenue from the sale of lottery equipment is recognised net of discounts upon delivery of products and customer acceptance.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue Recognition (continued)

(v) Royalty Revenue

Royalty revenue from lottery operations is recognised on an accrual basis.

(vi) Management Fee Income

Management fee income is recognised on an accrual basis.

(m) Proposed Dividends

In previous years, dividends proposed after the balance sheet date were accrued as liability at the balance sheet date. In the current year, in compliance with Malaysian Accounting Standards Board No.19 : Events After The Balance Sheet Date ("MASB 19") which became effective 1 July 2001, such dividends are disclosed by way of notes to the financial statements and accounted for as appropriation of undistributed income in the year when the obligation to pay has been established after approval from shareholders.

Following the adoption of MASB 19, the change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of the change in accounting policy are disclosed in Note 26.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank, demand deposits and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(o) Segmental Information

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities.

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a segment based on location of assets.

Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

3 PROPERTY, PLANT AND EQUIPMENT

GROUP	Net book value as at 1.5.02 RM'000	Disposal of subsidiary company RM'000	Additions RM'000	Write off / Disposals RM'000	Impairment RM'000	Depreciation RM'000	Net book value as at 30.4.03 RM'000
Short term leasehold							
land and buildings	7,562	(5,838)	4,107	-	(902)	(18)	4,911
Plant, machinery and equipment	11,018	(4,177)	658	-	-	(1,442)	6,057
Computer equipment	2,280	-	414	-	-	(480)	2,214
Renovation	95	-	-	-	-	(27)	68
Furniture, fittings and office equipment	545	-	388	(3)	-	(117)	813
Motor vehicles	659	-	-	-	-	(158)	501
Others	196	-	111	(4)	-	(54)	249
	22,355	(10,015)	5,678	(7)	(902)	(2,296)	14,813

As at 30 April 2003	Cost RM'000	Accumulated depreciation RM'000	Impairment RM'000	Net book value RM'000
Short term leasehold land and buildings	5,007	96	-	4,911
Plant, machinery and equipment	7,492	1,435	-	6,057
Computer equipment	5,043	2,829	-	2,214
Renovation	275	207	-	68
Furniture, fittings and office equipment	1,466	653	-	813
Motor vehicles	1,254	753	-	501
Others	632	383	-	249
	21,169	6,356	-	14,813

As at 30 April 2002

Short term leasehold land and buildings	28,111	17,687	2,862	7,562
Plant, machinery and equipment	35,932	24,914	-	11,018
Computer equipment	4,629	2,349	-	2,280
Renovation	275	180	-	95
Furniture, fittings and office equipment	1,086	541	-	545
Motor vehicles	1,254	595	-	659
Others	533	337	-	196
	71,820	46,603	2,862	22,355

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM5,678,000 (2002: RM1,515,000) by way of cash.

Property, plant and equipment of the Group with net book value of RM8,862,537 (2002: RM4,747,522) are pledged to a bank for bank overdraft facilities granted to a subsidiary company.

Impairment in value of buildings amounting to RM902,000 (2002: RM2,862,000) was in respect of property, plant and equipment of a subsidiary company which was disposed of during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

4 SUBSIDIARY COMPANIES

	Company	
	2003 RM'000	2002 RM'000
Unquoted shares at cost	191,667	198,115

The details of the subsidiary companies are set out in Note 32.

As disclosed in Note 31 (ii) and (iii), the Group completed the disposal of Sabah Flour and Feed Mills Sdn Bhd ("SFFM") and the acquisition of Sublime Cartel Sdn Bhd ("SCSB") on 24 September 2002 and 27 September 2002 respectively during the current financial year.

(i) The effects of the disposal and acquisition on the Group's results from 1 May 2002 up to the effective date of disposal and from the effective date of acquisition to 30 April 2003 are as follows:

	Disposal of SFFM RM'000	Acquisition of SCSB RM'000
Revenue	41,370	1,606
Profit after taxation and minority interests	721	555

(ii) The effects of the disposal and acquisition on the Group's financial position at 30 April 2003 are as follows:

	Disposal of SFFM RM'000	Acquisition of SCSB RM'000
Net assets (disposed) / acquired	(31,935)	6,965
Reserve on consolidation reversed	8,500	-
Goodwill on consolidation	-	21,280
	(23,435)	28,245

5 ASSOCIATED COMPANY

	Group	
	2003 RM'000	2002 RM'000
Unquoted shares at cost	530	530
Share of post acquisition reserves	(30)	(30)
	500	500
Less : Accumulated impairment losses	(500)	(500)
	-	-

The Group's share of losses in the associated company has been accounted for to the extent of its investment cost.

There is no premium or discount on acquisition with respect to the Group's investment in associated company.

The details of the associated company are set out in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

6 OTHER INVESTMENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Malaysian Government Securities	1,120	1,145	-	-
Less: Amortisation of premium	(120)	(25)	-	-
	<u>1,000</u>	<u>1,120</u>	<u>-</u>	<u>-</u>
Quoted shares at cost	2,156	-	2,156	-
	<u>3,156</u>	<u>1,120</u>	<u>2,156</u>	<u>-</u>
Market value of:				
Malaysian Government Securities	<u>1,127</u>	<u>1,128</u>	<u>-</u>	<u>-</u>
Quoted shares	<u>1,496</u>	<u>-</u>	<u>1,496</u>	<u>-</u>

The Malaysian Government Securities is pledged to the Malaysian Government as security for the issuance of gaming licence by the Minister of Finance.

Provision for diminution in value of quoted shares has not been made as the Directors are of the opinion that the diminution is not permanent in nature.

7 GOODWILL ON CONSOLIDATION

	Group	
	2003 RM'000	2002 RM'000
At beginning of the year / period	158,043	-
Arising from acquisition of subsidiary companies	21,280	158,425
Goodwill written off	-	(382)
At end of the year / period	<u>179,323</u>	<u>158,043</u>

8 OTHER INTANGIBLE ASSET

	Group	
	2003 RM'000	2002 RM'000
Right to receive Special Cash Sweep Lottery royalty revenue:		
At beginning of the year / period	-	-
Arising from acquisition of a subsidiary company	6,963	-
Amortisation	(333)	-
At end of the year / period	<u>6,630</u>	<u>-</u>

9 INVENTORIES

	Group	
	2003 RM'000	2002 RM'000
At cost:		
Ticket stocks	78	114
Gaming equipment	431	602
	<u>509</u>	<u>716</u>
At net realisable value:		
Finished goods	-	1,494
Raw materials	-	12,721
	<u>509</u>	<u>14,931</u>

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM35,611,000 (2002 : RM120,295,000).

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

10 RECEIVABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	96	21,019	-	-
Other receivables	1,344	3,643	-	-
Prepayments	522	343	48	31
Amount owing by subsidiary companies	-	-	7,386	3
	<u>1,962</u>	<u>25,005</u>	<u>7,434</u>	<u>34</u>
Less: Provision for doubtful debts	-	(5,421)	-	-
	<u>1,962</u>	<u>19,584</u>	<u>7,434</u>	<u>34</u>

The Group's normal trade credit term is 30 days. Other credit terms are assessed on a case by case basis.

The amount owing by subsidiary companies are unsecured, non-interest bearing and have no fixed terms of repayment.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

11 DEPOSITS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits with:				
- Licensed banks	7,369	4,997	-	3,804
- Licensed finance companies	4,000	-	-	-
	<u>11,369</u>	<u>4,997</u>	<u>-</u>	<u>3,804</u>

A deposit with a licensed bank amounting to RM16,000 (2002 : RM41,000) of the Group is pledged to the bank for banking facilities granted to a subsidiary company.

The average interest rates during the financial year and the average maturities of deposits as at 30 April 2003 were as follows:

	Average interest rates %	Average maturities Days
Licensed banks	3.2	21
Licensed finance companies	3.2	23

12 PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	6,616	8,615	-	-
Other payables	3,672	5,581	278	338
Accruals	1,084	83	-	4
Agents' security deposits	1,535	1,508	-	-
	<u>12,907</u>	<u>15,787</u>	<u>278</u>	<u>342</u>
Amount owing to other related companies	52	3	6	3
Amount owing to subsidiary companies	-	-	1,440	-
	<u>12,959</u>	<u>15,790</u>	<u>1,724</u>	<u>345</u>

The normal trade credit terms granted to the Group range from 30 to 60 days.

The amounts owing to related and subsidiary companies are unsecured, non-interest bearing and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

13 SHORT TERM BORROWINGS

	Group	
	2003	2002
	RM'000	RM'000
Bankers' acceptances - unsecured	-	5,130

The borrowings bear interest at rates Nil % (2002 : 2.20% to 3.08%) per annum.

14 SHARE CAPITAL

	Group and Company			
	Ordinary shares of RM1.00 each			
	2003	2002	2003	2002
	No. of shares	No. of shares	RM'000	RM'000
	'000	'000	RM'000	RM'000
Authorised:				
At beginning of the year / period	50,000	50,000	50,000	50,000
Created during the year	450,000	-	450,000	-
At end of the year / period	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>
Issued and fully paid:				
At beginning of the year / period	41,501	41,501	41,501	41,501
Bonus issue during the year	124,503	-	124,503	-
At end of the year / period	<u>166,004</u>	<u>41,501</u>	<u>166,004</u>	<u>41,501</u>

15 SHARE PREMIUM

	Group and Company	
	2003	2002
	RM'000	RM'000
At beginning and end of the year / period	<u>17,103</u>	<u>17,103</u>

16 RESERVES

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Reserve on consolidation (Note a)	-	8,500	-	-
Distributable reserve:				
Retained profits (Note b)	19,487	136,761	17,987	141,497
	<u>19,487</u>	<u>145,261</u>	<u>17,987</u>	<u>141,497</u>

(a) Reserve on consolidation

	Group	
	2003	2002
	RM'000	RM'000
At beginning of the year / period	8,500	6,658
On disposal of subsidiary companies*	<u>(8,500)</u>	<u>1,842</u>
At end of the year / period	<u>-</u>	<u>8,500</u>

* During the previous financial period, reserve on consolidation previously carried in these financial statements was reversed on disposal of subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

16 RESERVES (CONTINUED)

(b) Retained profits

The Company has Section 108 tax credit amounting to RM35,227,000 (2002 : RM33,843,000), subject to the agreement with the Inland Revenue Board.

The Company has tax exempt income amounting to RM30,791,000 (2002 : RM30,791,000) available for the payment of future tax exempt dividends, subject to the agreement with the Inland Revenue Board.

Based on the estimated tax credit and the balance in the tax exempt income account, the entire retained profits of the Company are available for distribution by way of dividends without the Company having to incur additional tax liability.

17 DEFERRED TAXATION

	Group	
	2003 RM'000	2002 RM'000
At beginning of the year / period	904	-
Arising from acquisition of subsidiary companies	5	891
Transfer (to) / from income statement (Note 23)	(83)	13
At end of the year / period	<u>826</u>	<u>904</u>

The deferred taxation provided in these financial statements is principally in respect of excess of capital allowances over book depreciation.

The Group has provided for deferred taxation in respect of both current and cumulative timing differences.

18 REVENUE

Group

Revenue represents betting ticket sales net of gaming tax, sales of betting terminals net of discounts, invoiced value of goods sold less returns and trade discounts.

The main categories of revenue are as follows:

	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Gaming	150,074	89,077
Trading	-	60,637
Sale of feed and wheat flour	41,370	184,037
	<u>191,444</u>	<u>333,751</u>

Company

Revenue represents gross dividend receivable from subsidiary companies and management fees charged to a subsidiary company.

	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Gross dividends from subsidiary companies	17,418	(3,487)
Management fees from a subsidiary company	360	-
	<u>17,778</u>	<u>(3,487)</u>

In the previous financial period, the Company has adjusted for an over-recognition of dividend income in respect of prior year amounting to RM3,487,229.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

19 PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Profit/(loss) from operations is stated after charging/(crediting):				
Betting royalty	1,775	1,859	-	-
Depreciation of property, plant and equipment	2,296	3,900	-	-
Directors' remuneration:				
- fees	224	73	51	53
- other emoluments	79	5	6	5
Auditors' remuneration:				
- statutory audit	45	75	15	25
- (over) / under provision in respect of prior year	(4)	2	(10)	2
- other services	13	49	6	32
Impairment of property, plant and equipment	902	2,862	-	-
Amortisation of bond premium	120	16	-	-
Amortisation of other intangible asset	333	-	-	-
Provision for doubtful debts	-	2,295	-	-
Property, plant and equipment written off	5	4	-	-
Rental of land and buildings	119	72	-	-
Staff costs	2,057	7,351	-	-
Interest income	(377)	(3,124)	(194)	(3,017)
Gross dividend income from subsidiary companies	-	-	(17,418)	3,487
Rental income	-	(240)	-	-
Loss / (gain) on disposal of property, plant and equipment	1	(4)	-	-

The Directors of the Group and of the Company do not receive any benefits-in-kind.

Included in the depreciation of property, plant and equipment is RM686,000 (2002 : RM969,000) relating to depreciation charge incurred by the subsidiary companies disposed.

Impairment of property, plant and equipment was incurred by the subsidiary company disposed of during the year, Sabah Flour and Feed Mills Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

20 DIRECTORS' REMUNERATION

The total remuneration received by the Directors of the Company from the Company and Group is shown below:

	Group		Company	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Directors of the Company				
Executive:				
Fees	-	-	-	-
Other emoluments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Executive:				
Fees	103	73	51	53
Other emoluments	6	5	6	5
	<u>109</u>	<u>78</u>	<u>57</u>	<u>58</u>

The number of Directors of the Company whose total remuneration during the year fell within the following band is analysed below:

	Number of Directors	
	2003	2002
Below RM50,000:		
Executive	-	-
Non-Executive	5	3

21 FINANCE COSTS

	Group		Company	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Interest expense	<u>36</u>	<u>483</u>	<u>-</u>	<u>-</u>

22 NON OPERATING INCOME / (EXPENSES)

	Group		Company	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Gain / (loss) on disposal of subsidiary and associated companies	2,501	8,352	(8,758)	46,553
Goodwill written off	-	(382)	-	-
	<u>2,501</u>	<u>7,970</u>	<u>(8,758)</u>	<u>46,553</u>

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

23 TAXATION

	Group		Company	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000
Malaysian taxation based on results for the year / period:				
Current	5,503	6,498	4,958	830
Deferred taxation (Note 17)	(83)	13	-	-
	<u>5,420</u>	<u>6,511</u>	<u>4,958</u>	<u>830</u>
Overprovision in respect of prior years	(1,953)	-	(1,728)	(3,487)
	<u>3,467</u>	<u>6,511</u>	<u>3,230</u>	<u>(2,657)</u>

The taxation charge of the Company for financial year ended 30 April 2003 is in respect of dividend and interest income. The disproportionate tax rate on the Company's profit for the year is mainly due to capital loss derived from investments and certain expenses being disallowed for taxation purposes.

The effective tax rate on the Group's profit for the year is lower than the statutory tax rate due to certain capital gains derived from investments which are not subject to tax.

As at 30 April 2003, unabsorbed tax losses and unutilised capital allowances of the Group amounted to approximately RM1,685,000 (2002: RM1,685,000) and RMNil (2002: RMNil) respectively. These amounts are subject to the agreement of the tax authorities.

24 DIVIDENDS

	Group and Company			
	Amount		Net Dividends Per Share	
	12 months to 30.4.2003 RM'000	16 months to 30.4.2002 RM'000	12 months to 30.4.2003 Sen	16 months to 30.4.2002 Sen
Interim dividend of 3% less 28% income tax, paid on 22 July 2002	-	896	-	2.16
First interim dividend of 2% less 28% income tax, paid on 3 January 2003	2,390	-	1.44	-
Second interim dividend of 5% less 28% income tax, declared after balance sheet date	5,976	-	3.60	-
	<u>8,366</u>	<u>896</u>	<u>5.04</u>	<u>2.16</u>

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

24 DIVIDENDS (CONTINUED)

In the previous financial period, the Company declared an interim dividend of 3% less 28% income tax after 30 April 2002 which was not recognised as a liability then. This dividend was accounted for in the shareholders' equity as appropriation of retained profits in the current financial year.

On 6 June 2003, the Company declared a second interim dividend of 5% less 28% income tax in respect of the financial year ended 30 April 2003 on 166,004,680 ordinary shares, amounting to RM5,976,168 (3.60 sen net per share) which was paid on 7 July 2003. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2004.

25 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year of RM10,515,000 (2002 : RM14,230,000) by the weighted average number of ordinary shares in issue during the financial year of 166,004,680 (2002 : 166,004,680) ordinary shares. The comparative basic earnings per share has been restated to take into account the effect of the bonus issue during the financial year.

26 PRIOR YEAR ADJUSTMENT

During the financial year, the Group and the Company adopted MASB 19 - Events After The Balance Sheet Date which resulted in a prior year adjustment on the non-recognition of dividends declared after the balance sheet date as a liability at the balance sheet date. The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of the change in accounting policy are as follows:

	Group 12 months to 30.4.2003 RM'000	Company 12 months to 30.4.2003 RM'000
Effects on retained profits:		
At 1 May, as previously stated	135,865	140,601
Prior year adjustment	896	896
At 1 May, as restated	<u>136,761</u>	<u>141,497</u>

27 CAPITAL COMMITMENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Capital expenditure:				
Approved but not contracted for	<u>123</u>	<u>2,355</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

28 SEGMENTAL INFORMATION

(a) Business Segments :

2003

	Gaming RM'000	Feed and wheat flour RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External sales	150,074	41,370	-	-	-	191,444
Inter-segment sales	-	-	-	1,606	(1,606)	-
Total	150,074	41,370	-	1,606	(1,606)	191,444

Results

Segment results	13,870	1,587	-	565	-	16,022
Unallocated corporate expenses						(992)
Interest income						377
Profit from operations						15,407
Interest expense						(36)
Non operating income						2,501
Profit before taxation						17,872
Taxation						(3,467)
Profit after taxation						14,405
Minority interests						(3,890)
Net profit for the year						10,515

Assets

Segment assets	182,655	-	-	35,300	-	217,955
Investment in associated company						-
Unallocated corporate assets						3,800
Consolidated total assets						221,755

Liabilities

Segment liabilities	11,923	-	-	913	-	12,836
Unallocated corporate liabilities						3,554
Consolidated total liabilities						16,390

Other information

Capital expenditure	5,032	646	-	-	-	5,678
Depreciation	910	686	-	700	-	2,296
Amortisation	-	-	-	333	-	333
Impairment losses	-	902	-	-	-	902

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

28 SEGMENTAL INFORMATION (CONTINUED)

2002

	Gaming RM'000	Feed and wheat flour RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External sales	89,077	190,971	53,703	-	-	333,751
Inter-segment sales	-	-	-	-	-	-
Total	89,077	190,971	53,703	-	-	333,751
Results						
Segment results	3,734	4,665	3,308	(374)	-	11,333
Unallocated corporate expenses						(703)
Interest income						3,124
Profit from operations						13,754
Interest expense						(483)
Share of results of associated company						(30)
Non operating income						7,970
Profit before taxation						21,211
Taxation						(6,511)
Profit after taxation						14,700
Minority interests						(470)
Net profit for the period						14,230
Assets						
Segment assets	175,512	50,900	-	-	-	226,412
Investment in associated company						-
Unallocated corporate assets						4,843
Consolidated total assets						231,255
Liabilities						
Segment liabilities	8,309	12,387	-	32	-	20,728
Unallocated corporate liabilities						4,109
Consolidated total liabilities						24,837
Other information						
Capital expenditure	357	1,158	-	-	-	1,515
Depreciation	540	2,041	969	350	-	3,900
Impairment losses	-	2,862	-	-	-	2,862

(b) Geographical Locations:

No segmental information by geographical areas is prepared as the Group operates solely in Malaysia.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been undertaken at mutually agreed terms that are not materially different from those transacted with non-related parties.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Management fee receivable from a subsidiary company	-	-	(360)	-
Management fee payable to immediate holding company	<u>252</u>	<u>305</u>	<u>252</u>	<u>305</u>

Fees and emoluments paid to Directors of the Company are disclosed in Note 20.

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed between the parties.

30 FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity and credit risks. The Group operates within clearly defined guidelines and the Group's policy is to not engage in speculative transactions.

(b) Interest Rate Risk

The Group's investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank. The information on maturity dates and effective interest rates of financial assets are disclosed in their respective notes.

(c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of fundings so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirement.

(d) Fair values

It is not practical to estimate the fair value of amount owing by subsidiary companies principally due to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs.

Fair value of quoted shares is determined by reference to stock exchange quoted market bid price. The fair value of Malaysian Government Securities is indicative values obtained from the secondary market.

The quoted shares are carried at an amount in excess of their fair value as disclosed in Note 6. The Directors are of the opinion that the diminution in value of these quoted shares is temporary in nature as the net tangible assets which represent the net worth of this investee company are higher than the carrying value of these shares at the balance sheet date.

The carrying values of all other financial assets and liabilities as at 30 April 2003 are not materially different from their fair values.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

31 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

COMPLETED EVENTS

- (i) On 12 November 2001, the Company proposed to undertake a 3 for 1 bonus issue of 124,503,510 new ordinary shares of RM1.00 each ("Proposed Bonus Issue"). In order to accommodate the Proposed Bonus Issue, the Company also proposed to increase its authorised share capital from 50,000,000 ordinary shares of RM1.00 each to 500,000,000 ordinary shares of RM1.00 each. The shareholders of the Company approved the Proposed Bonus Issue at an extraordinary general meeting held on 27 August 2002.

The aforesaid shares were allotted on 23 September 2002 and granted listing and quotation on the Main Board of Kuala Lumpur Stock Exchange on 30 September 2002.

- (ii) On 8 May 2002, the Company announced the proposed disposal of its entire equity interest in Sabah Flour and Feed Mills Sdn Bhd comprising 31,997,997 ordinary shares of RM1.00 each, to Interflour Holdings Limited for a cash consideration of RM26,000,000. The approval from the shareholders of the Company had been obtained at an extraordinary general meeting held on 27 August 2002. The disposal was completed on 24 September 2002.

- (iii) On 21 June 2002, the Company announced the proposed acquisition of the entire equity interest in Sublime Cartel Sdn Bhd from Puncak Buana Sdn Bhd for a total cash consideration of RM28,000,000. The shareholders of the Company approved the acquisition on 27 August 2002. The acquisition was completed on 27 September 2002.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

32 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2003 %	2002 %
Subsidiary Companies				
Sabah Flour and Feed Mills Sdn Bhd	Malaysia	Manufacture of wheat flour and animal feeds	-	100
Sublime Cartel Sdn Bhd	Malaysia	Provision of lottery consultancy and related services	100	-
Bumisuci Sdn Bhd	Malaysia	Investment holding	100	100
Dayadil Sdn Bhd	Malaysia	Investment holding	100	100
Ishandal Sdn Bhd	Malaysia	Investment holding	100	100
* @ Natural Avenue Sdn Bhd	Malaysia	General trading and commission agent for the special cash sweep draw	65	65
Rentas Padu Sdn Bhd	Malaysia	Investment holding	100	100
# Sempurna Bahagia Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Dayadil Sdn Bhd				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Imej Jasa Sdn Bhd				
Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100	100
Muara Tebas Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Natural Avenue Sdn Bhd				
@ Petekat Sdn Bhd	Malaysia	General trading and acts as commission agent	100	100
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100	100
Associated Company				
Megaquest Sdn Bhd	Malaysia	Investment holding	50	50

* Effective interest

66.67% held by Bumisuci Sdn Bhd and 33.33% held by Ishandal Sdn Bhd

@ Audited by firms of auditors other than Ernst & Young

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2003

33 COMPARATIVES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial period other than as disclosed in Note 26 and those disclosed below to conform with current year's presentation:

Balance Sheets	Group RM'000	Company RM'000
Effects on proposed dividends:		
At 1 May 2002 as previously stated	896	896
Prior year adjustment	(896)	(896)
At 1 May 2002 as restated	<u>-</u>	<u>-</u>

Income Statements	Group		Company	
	Amount as restated RM'000	Amount as previously reported RM'000	Amount as restated RM'000	Amount as previously reported RM'000
Non operating income	7,970	-	46,553	-
Exceptional items	-	7,970	-	46,553

The reclassifications are necessary for a fairer presentation of the nature of the respective account balances and have no impact on the profit attributable to shareholders.

Comparatives are not disclosed for certain information relating to financial instruments as permitted by Malaysian Accounting Standards Board No. 24 - Financial Instruments: Disclosure and Presentation upon first application.

LIST OF PROPERTIES

AS AT 30 APRIL 2003

Location	Tenure	Size	Description/ Existing Use	Estimated Age of Building	Date of Acquisition	Net Book Value RM'000
Lot 8189 & 8190, Town East, Jalan Pending, 93450 Kuching, Sarawak.	Leasehold 60 years expiring on 11/5/2048	245 sq m	Office Building	15 yrs	1996	804
No.273 & 274, Lot 2545 & 2546, Centraland Commercial Park, Off Jalan Rock, 93250 Kuching, Sarawak.	Leasehold 60 years expiring on 5/5/2054	484.2 sq m	Draw Hall & Office Building	9 yrs	2002	4,107

REVALUATION POLICY

The Group does not adopt a policy of regular revaluation.

MATERIAL CONTRACTS

Other than as disclosed in Note 29 of the financial statements for the financial year ended 30 April 2003, neither Matrix International Berhad nor any of its subsidiaries has entered into any material contracts, involving Directors and major shareholders.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

MADE UP TO 25 AUGUST 2003

ULTIMATE HOLDING COMPANY BERJAYA GROUP BERHAD

————— No of ordinary shares of RM1.00 each —————
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	200,000	0.01	-	-
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RM1.00 nominal amount of 5% Irredeemable
— Convertible Unsecured Loan Stock 1999/2009 —
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	139,000	0.03	-	-
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HOLDING COMPANY BERJAYA LAND BERHAD

————— No of ordinary shares of RM1.00 each —————
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	90,000	0.01	-	-
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RELATED COMPANIES COSWAY CORPORATION BERHAD

————— No of ordinary shares of RM1.00 each —————
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	780,000	0.23	-	-
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BERJAYA CAPITAL BERHAD

————— No of ordinary shares of RM1.00 each —————
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	168,000	0.03	-	-
Chan Kien Sing	10,000	0.002	-	-

UNZA HOLDINGS BERHAD

————— No of ordinary shares of RM1.00 each —————
Direct Interest % Deemed Interest %

Robert Yong Kuen Loke	79,000	0.11	-	-
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STATISTICS OF SHAREHOLDINGS

AS AT 25 AUGUST 2003

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
Less than 100	50	1.87	1,349	0.00
100 - 1,000	159	5.95	119,339	0.07
1,001 - 10,000	1,863	69.73	9,039,645	5.45
10,001 - 100,000	539	20.17	13,747,860	8.28
100,001 - 8,300,233	58	2.17	73,170,487	44.08
8,300,234* and above	3	0.11	69,926,000	42.12
Total	<u>2,672</u>	<u>100.00</u>	<u>166,004,680</u>	<u>100.00</u>

Note:

There is only one class of shares in the paid up capital of the Company. Each share entitles the holder to one vote.

* denotes 5% of the issued shares.

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Portal Access Sdn Bhd	40,504,920	24.40
2	Orkid Menawan Sdn Bhd	20,521,080	12.36
3	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Alliance Merchant Nominees (Tempatan) Sdn Bhd For Portal Access Sdn Bhd</i>	8,900,000	5.36
4	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Bhd</i>	8,200,000	4.94
5	Berjaya Land Berhad	7,481,308	4.51
6	Eng Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Tan Han Kook</i>	7,276,000	4.38
7	Bank Kerjasama Rakyat Malaysia Berhad <i>Pledged Securities Account For Berjaya Capital Berhad</i>	6,740,000	4.06
8	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Bhd (PMB)</i>	6,130,000	3.69
9	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Berjaya Land Bhd (MIMB)</i>	4,800,000	2.89
10	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Portal Access Sdn Bhd (BB)</i>	4,240,000	2.55
11	Petaluma Sendirian Berhad	3,712,000	2.24
12	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For SJ Securities Sdn Bhd (1650 SUYA)</i>	3,364,000	2.03
13	Southern Finance Berhad <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	2,800,000	1.69
14	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Arsam Bin Damis (AACC23)</i>	2,296,000	1.38
15	Audette Management Services Sdn Bhd	2,233,000	1.35
16	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Portal Access Sdn Bhd</i>	1,838,000	1.11
17	Tan Kah Hock	1,500,000	0.90

STATISTICS OF SHAREHOLDINGS

AS AT 25 AUGUST 2003

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
18	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Goh Teck Chai (AG0013)</i>	1,485,000	0.90
19	Eng Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Goh Teck Chai</i>	1,403,000	0.85
20	Immediate Capital Sdn Bhd	612,000	0.37
21	Berjaya General Insurance Berhad	424,000	0.25
22	Terence Derek Lai Chin Siew	400,000	0.24
23	Kwok Chiap Fuat	280,000	0.17
24	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Han Kook (AT0062)</i>	268,000	0.16
25	Menteri Kewangan Malaysia <i>Section 29 (Sicda)</i>	247,183	0.15
26	Bee Yong Sdn Berhad	240,000	0.14
27	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Immediate Capital Sdn Bhd (51401114879A)</i>	236,000	0.14
28	BBMB Securities Nominees (Tempatan) Sdn Bhd <i>Petroleum Research Fund</i>	232,000	0.14
29	Ng Pui Siong @ Ng Thong Lay	225,064	0.14
30	Chow Mina	200,000	0.12
		138,788,555	83.61

STATISTICS OF SHAREHOLDINGS

AS AT 25 AUGUST 2003

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct	No. of Shares		
		%	Indirect	%
Orkid Menawan Sdn Bhd	20,521,080	12.36	-	-
Portal Access Sdn Bhd	55,482,920	33.42	-	-
Berjaya Land Berhad	26,611,308	16.03	59,694,920 (a)	35.96
Teras Mewah Sdn Bhd	-	-	86,306,228 (b)	51.99
Berjaya Group Berhad	-	-	93,470,228 (c)	56.31
Tan Sri Dato' Seri Vincent Tan Chee Yioun	2,800,000	1.69	93,470,228 (d)	56.31
Phua Yak Pang	-	-	20,521,080 (e)	12.36
Lu Hock Seng @ Loo Lee Hock	-	-	20,521,080 (e)	12.36

Notes :

(a) Deemed interested by virtue of its 100% interest in Portal Access Sdn Bhd and 100% interest in Immediate Capital Sdn Bhd.

(b) Deemed interested by virtue of its interests in Berjaya Land Berhad, the holding company of Portal Access Sdn Bhd and Immediate Capital Sdn Bhd.

(c) Deemed interested by virtue of its 100% interest in Teras Mewah Sdn Bhd and its interests in the related companies, namely, Berjaya Capital Berhad and Berjaya General Insurance Berhad.

(d) Deemed interested by virtue of his interest in Berjaya Group Berhad.

(e) Deemed interested by virtue of their interests in Orkid Menawan Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Third Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 20th October 2003 at 10:30 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the year ended 30 April 2003 and the Directors' and Auditors' Reports thereon. RESOLUTION 1
2. To approve the payment of Directors' fees amounting to RM51,000 for the year ended 30 April 2003. RESOLUTION 2
3. To re-elect the following Directors who retire pursuant to Article 102 of the Company's Articles of Association:-
 - a) Chan Kien Sing RESOLUTION 3
 - b) Derek Chin Chee Seng RESOLUTION 4
4. To re-elect the following Directors who retire pursuant to Article 93 of the Company's Articles of Association:-
 - a) Tan Sri Datuk Amar Chong Siew Fai RESOLUTION 5
 - b) Lim Meng Kwong RESOLUTION 6
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. RESOLUTION 7
6. As special business:-
 - (a) To consider and, if thought fit, pass the following Ordinary Resolution :-

Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

"That, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Director may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

RESOLUTION 8

- (b) To consider and, if thought fit, pass the following Special Resolution:-

Amendment to the Company's Articles of Association

"That the Company's Articles of Association be amended by inserting the following new Article 116A immediately after the existing Article 116:-

Article 116A

The conduct of a meeting of Directors or a committee of the Directors may include a participation thereat by any Director via telephone conferencing and/or videoconferencing or any other interactive means of audio or audio-visual

NOTICE OF ANNUAL GENERAL MEETING

communications whereby all participating persons are able to hear each other or be heard during the meeting. A Director's participation in the manner as aforesaid shall be deemed to be present at the meeting and be counted for the purpose of a quorum. He shall also be entitled to vote thereat. Any meeting held in such manner shall be deemed to be or have been held at such time and place as set out in the notice of meeting."

RESOLUTION 9

By Order of the Board
SU SWEE HONG
Secretary

Kuala Lumpur
26 September 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(A) APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.
3. The instrument appointing a proxy, in the case of an individual, shall be in writing under the name of the appointor or his attorney duly authorised in writing, and in the case of a corporation, it must be executed either under its common seal or under the hand of its attorney.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office, 11th Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

(B) RESOLUTIONS 3, 4, 5 AND 6

The particulars of the Directors who are standing for re-election are as follows:-

1. Chan Kien Sing (please refer to Profiles of Board of Directors on Page 3 and Statement of Directors' Shareholdings on Page 56 of the Annual Report).
2. Derek Chin Chee Seng (please refer to Profiles of Board of Directors on Page 4 of the Annual Report).
3. Tan Sri Datuk Amar Chong Siew Fai (please refer to Profiles of Board of Directors on Page 3 of the Annual Report).
4. Lim Meng Kwong (please refer to Profiles of Board of Directors on Page 5 of the Annual Report).

The details of Directors' attendance for Board Meetings are set out on Page 14 of the Annual Report.

(C) SPECIAL BUSINESS

1. Resolution 8 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
2. Resolution 9 for the proposed amendment of the Articles of Association of the Company will be passed as a Special Resolution and if approved, will allow the Company to conduct meetings of the Directors via telephone conferencing and/or videoconferencing or any other interactive means of audio or audio-visual communications.

FORM OF PROXY

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____

of _____
(Address)

being a member/members of MATRIX INTERNATIONAL BERHAD hereby appoint:

_____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Forty-Third Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 20th October 2003 at 10.30 a.m. or any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
RESOLUTION 1 - To receive and adopt the Audited Financial Statements		
RESOLUTION 2 - To approve payment of Directors' fees		
RESOLUTION 3 - To re-elect Chan Kien Sing as Director		
RESOLUTION 4 - To re-elect Derek Chin Chee Seng as Director		
RESOLUTION 5 - To re-elect Tan Sri Datuk Amar Chong Siew Fai as Director		
RESOLUTION 6 - To re-elect Lim Meng Kwong as Director		
RESOLUTION 7 - To re-appoint Auditors		
RESOLUTION 8 - To approve authority to allot and issue shares		
RESOLUTION 9 - To amend the Company's Articles of Association		

No. of Shares Held

Signature of Shareholder

Signed this _____ day of _____, 2003.

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
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Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
MATRIX INTERNATIONAL BERHAD
11TH FLOOR, MENARA BERJAYA
KL PLAZA, 179 JALAN BUKIT BINTANG
55100 KUALA LUMPUR

2nd fold here

1st fold here

For further information, please contact:

THE COMPANY SECRETARY

11th Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur
Tel: 03-2935 8888 Fax: 03-2935 8043

