

Matrix International Berhad

[Incorporated in Malaysia] [Company No. 3907-W]

ANNUAL REPORT
— 2004 —

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C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

Tan Sri Datuk Amar Chong Siew Fai
- Chairman

Chin Ah Pong
- Executive Director

Chan Kien Sing

Mark Wee-Liang Yee

Datuk Robert Yong Kuen Loke

Lim Meng Kwong

Heng Kiah Choong

John Ko Wai Seng

(Alternate Director to Mark Wee Liang Yee)

SECRETARIES

Su Swee Hong (MAICSA No. 0776729)

Wan Foong Yee (MAICSA No. 7025376)

AUDIT 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 Bursa Malaysia Securities Berhad

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)

69 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 Sibiu 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.



CHIN AH PONG

Executive Director

58 years of age, Malaysian

He was appointed to the Board on 2 August 2004. He graduated with Master of Business Administration, University of Bath, United Kingdom, he is also a member of the Institute of Chartered Secretaries Administrators, United Kingdom. He started his career, working as an auditor for some 15 years in the public sector before he left to join the Totalizator Board Malaysia and Selangor Turf Club as the Betting Operations Manager. He left after 8 years with the Board and the Club. He was the General Manager responsible for the starting up of Ascot Sports Sdn Bhd in 1988 until the cessation of its business in 1990. Following that, he was actively involved in the business development of numerous gaming ventures overseas. During the period of 1992 to 1995, he was also responsible for the development of the Berjaya Redang Beach Resort in Pulau Redang for Berjaya Redang Beach Resort Sdn Bhd. In 1995, he started and ran the number forecast lotteries for Natural Avenue Sdn Bhd (currently a subsidiary of Matrix International Berhad) in Sarawak. Having served as Natural Avenue Sdn Bhd's Chief Executive Officer and successfully ran its operations in Sarawak for 9 years, he was recalled in 2003 to assist in the business development of Berjaya Land Berhad as Senior General Manager.

PROFILE OF BOARD OF DIRECTORS



CHAN KIEN SING

(Non-Independent/Non-Executive)
48 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 and Nexnews 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.



MARK WEE LIANG YEE

(Non-Independent/Non-Executive)
38 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.



DATUK ROBERT YONG KUEN LOKE

(Non-Independent/Non-Executive)
52 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 several other private limited companies.

PROFILE OF BOARD OF DIRECTORS



LIM MENG KWONG

(Non-Independent/Non-Executive)
51 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)
55 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.

CHAIRMAN'S STATEMENT 主席报告

On behalf of the Board, I am pleased to present the Annual Report and Financial Statements of Matrix International Berhad ("Matrix") for the financial year ended 30 April 2004.

FINANCIAL RESULTS

For the financial year ended 30 April 2004, the Group recorded a lower revenue of RM156.7 million and a pre-tax profit of RM15.5 million as compared to RM179.4 million and RM17.9 million respectively in the previous year.

The decrease in revenue and pre-tax profit were mainly due to the full year effect of the deconsolidation of Sabah Flour and Feed Mills Sdn Bhd ("SFFM") as a subsidiary company since September 2002 after the disposal of the entire equity interest in SFFM by the Group. Furthermore, the Group reported an exceptional gain of RM2.5 million on the disposal of SFFM in the previous financial year ended 30 April 2003.

DIVIDEND

For the financial year under review, the Board declared and paid a first and second interim dividend of 3% and 4% less 28% income tax on 8 January 2004 and 15 July 2004 respectively. The total dividend paid in respect of the financial year ended 30 April 2004 was 7% (30 April 2003: 7%).

CORPORATE DEVELOPMENTS

On 21 November 2003, the Company ("Matrix") announced that it has received letters of offer from the shareholders of Berjaya Times Square Sdn Bhd ("BTSSB") namely, YBhg. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), YBhg. Dato' Robin Tan Yeong Ching, Rayvin Tan Yeong Sheik, Nerine Tan Sheik Ping, JMP Holdings Sdn Bhd, Vecc-Men Holdings Sdn Bhd and Bakat Rampai Sdn Bhd ("BR") offering to sell their entire 100% equity interest in BTSSB comprising 320.614 million ordinary shares of RM1.00 each for a total purchase consideration of RM993.9 million to be satisfied by the issuance of 709.93 million new ordinary shares of RM1.00 each in Matrix at an issue price of RM1.40 per ordinary share of RM1.00 each ("Matrix Shares"), thereby resulting in BTSSB becoming a wholly-owned subsidiary of Matrix ("Proposed Acquisition"). As an integral part of the offer, Matrix will settle on behalf of BTSSB the claims which arose from the liquidated ascertained damages ("LAD") due to the late delivery of vacant possession of their units in Berjaya Times Square ("BTS") amounting to RM266.661 million by the issuance of 190.472 million new ordinary



Berjaya Times Square is acknowledged by many as Asia's largest inner-city shopping-cum-leisure mall.

本人谨此欣然代表董事部，提呈美特士国际有限公司("美特士") 2004年4月30日截止年度的常年报告和财务报告。

财政业绩

在2004年4月30日截止年度，本集团的总营业额为1亿5千6百70万令吉，税前盈利1千5百50万令吉，比上年度的总营业额1亿7千9百40万令吉和税前盈利1千7百90万令吉，较为逊色。

总营业额与税前盈利降低，主要是因为本集团自2002年9月脱售沙巴面粉与饲料厂有限公司("沙巴面粉饲料")的全部股权后，解除将该公司合并成子公司的后果。此外，本集团在2003年4月30日截止的上一财政年度，亦呈报由脱售沙巴面粉饲料厂所取得的特殊赚益2百50万令吉。

股息

在本财政年度，董事部于2004年正月8日及7月15日分别派发及付出第一次与第二次期中股息3%与4%，须扣税28%。因此，2004年4月30日截止财政年度全年的总股息为7% (2003年4月30日: 7%)

企业发展

在2003年11月21日，本公司("美特士")宣布收到成功时代广场有限公司("成功时代广场")股东丹斯里拿督陈志远、拿督陈永钦、陈永雪、陈雪冰、JMP Holdings Sdn. Bhd.、Vecc-Men Holdings Sdn. Bhd. 与 Bakat Rampai Sdn Bhd ("BR") 的联合献议书，有意将他们在成功时代广场的全部100%股权，包括3亿2千61万4千股普通股，每股面值RM1.00，以总议价9亿9千3百90万令吉出售，办法是由美特士发出7亿9百93万股普通股，每股面值RM1.00，按每股美特士RM1.00普通股发行价RM1.40对账，使成功时代广场成为美特士旗下的一家独资子公司("建议收购")。作为献议的一部份，美特士

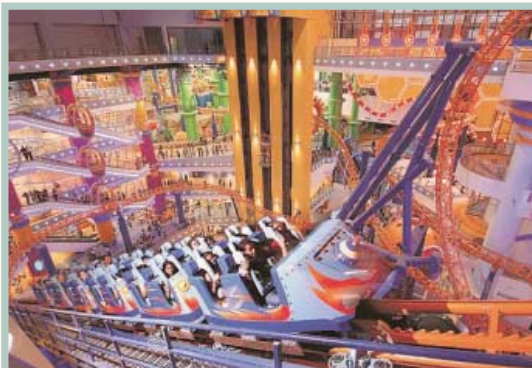
CHAIRMAN'S STATEMENT 主席报告



The shopping mall area of Berjaya Times Square comprises 12 levels and measures approximately 3.5 million sq. ft.

million which relates to the legally disputed cases that will increase the settlement of LAD claims up to RM270.176 million and up to 192.983 million new Matrix shares will be issued to settle LAD claims based on the issue price of RM1.40 per share.

On 7 May 2004, the Company submitted a revised valuation report prepared by Messrs. Colliers Jordan Lee & Jaafar on the properties held by BTSSB, to the Securities Commission, revising the market value of the said properties to RM1.90 billion as at 31 October 2003 from RM2.46 billion as stated in the initial valuation report dated 31 December 2003. Arising from this, the vendors of BTSSB has proposed to revise the purchase consideration for the acquisition of the entire issued and paid-up share capital of BTSSB from RM993.9 million initially to RM784.031 million. The revised purchase consideration shall be satisfied by the issuance of 560.022 million new Matrix shares at an issue price of RM1.40 per Matrix share instead of the issuance of 709.930 million new Matrix shares at an issue price of RM1.40 per Matrix share.



Asia's longest indoor roller-coaster is at Cosmo's World Themepark, Berjaya Times Square.

The proposals were approved by the relevant authorities on 16 July 2004, subject to inter alia the following terms and conditions:

1. Matrix/BTSSB to obtain the approvals of the LAD creditors for the Proposed Debt Settlement as well as the lenders for the proposed restructuring of BTSSB's borrowings prior to the implementation of the Proposed Acquisition;
2. A moratorium on disposal is imposed on 280,011,133 new Matrix Shares to be received by TSVT, whereby he is not allowed to sell, transfer or assign the new Matrix Shares under moratorium for one year from the date of the new Matrix Shares are listed on Bursa Malaysia Securities Berhad. Thereafter, he is allowed to

shares of RM1.00 each in Matrix at an issue price of RM1.40 per ordinary share of RM1.00 each to the property purchasers of BTS ("Proposed Debt Settlement"). The aggregate consideration to be satisfied by Matrix for the proposal will amount to RM1.261 billion. On 29 March 2004, the Company had announced potential additional claims by LAD creditors totalling RM3.515

将代成功时代广场解决因向成功时代广场单位买主延迟移交空置单位所引起的确定违约损失 ("LAD"), 共计2亿6千6百66万1千令吉。美特士须发出1亿9千47万2千股新普通股给成功时代广场的产业买主 ("建议清偿负债"), 每股面值RM1.00, 发行价每股RM1.40。在这项建议下, 美特士须偿还的总议价为12亿6千1百万令吉。在2004年3月29日, 公司宣布再增加LAD准债主, 总共索赔3百51万5千令吉, 这是合法争执案件相关的索赔, 这将影响到确定违约损失总索赔额增至2亿7千17万6千令吉, 而美特士将须发出高达1亿9千2百98万3千股新股, 以按照每股发行价RM1.40的准则, 解决确定违约损失的索赔。

在2004年5月7日, 公司向证券委员会提呈一份由Messrs. Colliers Jordan Lee & Jaafar针对成功时代广场所拥有产业的修正估价报告, 将志期2003年12月31日首份估价报告书对上述产业的市价24亿6千万令吉修改成在2003年10月31日时为19亿。由于这缘故, 成功时代广场的买主建议将收购成功时代广场全部发行与缴足资本的购买议价, 从初时的9亿9千3百90万令吉改为7亿8千4百3万1千令吉。这项修定的买价, 将由美特士发出5亿6千零2万2千股新股, 发行价每股RM1.40, 加以偿还, 而不是发行7亿9百93万美特士新股, 每股行价RM1.40。

这项建议已于2004年7月16日获得有关当局的批准, 但须受下列条件约束, 其中包括:

1. 在执行这项建议收购之前, 美特士/成功时代广场必须获得确定违约损失的债主和借债者批准这项建议偿债方案, 才能对成功时代广场的借债进行重组;
2. 丹斯里余智陈志远必须签署延期履行脱受股权书, 限定他所获得的2亿8千1万1千1百33股美特士新股, 由新股在大马证券交易所挂牌日起, 在一年内不得售卖、转让或分派这些新

CHAIRMAN'S STATEMENT 主席报告

sell, transfer or assign only up to a maximum of 1/3 per annum (on a straight-line basis) of the Matrix Shares under moratorium;

- All non-trade debts owing to the BTSSB group of companies by its directors, substantial shareholders and other companies controlled by the directors and substantial shareholders must be settled prior to the implementation of the Proposed Acquisition;
- Matrix is to increase its Bumiputera equity percentage by 2.34% of its enlarged issued and paid-up share capital, by 31 December 2005; and
- Matrix is to further increase its Bumiputera equity percentage by 3.66% of its enlarged issued and paid-up share capital within two years from the date of the implementation of the Proposed Acquisition and Proposed Debt Settlement.

On 27 August 2004, BTSSB informed the Company that it has obtained the requisite approval via a court convened meeting of the LAD creditors pursuant to a scheme of arrangement under Section 176 of the Companies Act 1965 Act in relation to the Proposed Debt Settlement. Matrix will now proceed to seek the other regulatory approvals.

The Proposed Acquisition will upon completion, transform the business of Matrix from currently a gaming business into a property investment business resulting in a significant change in business direction as well as the dominant shareholder of Matrix.

The principal activities of BTSSB are property investment and development. The company is the developer and registered owner of BTS which is located at Jalan Imbi and is situated on a freehold land. The construction of BTS completed in July 2003 at the cost of about RM1.9 billion was officially opened by the then Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad on 29 September 2003.



A gaming outlet in Sibul, Sarawak.



A draw in progress in Sibul, Sarawak.

REVIEW OF OPERATIONS

For the financial year ended 30 April 2004, Natural Avenue Sdn Bhd ("NASB") registered a total revenue of RM156.7 million and pre-tax profit of RM14 million, compared to a revenue of RM138.1 million and pre-tax profit of RM14 million for the year ended 30 April 2003. The revenue growth of 13.4% was

股。一年之后，他将受允许每年将延迟履行脱手股权书名下最多三分之一的(依照直线基础)美特士股票转让或分派予他人或机构；

- 所有由董事、大股份持有人以及董事与大股份持有人控制的其他公司尚欠成功时代广场集团的非贸易债务，必须在履行此项收购之前清还；
- 美特士须在2005年12月31日前，在其扩大的发行与缴足资本中，将土著股权增加2.34%；
- 美特士须在履行建议收购和建议清偿负债日期的两年内，在其扩大的发行与缴足资本中，将土著股权再增加3.66%。

在2004年8月27日，成功时代广场通知本公司，该公司已通过法庭召集的一项确定违约损失债权人会议，依据1965年公司法令第176条，针对建议解决债务的安排计划，取得必要的批准。

建议中的收购完成后，将把美特士目前从事博彩的业务转换成产业投资业务，同时也使公司的业务方向和美特士的控股股东产生重大改变。

成功时代广场的主要业务是产业投资与发展，公司本身是发展商，也是成功时代广场的业主，这项发展计划，位于吉隆坡燕美律一幅永久地契的地段。成功时代广场的建筑，耗资19亿零吉，于2003年7月完成，并于2003年9月29日由当时的首相敦马哈迪医生正式开幕。

业务检讨

在2004年4月30日截止的本财政年度，Natural Avenue Sdn Bhd ("NASB")取得总营业额1亿5千6百70万令吉，税前盈利1千4百万令吉相比于2003年4月30日所取得的总营业额则为1亿3千8百10万令吉，税前盈利1千4百万令吉。

CHAIRMAN'S STATEMENT 主席报告



A gaming outlet in Sibul, Sarawak.

achieved despite having three fewer draws in the financial year under review and increase in state sales tax from 5% to 10% effective 1 January 2004. The growth was mainly attributed to the effective implementation of image building and product promotion programmes. The relocation of the draw hall from the remote site at the Turf Club to the newly acquired premises in the Kuching Commercial Centre has also enhanced the credibility of the draws and provides better public exposure for the game as well.

Pre-tax profit however remained unchanged at RM14 million due to higher prize payout during the financial year as compared to the previous year.

During the financial year, NASB continued to fulfill its social responsibilities through the year-end events of ang-pow and gifts presentation to several social charitable organizations in the state. NASB also maintains close rapport with the cultural and sport authorities through event sponsorships.

FUTURE OUTLOOK

The Directors anticipate that the operating performance of the Group's gaming business will be satisfactory despite the imposition of a higher State Sales Tax effective 1 January 2004. NASB will continue with its promotion campaigns to boost sales and take the necessary steps to improve the accessibility of the sales outlets.

The proposed acquisition of BTSSB, which is anticipated to complete in the third quarter of the current financial year 2005, is expected to contribute positively to the Group's results.

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

27 August 2004

尽管受检讨的财政年度内摇珠开采次数较少，而且由2004年1月1日起，销售税由5%起至10%，总营业额仍取得13.4%的增长。这主要是由于有效进行建立形象和产品促销的关系。把摇珠开采的礼堂，从马场的偏僻场地重迁至新购置的业址古晋商业中心，也加强了摇珠开采的可信度，同时让更多人士更清楚博彩的实况。

不过，税前盈利却保持不变，仍然是1千4百万令吉。这是因为本财政年度所付出的开采奖金，比上一财政年度较高。

在本年度内，NASB继续通过年终派送红包和礼物给州内数家社会慈善机构，对社会费任略尽绵力。NASB也通过赞助活动，与文化机构和体育机构保持密切关系。

展望今后

尽管由2004年1月1日起，州政府征收更高的销售税，董事部预料本集团的博彩业的营运表现将会令人满意。NASB将会继续促销活动，以增进销路，并采取必要步骤，以改善各营业门市的普及。

收购成功时代广场的建议，预料会在2005年财政年度第三季完成，到时预料将对本集团的业绩作出正面的贡献。

申谢

本人谨代表董事部对管理层、雇员和代理的勤奋工作和贡献、深深致谢，并恳请他们继续尽心尽力，使集团经营，蒸蒸日上。我也谨向所有顾客、往来业务伙伴、政府机构和股东，忠诚感谢他们的继续支持与合作。

主席
丹斯里拿督阿玛张守辉
2004年8月27日

GROUP FINANCIAL HIGHLIGHTS

Description	After change in shareholding*			Before change in shareholding*			
	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
Revenue	156,660	179,445	326,631	1,215,953	1,013,563	912,446	943,391
Profit Before Taxation	15,482	17,872	21,211	28,538	15,339	11,028	21,634
Profit Attributable To Shareholders	7,141	10,515	14,230	13,276	17,367	4,898	15,214
Share Capital	166,004	166,004	41,501	41,501	41,501	41,501	41,501
Reserves	34,169	36,590	162,364	149,919	138,570	133,155	142,599
Shareholders' Funds	200,173	202,594	203,865	191,420	180,071	174,656	184,100
Minority Interests	2,027	2,771	2,553	12,095	11,376	15,918	14,779
Deferred Taxation	726	826	904	-	68	68	68
Long Term Liabilities	-	-	-	25,449	30,037	33,454	15,902
Current Liabilities	14,825	15,564	23,933	337,758	298,477	257,086	283,734
	217,751	221,755	231,255	566,722	520,029	481,182	498,583
Property, Plant And Equipment	13,615	14,813	22,355	126,972	134,356	146,308	123,924
Associated Company	-	-	-	1,773	1,888	1,970	1,980
Investments	2,272	3,156	1,120	-	-	-	-
Goodwill	179,323	179,323	158,043	-	-	-	-
Other Intangible Assets	6,380	6,630	-	-	-	-	-
Deferred Expenditure	-	-	-	-	312	1,634	220
Current Assets	16,161	17,833	49,737	437,977	383,473	331,270	372,459
Total Assets	217,751	221,755	231,255	566,722	520,029	481,182	498,583
Net Tangible Assets Per Share (RM)	0.09	0.10	0.28	1.15	1.08	1.05	1.11
Net Assets Per Share (RM)	1.21	1.22	1.23	1.15	1.08	1.05	1.11
Earnings Per Share (Sen)	4.30	6.33	8.57	8.00	10.5	2.95	9.16
Gross Dividend Rate (%)	7.00	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 and 2004 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.

集团

财务简报

摘要	改变股份主权后*			改变股份主权前*			
	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
营业额	156,660	179,445	326,631	1,215,953	1,013,563	912,446	943,391
税前盈利	15,482	17,872	21,211	28,538	15,339	11,028	21,634
可分配予股东的盈利	7,141	10,515	14,230	13,276	17,367	4,898	15,214
股本	166,004	166,004	41,501	41,501	41,501	41,501	41,501
储备金	34,169	36,590	162,364	149,919	138,570	133,155	142,599
股东基金	200,173	202,594	203,865	191,420	180,071	174,656	184,100
少数股东权益	2,027	2,771	2,553	12,095	11,376	15,918	14,779
递延课税	726	826	904	-	68	68	68
长期债务	-	-	-	25,449	30,037	33,454	15,902
流动债务	14,825	15,564	23,933	337,758	298,477	257,086	283,734
	217,751	221,755	231,255	566,722	520,029	481,182	498,583
固定资产	13,615	14,813	22,355	126,972	134,356	146,308	123,924
联号公司	-	-	-	1,773	1,888	1,970	1,980
投资	2,272	3,156	1,120	-	-	-	-
商誉	179,323	179,323	158,043	-	-	-	-
其他无形资产	6,380	6,630	-	-	-	-	-
递延开销	-	-	-	-	312	1,634	220
流动资产	16,161	17,833	49,737	437,977	383,473	331,270	372,459
资产总额	217,751	221,755	231,255	566,722	520,029	481,182	498,583
每股净有形资产 (RM)	0.09	0.10	0.28	1.15	1.08	1.05	1.11
每股净资产 (RM)	1.21	1.22	1.23	1.15	1.08	1.05	1.11
每股收益 (Sen)	4.30	6.33	8.57	8.00	10.5	2.95	9.16
毛股息率 (%)	7.00	7.00	3.00	6.45	40.0	48.0	12.5

注:

1997至2000年的数字，是以12月31日为截止年度；2002年的数字，是以4月30日截止年度的16个月时期为准；2003与2004年的数字，是以4月30日为截止年度。若有发行额外股票，每股收益将按加权平均股额计算。

2003年之前的每股净有形资产、每股净资产和每股收益，已随著2003年4月30日财政年度发行的红股而经过调整。

* 股份主权的改变，起因是董事局和公司动向的重大转变。

AUDIT & 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 2004.

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 nine (9) meetings during the financial year ended 30 April 2004. The details of attendance of the members are as follows:-

Name	Attendance
Tan Sri Datuk Amar Chong Siew Fai	9/9 *
Chan Kien Sing	9/9 *
Heng Kiah Choong	9/9 *

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

The Senior General Manager of Group Accounts and Budget 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 2004 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;
4. Reviewed the combine Terms of Reference of Audit and Risk Management Committee;
5. Reviewed the internal audit report presented and considered the audit findings in the Group's operating subsidiary and action taken by the management in response to the audit findings;
6. Reviewed the related party transactions.

INTERNAL AUDIT FUNCTION

For the financial year ended 30 April 2004, 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.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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 Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 consider the appointment of external auditors, the audit fee and any questions of resignation or

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

dismissal including recommending 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;
- (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 an 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 Committee and the Board of Directors from time to time;
 - (j) In compliance with Paragraph 15.17 of the Bursa Securities 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 Bursa Securities.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(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 organisation.
- *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 30 April 2004.

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 four Non-independent/Non-Executive Directors, two Independent Non-Executive Directors and one Executive Director. The qualifications and experience of each of the Director is set out in the Directors' profile on Page 3 to 5 of the Annual Report.

During the financial year ended 30 April 2004, eight (8) Board Meetings were held and the attendance record of the Directors are set out below:-

Name of Directors	Number of Meetings Attended
Tan Sri Datuk Amar Chong Siew Fai	8/8
Mark Wee Liang Yee	6/8
Chan Kien Sing	8/8
Datuk Robert Yong Kuen Loke	5/8
Derek Chin Chee Seng (Resigned on 3.8.2004)	6/8
Heng Kiah Choong	8/8
Lim Meng Kwong	8/8
Chin Ah Pong (Appointed on 2.8.2004)	-

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

As at 30 April 2004, all Directors and Alternate Director have attended and completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia, an affiliate company of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors will continue to undergo other relevant training programme to further enhance their skills

STATEMENT ON CORPORATE GOVERNANCE

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 Bursa Securities 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.

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 re-appointment at the Annual General Meeting.

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 function of the Remuneration Committee is 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-executives 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 30 April 2004, the aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components are as follows:-

	Fees (RM)	Other Emoluments (RM)	Total (RM)
Executive	-	-	-
Non-Executive	80,000	17,000	97,000
	<u>80,000</u>	<u>17,000</u>	<u>97,000</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 is 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.

STATEMENT ON CORPORATE GOVERNANCE

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 circular to shareholders made by the Company to the Bursa Securities during the year. Such information may also be obtained from the Group's website at www.berjaya.cc or the Bursa Securities website at www.bursamalaysia.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.

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 19 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 provide reasonable but not absolute assurance against material misstatement or loss.

The Board's primary objective and direction in managing the Group's risk 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.

The Board entrusts the Audit and Risk Management Committee with the overall responsibility to regularly review and monitor risk management activities of the Group and to approve appropriate risk management procedures and measurement methodologies.

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:

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

Assurance Mechanism

The Board had tasked the Audit and Risk Management Committee, in its 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 Audit and Risk Management Committee'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 Audit and Risk Management Committee. There was no internal audit review in the current financial year as the internal audit visits the subsidiary companies on a rotational basis. Internal audit review of the Group will be conducted in the ensuing financial year. The report of the Audit and Risk Management Committee is set out on pages 12 to 15 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

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2004.

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) number forecast lotteries in Sarawak;
- (ii) general trading and commission agent;
- (iii) provision of lottery consultancy and related services; and
- (iv) investment holding.

There have been no significant changes in the nature of the Group's activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit before taxation	15,482	10,897
Taxation	(4,885)	(3,271)
Profit after taxation	10,597	7,626
Minority interests	(3,456)	-
Profit attributable to members of the Company	7,141	7,626
Retained profits brought forward	19,487	17,987
Profit available for appropriation	26,628	25,613
Less : First interim dividend of 3% less 28% income tax	(3,586)	(3,586)
Prior year's second interim dividend of 5% less 28% income tax	(5,976)	(5,976)
Retained profits carried forward	17,066	16,051

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 Group and of the Company 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

The amount of dividends paid by the Company since 30 April 2003 were as follows:

RM'000

In respect of the financial year ended 30 April 2003 as reported in the directors' report of that year:

The second interim dividend of 5% per share on 166,004,680 ordinary shares, less 28% income tax, declared on 6 June 2003 and paid on 7 July 2003	5,976
---	-------

In respect of the financial year ended 30 April 2004:

First interim dividend of 3% per share on 166,004,680 ordinary shares, less 28% income tax, declared on 4 December 2003 and paid on 8 January 2004	3,586
---	-------

9,562

On 8 June 2004, the Company declared a second interim dividend of 4% less 28% income tax in respect of the financial year ended 30 April 2004 on 166,004,680 ordinary shares, amounting to RM4,780,935 (2.88 sen net per share) which was paid on 15 July 2004. 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 2005.

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

Mark Wee Liang Yee

Chan Kien Sing

Datuk Robert Yong Kuen Loke

Heng Kiah Choong

Lim Meng Kwong

Chin Ah Pong (Appointed on 2 August 2004)

John Ko Wai Seng (Alternate to Mark Wee Liang Yee)

Derek Chin Chee Seng (Resigned on 3 August 2004)

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 year, 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 Note 20 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, except as disclosed in Note 27 to the financial statements.

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 the related corporations of the Company as stated below:

ULTIMATE HOLDING COMPANY

Berjaya Group Berhad

	No. of Ordinary Shares of RM1.00 each			
	At 1.5.03	Bought	Sold	At 30.4.04
Datuk Robert Yong Kuen Loke	200,000	-	-	200,000

No. of RM1.00 Nominal Value of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009

	No. of RM1.00 Nominal Value of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009			
	At 1.5.03	Bought	Sold	At 30.4.04
Datuk Robert Yong Kuen Loke	139,000	-	-	139,000

HOLDING COMPANY

Berjaya Land Berhad

	No. of Ordinary Shares of RM1.00 each			
	At 1.5.03	Bought	Sold	At 30.4.04
Datuk Robert Yong Kuen Loke	90,000	-	-	90,000

OTHER RELATED CORPORATIONS

Cosway Corporation Berhad

	No. of Ordinary Shares of RM1.00 each			
	At 1.5.03	Bought	Sold	At 30.4.04
Datuk Robert Yong Kuen Loke	780,000	-	-	780,000

	No. of Ordinary Shares of RM1.00 each			
	At 1.5.03	Bought	Sold	At 30.4.04
Berjaya Capital Berhad				
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	168,000	-	-	168,000

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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 30 to the financial statements.

DIRECTORS'

REPORT

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company 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 the financial statements of the Group and of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company 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 Group and of the Company 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 Group and of the Company 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 Group or of the Company 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 Group or of the Company which has arisen since the end of the financial year.
- (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 Group or of the Company 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 Group or of the Company 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

DATUK ROBERT YONG KUEN LOKE

Kuala Lumpur, Malaysia
13 August 2004

STATEMENT BY DIRECTORS

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

We, CHAN KIEN SING and DATUK 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 27 to 56 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 Group and of the Company as at 30 April 2004 and of the results of the business of the Group and of the Company for the year ended on that date; and
- (ii) the cash flows of the Group and of the Company for the year ended 30 April 2004.

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

CHAN KIEN SING

DATUK ROBERT YONG KUEN LOKE

Kuala Lumpur, Malaysia
13 August 2004

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 27 to 56 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 13 August 2004

TAN THIAM CHAI

Before me,

SOH AH KAU (W315)
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS

TO THE MEMBERS OF MATRIX INTERNATIONAL BERHAD
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 27 to 56. 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 Group and of the Company as at 30 April 2004 and of the results and the cash flows of the Group and of the Company 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 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
No. 2190/12/05(J)
Partner

Kuala Lumpur, Malaysia
13 August 2004

BALANCE SHEETS

AS AT 30 APRIL 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	13,615	14,813	-	-
Subsidiary companies	4	-	-	191,667	191,667
Associated company	5	-	-	-	-
Other investments	6	2,272	3,156	1,272	2,156
Goodwill on consolidation	7	179,323	179,323	-	-
Other intangible asset	8	6,380	6,630	-	-
		<u>201,590</u>	<u>203,922</u>	<u>192,939</u>	<u>193,823</u>
CURRENT ASSETS					
Inventories	9	373	509	-	-
Receivables	10	1,712	1,962	4,269	7,434
Tax recoverable		751	691	666	611
Deposits with financial institutions	11	9,345	11,369	2,145	-
Cash and bank balances		3,980	3,302	30	950
		<u>16,161</u>	<u>17,833</u>	<u>7,110</u>	<u>8,995</u>
CURRENT LIABILITIES					
Payables	12	12,963	12,959	891	1,724
Tax payable		1,862	2,605	-	-
		<u>14,825</u>	<u>15,564</u>	<u>891</u>	<u>1,724</u>
NET CURRENT ASSETS					
		<u>1,336</u>	<u>2,269</u>	<u>6,219</u>	<u>7,271</u>
		<u>202,926</u>	<u>206,191</u>	<u>199,158</u>	<u>201,094</u>
FINANCED BY:					
Share capital	13	166,004	166,004	166,004	166,004
Share premium	14	17,103	17,103	17,103	17,103
Reserves	15	17,066	19,487	16,051	17,987
		<u>200,173</u>	<u>202,594</u>	<u>199,158</u>	<u>201,094</u>
Shareholders' funds		200,173	202,594	199,158	201,094
Minority interests		2,027	2,771	-	-
		<u>202,200</u>	<u>205,365</u>	<u>199,158</u>	<u>201,094</u>
NON-CURRENT LIABILITY					
Deferred tax liabilities	16	726	826	-	-
		<u>202,926</u>	<u>206,191</u>	<u>199,158</u>	<u>201,094</u>

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

I N C O M E S T A T E M E N T S

FOR THE YEAR ENDED 30 APRIL 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	17	156,660	179,445	12,226	17,778
Cost of sales		(132,595)	(150,980)	-	-
Gross profit		24,065	28,465	12,226	17,778
Other operating income		597	636	52	217
Distribution and marketing expenses		(2,176)	(2,041)	-	-
Administrative expenses		(5,238)	(10,510)	(573)	(1,728)
Other operating expenses		(957)	(1,143)	-	-
Profit from operations	18	16,291	15,407	11,705	16,267
Finance costs	21	(1)	(36)	-	-
Results arising from investing activities	22	(808)	2,501	(808)	(8,758)
Profit before taxation		15,482	17,872	10,897	7,509
Taxation	23	(4,885)	(3,467)	(3,271)	(3,230)
Profit after taxation		10,597	14,405	7,626	4,279
Minority interests		(3,456)	(3,890)	-	-
Net profit for the year		7,141	10,515	7,626	4,279
Net dividends per share (sen)	24	5.04	5.04	5.04	5.04
Earnings per share (sen)					
Basic	25	4.30	6.33		

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

CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2004

	Share Capital RM'000	Share Premium RM'000	Non- distributable Reserve on Consolidation RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 May 2002	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
At 1 May 2003	166,004	17,103	-	19,487	202,594
Net profit for the year	-	-	-	7,141	7,141
Dividends	-	-	-	(9,562)	(9,562)
At 30 April 2004	166,004	17,103	-	17,066	200,173

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2004

	Share Capital RM'000	Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 May 2002	41,501	17,103	141,497	200,101
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	166,004	17,103	17,987	201,094
At 1 May 2003	166,004	17,103	17,987	201,094
Net profit for the year	-	-	7,626	7,626
Dividends	-	-	(9,562)	(9,562)
At 30 April 2004	166,004	17,103	16,051	199,158

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

CONSOLIDATED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004

	Note	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/operating revenue		171,602	190,064
Payments to suppliers, prize winners and other operating expenses		(126,062)	(149,662)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(27,860)	(29,079)
Tax refund		2	-
Payment of taxes		(5,782)	(3,856)
Other receipts	(a)	2,710	242
Net cash generated from operating activities		14,610	7,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflow arising from disposal of subsidiary company	(b)	-	25,805
Proceeds from disposal of property, plant and equipment		50	1
Acquisitions of property, plant and equipment	(c)	(465)	(5,678)
Cash outflow arising from acquisition of subsidiary company	(b)	-	(28,069)
Acquisition of other investments		-	(2,156)
Sales of other investments		76	-
Interest received		271	377
Other payments arising from investments		(514)	-
Net cash used in investing activities		(582)	(9,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of bank borrowings		-	5,280
Interest paid		(1)	(36)
Dividends paid to shareholders of the Company		(9,562)	(3,286)
Dividends paid to minority shareholders		(5,811)	-
Net cash (used in)/generated from financing activities		(15,374)	1,958
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,346)	(53)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		14,671	14,724
CASH AND CASH EQUIVALENTS AT END OF YEAR	(d)	13,325	14,671

(a) Other receipts in operating activities during the financial year comprise mainly the additional Sarawak State sales tax received on behalf of state government. In the previous financial year, other receipts in operating activities comprise mainly sales of ticket rolls.

CONSOLIDATED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2004 (CONT'D)

(b) Analysis of the effects of subsidiary companies disposed and acquired in the previous financial year:

	Subsidiary disposed 2003 RM'000
Property, plant and equipment	10,015
Current assets	44,157
Short and long term liabilities	(22,237)
Gain on disposal	2,501
Reserve on consolidation	(8,500)
	<hr/>
Net assets disposed	25,936
Cash and cash equivalents of subsidiary company disposed	(131)
	<hr/>
Cash flow on disposal of subsidiary company	<u>25,805</u>
	<hr/>
	Subsidiary acquired 2003 RM'000
Intangible asset	(6,963)
Current assets	(361)
Short and long term liabilities	359
Goodwill acquired	(21,280)
	<hr/>
Net assets acquired	(28,245)
Cash and cash equivalents of subsidiary company acquired	176
	<hr/>
Cash flow on acquisition of subsidiary company	<u>(28,069)</u>

The effect on the Group's results from the date of disposal of subsidiary company in the previous financial year was the profit after taxation of RM721,000 being consolidated to the date of disposal and a gain arising from the disposal of RM2,501,000.

The effect on the Group's results from the date of acquisition resulting in the company becoming subsidiary company in the previous financial year was an additional profit after taxation of RM555,000 being consolidated as the effect to the shareholders' funds.

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

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

	2004 RM'000	2003 RM'000
Deposits (Note 11)	9,345	11,369
Cash and bank balances	3,980	3,302
	<hr/>	<hr/>
	<u>13,325</u>	<u>14,671</u>

The closing cash and cash equivalents include deposit with a licensed bank amounting to RM16,000 (2003 : RM16,000) 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 2004

	Note	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment for operating expenses		(325)	(1,799)
Payment of taxes		(3)	(486)
Other receipts		-	23
Net cash used in operating activities		(328)	(2,262)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiary company		-	25,936
Acquisition of subsidiary company		-	(28,245)
Acquisition of other investments		-	(2,156)
Sales of other investments		76	-
Interest received		52	194
Dividends received		8,543	12,540
Other payments arising from investments		(514)	-
Net cash generated from investing activities		8,157	8,269
CASH FLOWS FROM FINANCING ACTIVITIES			
Inter-company repayments/(advances)		2,958	(5,591)
Dividends paid to shareholders of the Company		(9,562)	(3,286)
Net cash used in financing activities		(6,604)	(8,877)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,225	(2,870)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		950	3,820
CASH AND CASH EQUIVALENTS AT END OF YEAR	(a)	2,175	950

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

Deposits (Note 11)	2,145	-
Cash and bank balances	30	950
	2,175	950

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

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 number forecast lotteries in Sarawak, general trading and commission agent, provision of lottery consultancy and related services and investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. 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 Group and in the Company at the end of the financial year were 92 (2003: 66) and 1 (2003: Nil) respectively. The day to day operations and the maintenance of financial books and records of the Company 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 13 August 2004.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company 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 of the Malaysian Accounting Standards Board ("MASB").

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method, the results of subsidiaries acquired or disposed of during the financial 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 value 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 negative goodwill as appropriate.

Intragroup transactions, balances and 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.

Minority interests in the consolidated balance sheet consist of the minorities' share of fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Associated Companies

Associated companies are companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies 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 made up to the Group's financial year-end.

Under the equity method of accounting, the Group's share of results of associated companies during the financial year is included in the consolidated financial statements. 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 date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

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 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 remaining 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 44 – 50 years
Plant, machinery and equipment	10 – 20 %
Computer equipment	10 %
Renovation	10 %
Furniture, fittings and office equipment	10 %
Motor vehicles	14 %
Others *	10 %

* Others comprise mainly signboards, ponies, lottery computer system & telecommunications equipment.

(e) Investments in Subsidiary and Associated Companies

The Company's investments in subsidiary and associated companies are stated at cost less impairment losses.

(f) Inventories

Ticket inventories and gaming equipment 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 2004

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Provisions for Liabilities

Provisions for liabilities are recognised when the Group and the Company have 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) Goodwill on Consolidation

Goodwill on consolidation represents the difference between the purchase price over the fair value of the net assets of the investment in subsidiary and associated companies at the date of acquisition less proportionate amounts written off for subsequent disposals of these investments. Positive goodwill is retained in the consolidated balance sheet at cost less impairment losses. Negative goodwill is shown as a deduction from the positive goodwill on consolidation of the Group.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the balance sheet while goodwill arising on the acquisition of associated companies is included within the carrying amount of investment in associated companies.

Goodwill or negative goodwill is not amortised. Goodwill is reviewed at each balance sheet date and will be written down for impairment when it is considered necessary.

(i) 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.

(j) Income Tax

Tax on profit or loss for the year comprises current and deferred tax. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of the previous year.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised on temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of transaction affects neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Prior to the adoption of MASB 25: Income Taxes, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation. This change in accounting policy has not given rise to any adjustments to the opening balances of retained profits of the prior and current years.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Contributions to defined contribution plans are charged to the income statement when incurred.

(l) Impairment of Assets

At each balance sheet date, the Group and the Company review the carrying amounts of their assets other than inventories, receivables, other non-current investments and marketable securities, 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.

(m) Financial Instruments

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

(i) Investments

Investments comprise quoted securities, Malaysian Government Securities ("MGS") but exclude investments in subsidiary and associated companies.

MGS and other approved investments as specified by Bank Negara Malaysia ("BNM") are stated at cost adjusted for the amortisation of premiums or accretion of discounts calculated from the date of purchase to their maturity dates.

Other non-current investments are stated at cost less provision for permanent diminution in value. Such provision is made when there is a decline, other than temporary, in value of investments and it 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. All known bad debts are written off while doubtful debts are provided for, based on estimates of possible losses that may arise from non-collection.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial Instruments (cont'd)

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans 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 specially for the purpose of obtaining another qualifying asset. For borrowings made specially 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.

(n) Revenue Recognition

(i) Dividend 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.

(ii) Interest Income

Interest income from short term deposits and advances are recognised on an accrual basis, unless recoverability is in doubt.

(iii) Gaming Activities

Revenue from gaming activities is recognised based on ticket sales net of gaming tax relating to draw days within the financial year.

(iv) Gaming Equipment Sale

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

(v) Management Fee Income

Management fee income is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue Recognition (cont'd)

(vi) Other Income

Other than the above, all other income is recognised on accrual basis.

(o) Cash and Cash Equivalents

Cash comprises cash in hand, at bank and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

(p) 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. Revenue is attributable to geographical segments based on location where sale is transacted.

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.

3 PROPERTY, PLANT AND EQUIPMENT

GROUP

	Net book value as at 1.5.03		Write off/ Disposals		Depreciation	Net book value as at 30.4.04
	RM'000	Additions RM'000	RM'000	RM'000	RM'000	RM'000
Short term leasehold land and buildings	4,911	67	-	(18)		4,960
Plant, machinery and equipment	6,057	2	-	(732)		5,327
Computer equipment	2,214	47	-	(506)		1,755
Renovation	68	17	-	(28)		57
Furniture, fittings and office equipment	813	159	(1)	(153)		818
Motor vehicles	501	173	-	(160)		514
Others	249	-	(1)	(64)		184
	14,813	465	(2)	(1,661)		13,615

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
As at 30 April 2004			
Short term leasehold land and buildings	5,074	114	4,960
Plant, machinery and equipment	7,494	2,167	5,327
Computer equipment	5,090	3,335	1,755
Renovation	292	235	57
Furniture, fittings and office equipment	1,623	805	818
Motor vehicles	1,305	791	514
Others	627	443	184
	21,505	7,890	13,615
As at 30 April 2003			
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

During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM465,000 (2003: RM5,678,000) by way of cash.

Property, plant and equipment of the Group with net book value of RM8,350,609 (2003: RM8,862,537) are pledged to a bank for bank overdraft facilities amounting to RM2,000,000 granted to a subsidiary company.

	Cost RM'000	Accumulated depreciation RM'000	Impairment RM'000	Net book value RM'000
Details at 1 May 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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

4 SUBSIDIARY COMPANIES

	Company	
	2004 RM'000	2003 RM'000
Unquoted shares at cost	191,667	191,667

The Group's effective equity interest in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 31 to the financial statements.

5 ASSOCIATED COMPANY

	Group	
	2004 RM'000	2003 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 31.

6 OTHER INVESTMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Malaysian Government Securities	1,120	1,120	-	-
Less: Accumulated amortisation of premium	(120)	(120)	-	-
	1,000	1,000	-	-
Quoted shares at cost	2,044	2,156	2,044	2,156
Less : Accumulated impairment losses	(772)	-	(772)	-
	1,272	2,156	1,272	2,156
	2,272	3,156	1,272	2,156

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

6 OTHER INVESTMENTS (CONT'D)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Market value of:				
Malaysian Government Securities	1,089	1,127	-	-
Quoted shares	1,272	1,496	1,272	1,496

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

7 GOODWILL ON CONSOLIDATION

	Group	
	2004 RM'000	2003 RM'000
At beginning of the year	179,323	158,043
Arising from acquisition of subsidiary companies	-	21,280
At end of the year	179,323	179,323

8 OTHER INTANGIBLE ASSET

	Group	
	2004 RM'000	2003 RM'000
Right to receive Special Cash Sweep Lottery royalty revenue:		
At beginning of the year	6,963	-
Arising from acquisition of a subsidiary company	-	6,963
Amortisation	(583)	(333)
At end of the year	6,380	6,630

9 INVENTORIES

	Group	
	2004 RM'000	2003 RM'000
Cost:		
Ticket stocks and souvenirs	116	78
Gaming equipment	257	431
	373	509

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM148,000 (2003: RM35,611,000). Included in the cost of inventories recognised as an expense in the previous financial year was an amount of RM35,550,000 related to a subsidiary company disposed of in that financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

10 RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables	146	96	-	-
Other receivables	454	1,344	-	-
Prepayments	1,112	522	545	48
Amounts due from subsidiary companies	-	-	3,724	7,386
	<u>1,712</u>	<u>1,962</u>	<u>4,269</u>	<u>7,434</u>

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

The amounts due from 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 WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deposits with:				
- Licensed banks	8,345	7,369	2,145	-
- Licensed finance companies	1,000	4,000	-	-
	<u>9,345</u>	<u>11,369</u>	<u>2,145</u>	<u>-</u>

A deposit with a licensed bank of the Group amounting to RM16,000 (2003: RM16,000) 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 2004 were as follows:

	Average interest rates		Average maturities	
	2004 %	2003 %	2004 Days	2003 Days
Licensed banks	3.1	3.2	13	21
Licensed finance companies	3.2	3.2	21	23

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

12 PAYABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	8,578	6,616	-	-
Other payables	2,066	3,672	-	-
Accruals	659	1,084	152	278
Agents' security deposits	1,535	1,535	-	-
	<u>12,838</u>	<u>12,907</u>	<u>152</u>	<u>278</u>
Amounts due to other related companies	125	52	81	6
Amounts due to subsidiary companies	-	-	658	1,440
	<u>12,963</u>	<u>12,959</u>	<u>891</u>	<u>1,724</u>

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

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

13 SHARE CAPITAL

	Group and Company			
	Ordinary shares of RM1.00 each			
	2004 No. of shares '000	2003 No. of shares '000	2004 RM'000	2003 RM'000
Authorised:				
At beginning of the year	500,000	50,000	500,000	50,000
Created during the year	-	450,000	-	450,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
At end of the year	500,000	500,000	500,000	500,000
Issued and fully paid:				
At beginning of the year	166,004	41,501	166,004	41,501
Bonus issue during the year	-	124,503	-	124,503
	<u>166,004</u>	<u>166,004</u>	<u>166,004</u>	<u>166,004</u>
At end of the year	166,004	166,004	166,004	166,004

14 SHARE PREMIUM

	Group and Company	
	2004 RM'000	2003 RM'000
At beginning and end of the year	<u>17,103</u>	<u>17,103</u>

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

15 RESERVES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Distributable reserve:				
Retained profits	17,066	19,487	16,051	17,987

As at 30 April 2004, the Company has Section 108 tax credit amounting to RM36,794,000 (2003: RM37,552,000), subject to the agreement with the Inland Revenue Board.

As at 30 April 2004, the Company has tax exempt income amounting to RM30,791,000 (2003: 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.

16 DEFERRED TAX LIABILITIES

	Group	
	2004 RM'000	2003 RM'000
At beginning of the year	826	904
Arising from acquisition of subsidiary company	-	5
Recognised in income statement (Note 23)	(100)	(83)
At end of the year	726	826

The deferred tax liabilities of the Group are in relation to accelerated capital allowance.

The deferred tax assets have not been recognised in respect of the following items:

	Group	
	2004 RM'000	2003 RM'000
Unabsorbed tax losses	1,685	1,685

Deferred tax assets have not been recognised in the financial statements as this amount is subject to the agreement of the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

17 REVENUE

Group

Revenue represents gaming ticket sales net of gaming tax and sales of gaming terminals net of discounts.

The main categories of revenue are as follows:

	2004 RM'000	2003 RM'000
Gaming ticket sales	170,071	149,984
less: Gaming tax	(13,606)	(11,999)
	156,465	137,985
Gaming terminal sales	195	90
Sale of feed and wheat flour	-	41,370
	156,660	179,445

Company

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

	2004 RM'000	2003 RM'000
Gross dividends from subsidiary companies	11,866	17,418
Management fees from a subsidiary company	360	360
	12,226	17,778

18 PROFIT FROM OPERATIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit from operations is stated after charging/(crediting):				
Gaming royalty	854	1,775	-	-
Depreciation of property, plant and equipment	1,661	2,296	-	-
Directors' remuneration:				
- fees	190	224	60	51
- other emoluments	98	79	17	6
Auditors' remuneration:				
- statutory audit	51	45	17	15
- under/(over) provision in respect of prior year	8	(4)	2	(10)
- other services	12	13	-	6
Impairment of property, plant and equipment	-	902	-	-
Amortisation of bond premium	-	120	-	-
Amortisation of other intangible asset	250	333	-	-
Property, plant and equipment written off	1	5	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

18 PROFIT FROM OPERATIONS (CONT'D)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit from operations is stated after charging/(crediting):				
Rental of land and buildings	60	119	-	-
Staff costs (Note 19)	2,247	2,057	13	-
Interest income	(274)	(377)	(52)	(194)
Gross dividend income from subsidiary companies	-	-	(11,866)	(17,418)
(Gain)/Loss on disposal of property, plant and equipment	(49)	1	-	-

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

19 STAFF COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Wages and salaries	1,620	1,600	12	-
Bonus	271	180	1	-
EPF Contributions	190	165	-	-
Social Security Organisation Contributions	21	19	-	-
Other staff related expenses	145	93	-	-
	2,247	2,057	13	-

20 DIRECTORS' REMUNERATION

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Directors of the Company				
Non-Executive:				
Fees	80	103	60	51
Other emoluments	17	6	17	6
	97	109	77	57
Other directors of the Group				
Fees	110	121	-	-
Other emoluments	81	73	-	-
	191	194	-	-
Total	288	303	77	57

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

21 FINANCE COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest expense	1	36	-	-

22 RESULTS ARISING FROM INVESTING ACTIVITIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gain/(loss) on disposal of a subsidiary company	-	2,501	-	(8,758)
Loss on disposal of other investment	(36)	-	(36)	-
Impairment in value of investment	(772)	-	(772)	-
	(808)	2,501	(808)	(8,758)

23 TAXATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Income tax:				
Malaysian income tax	5,095	5,503	3,303	4,958
Overprovided in prior years	(110)	(1,953)	(32)	(1,728)
	4,985	3,550	3,271	3,230
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(158)	(31)	-	-
Over/(under) provided in prior years	58	(52)	-	-
	(100)	(83)	-	-
	4,885	3,467	3,271	3,230

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year.

Certain of the subsidiary companies qualify for the reduced statutory tax rate of 20% (2003: 20%) on the first RM500,000 (2003: RM100,000) estimated assessable profits for the year, pursuant to the Finance Act 2003.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

23 TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before taxation	15,482	17,872	10,897	7,509
Taxation at Malaysian statutory tax rate of 28%	4,335	5,004	3,051	2,103
Effect of income subject to tax rate of 20%	(40)	(8)	-	-
Effect of expenses not deductible for tax purposes	642	476	252	2,855
Over/(Under) provision for deferred tax expense in prior years	58	(52)	-	-
Overprovision of tax expense in prior years	(110)	(1,953)	(32)	(1,728)
Tax expense for the year	4,885	3,467	3,271	3,230

24 DIVIDENDS

	Group and Company			
	Amount		Net Dividends Per Share	
	2004 RM'000	2003 RM'000	2004 sen	2003 sen
First interim dividend of 3% (2003: 2%) less 28% income tax, on 166,004,680 ordinary shares, declared on 4 December 2003 (2003: 27 November 2002), and paid on 8 January 2004 (2003: 3 January 2003)	3,586	2,390	2.16	1.44
Second interim dividend of 4% (2003: 5%) less 28% income tax, on 166,004,680 ordinary shares, declared after balance sheet date	4,780	5,976	2.88	3.60
	8,366	8,366	5.04	5.04

In the previous financial year, the Company declared an interim dividend of 5% less 28% income tax after 30 April 2003 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 8 June 2004, the Company declared a second interim dividend of 4% less 28% income tax in respect of the financial year ended 30 April 2004 on 166,004,680 ordinary shares, amounting to RM4,780,935 (2.88 sen net per share) which was paid on 15 July 2004. 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 2005.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

25 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	2004	2003
Net profit for the year (RM'000)	7,141	10,515
Weighted average number of ordinary shares in issue ('000)	166,004	166,004
Basic earnings per share (sen)	4.30	6.33

26 CAPITAL COMMITMENT

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Capital expenditure:				
Approved but not contracted for	-	123	-	-

Details of significant commitment for acquisition of investment are included in Note 30.

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Management fee receivable from a subsidiary company	-	-	(360)	(360)
Management fee payable to immediate holding company	236	252	236	252

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

The Directors are of the opinion that the above transactions were undertaken at mutually agreed terms between the parties in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

28 SEGMENTAL INFORMATION

(a) Business Segments :

30 April 2004

	Gaming RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue				
External sales	156,660	-	-	156,660
Inter-segment sales	-	2,976	(2,976)	-
Total	156,660	2,976	(2,976)	156,660
Results				
Segment results	14,599	1,651	-	16,250
Unallocated corporate expenses				(233)
Interest income				274
Profit from operations				16,291
Interest expense				(1)
Non operating expenses				(808)
Profit before taxation				15,482
Taxation				(4,885)
Profit after taxation				10,597
Minority interests				(3,456)
Net profit for the year				7,141
Assets				
Segment assets	178,349	34,642	-	212,991
Investment in associated company				-
Unallocated corporate assets				4,760
Consolidated total assets				217,751
Liabilities				
Segment liabilities	14,903	345	-	15,248
Unallocated corporate liabilities				303
Consolidated total liabilities				15,551
Other information				
Capital expenditure	450	15	-	465
Depreciation	960	701	-	1,661
Amortisation	-	250	-	250
Impairment losses	-	772	-	772

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

28 SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments (cont'd):

30 April 2003	Gaming RM'000	Feed and wheat flour RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	138,075	41,370	-	-	179,445
Inter-segment sales	-	-	1,606	(1,606)	-
Total	138,075	41,370	1,606	(1,606)	179,445
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 2004

28 SEGMENTAL INFORMATION (CONT'D)

(b) Geographical Locations :

No segmental information by geographical locations 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.

29 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 not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's investments 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 due from subsidiary companies principally due to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs.

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. The fair value of Malaysian Government Securities is based on indicative value obtained from the secondary market.

The carrying values of all other financial assets and liabilities as at 30 April 2004 are not materially different from their fair values.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

30 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 21 November 2003, the Company ("Matrix") announced that it has received letters of offer ("the Offer") from the shareholders of Berjaya Times Square Sdn Bhd ("BTSSB") namely, YBhg. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), YBhg. Dato' Robin Tan Yeong Ching ("DRTYC"), Rayvin Tan Yeong Sheik ("RTYS"), Nerine Tan Sheik Ping ("NTSP"), JMP Holdings Sdn Bhd ("JMP"), Vecc-Men Holdings Sdn Bhd ("VHSB") and Bakat Rampai Sdn Bhd ("BR") (hereinafter referred to as "Vendors") offering to sell their entire equity interest totaling 100% in BTSSB comprising 320.614 million ordinary shares of RM1.00 each for a total purchase consideration of RM993.902 million to be satisfied by the issuance of 709.93 million new ordinary shares of RM1.00 each in Matrix at an issue price of RM1.40 per ordinary share of RM1.00 each ("Matrix Shares") thereby resulting in BTSSB becoming a wholly-owned subsidiary of Matrix ("Proposed Acquisition").

As an integral part of the Offer, Matrix will settle on behalf of BTSSB the claims which arose from the liquidated ascertained damages ("LAD") due to the late delivery of vacant possession of their units in Berjaya Times Square ("BTS") amounting to RM266.661 million by the issuance of 190.472 million new ordinary shares of RM1.00 each in Matrix at an issue price of RM1.40 per ordinary share of RM1.00 each to the property purchasers of BTS ("LAD Creditors") ("Proposed Debt Conversion") (collectively hereinafter referred to as "Proposals").

Following the completion of the Proposed Acquisition, the direct shareholdings of TSVT and the parties acting in concert namely, DRTYC, RTYS, NTSP, JMP and VHSB in Matrix will increase from 1.7% to approximately 69%. Accordingly, TSVT will undertake to extend a mandatory offer ("MO") for the remaining Matrix Shares which are not already held by them upon the completion of the Proposed Acquisition at the same price as the issue price of the new Matrix shares.

However, as the Proposed Acquisition is conditional upon BR not accepting the MO offer, the approval from the shareholders of Dijaya Corporation Berhad ("Dijaya") will be sought to grant the undertaking to BR not to accept such a MO offer ("Undertaking").

The Proposed Acquisition will upon completion, transform the business of Matrix from currently a gaming business into a property investment business resulting in a significant change in business direction as well as the dominant shareholder of Matrix.

The aforesaid Proposals are subject to the following approvals:-

- (i) Securities Commission ("SC");
- (ii) The shareholders of Matrix and Berjaya Land Berhad at their respective Extraordinary General Meetings ("EGM") to be convened;
- (iii) The shareholders of Dijaya at an EGM to be convened for the disposal of the BTSSB shares held by its wholly-owned subsidiary, BR, to Matrix pursuant to the Proposed Acquisition and for the Undertaking pursuant to the MO to be extended to BR upon completion of the Proposed Acquisition;
- (iv) the approvals of LAD Creditors at the Court Convened Creditors' Meeting pursuant to Section 176 of the Companies Act, 1965;
- (v) Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new Matrix Shares to be issued pursuant to the proposals; and
- (vi) any other relevant authorities.

On 29 March 2004, the Company had announced potential additional claims by LAD Creditors totaling RM3.515 million which relates to the legally disputed cases that will increase the settlement of LAD claims up to RM270.176 million and up to 192.983 million new Matrix shares will be issued to settle LAD claims based on the issue price of RM1.40 per share. The Company also proposed to increase the present authorised share capital of Matrix from RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 to RM5,000,000,000 comprising 5,000,000,000 ordinary shares of RM1.00 each and is subject to the approval being obtained from the shareholders of the Company at an extraordinary general meeting to be convened.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

30 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

Subsequent to the aforesaid announcements above, on 28 May 2004, the Company announced that it has submitted an application to the SC on 31 March 2004, to seek its approval for the Proposals. The Company had on 7 May 2004 submitted a revised valuation report prepared by Messrs. Colliers Jordan Lee & Jaafar on the properties held by BTSSB dated 7 May 2004 revising the market value of the said properties to RM1.90 billion as at 31 October 2003 as opposed to RM2.46 billion as stated in the initial valuation report dated 31 December 2003. The Vendors of BTSSB proposes to revise the purchase consideration for the acquisition of the entire issued and paid-up share capital of BTSSB to RM784.031 million ("Revised Purchase Consideration") as opposed to the initial purchase consideration of RM993.902 million. The Revised Purchase Consideration shall be satisfied by the issuance of 560.022 million new Matrix shares at an issue price of RM1.40 per Matrix share instead of the issuance of 709.930 million new Matrix shares at an issue price of RM1.40 per Matrix share. A supplemental share sale agreement was executed between the Company and the Vendors on 28 May 2004 to take into consideration the Revised Purchase Consideration. There are no changes in the other terms of the Proposed Acquisition and the Proposed Debt Settlement.

On 20 July 2004, the Company announced that SC had, vide its letter dated 16 July 2004, approved the aforesaid Proposals and the listing and quotation of the new Matrix Shares to be issued pursuant to the aforesaid Proposals on the Main Board of Bursa Securities. The SC has also approved the said Proposals under the Foreign Investment Committee's ("FIC") Guidelines for the Acquisition of Assets, Mergers and Take-Overs, 1974.

The SC's approval for the above is subject to, inter alia, the following conditions:

- (i) Matrix/BTSSB to obtain the approvals of the LAD Creditors for the Proposed Debt Settlement as well as the lenders for the proposed restructuring of BTSSB's borrowings prior to the implementation of the Proposed Acquisition;
- (ii) A moratorium on disposal is imposed on 280,011,133 new Matrix Shares to be received by TSVT, whereby he is not allowed to sell, transfer or assign the new Matrix Shares under moratorium for 1 year from the date of the new Matrix Shares are listed on Bursa Securities. Thereafter, he is allowed to sell, transfer or assign only up to a maximum of 1/3 per annum (on a straight line basis) of the Matrix Shares under moratorium;
- (iii) All non-trade debts owing to the BTSSB group of companies by its directors, substantial shareholders and other companies controlled by the directors and substantial shareholders must be settled prior to the implementation of the Proposed Acquisition;
- (iv) Matrix to increase its Bumiputera equity percentage by 2.34% of its enlarged issued and paid-up share capital, as previously imposed by FIC, by 31 December 2005; and
- (v) Matrix to further increase its Bumiputera equity percentage by 3.66% of its enlarged issued and paid-up share capital within 2 years from the date of the implementation of the Proposed Acquisition and Proposed Debt Settlement.

On 28 July 2004, the Company announced that the Board of Directors had deliberated and accepted the conditions as imposed by the SC.

A court convened meeting to obtain the approvals of the LAD Creditors for the Proposed Debt Settlement will be held on 27 August 2004. The Proposals are pending completion.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2004

31 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2004 %	2003 %
Subsidiary Companies				
Sublime Cartel Sdn Bhd	Malaysia	Provision of lottery consultancy and related services	100	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	Number forecast lotteries in Sarawak	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 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 in the previous financial year.*

32 COMPARATIVE FIGURES

(a) The following income statement comparative figures have been reclassified to conform with current year's presentation:

Group	As restated RM '000	Adjustment RM '000	As previously reported RM '000
Revenue	179,445	11,999	191,444
Cost of sales	(150,980)	(11,999)	(162,979)
Administrative and other operating expenses	(11,653)	11,653	-
Administrative expenses	-	(10,510)	(10,510)
Other operating expenses	-	(1,143)	(1,143)

(b) The presentation of taxation, deferred taxation and staff costs of the previous financial year have been changed to comply with the requirements of MASB 25: Income Taxes and MASB 29: Employee Benefits. There have been no impact on the comparative amounts.

LIST OF PROPERTIES

AS AT 30 APRIL 2004

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	16 yrs	1996	786
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	10 yrs	2002	4,174

REVALUATION POLICY

The Group does not adopt a policy of regular revaluation.

MATERIAL CONTRACTS

Other than as disclosed in Notes 27 and 30 of the financial statements for the financial year ended 30 April 2004, neither Matrix International Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 19 AUGUST 2004

ULTIMATE HOLDING COMPANY BERJAYA GROUP BERHAD

	No. of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	200,000	0.01	-	-

	No. of RM1.00 nominal amount of 5% Irredeemable Convertible Unsecured Loan Stock 1999/2009			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	139,000	0.03	-	-

HOLDING COMPANY BERJAYA LAND BERHAD

	No. of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	90,000	0.01	-	-

	No. of Options Over Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Chin Ah Pong (appointed on 2.8.2004)	194,000	0.02	-	-

RELATED COMPANIES COSWAY CORPORATION BERHAD

	No. of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	780,000	0.23	-	-

BERJAYA CAPITAL BERHAD

	No. of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	168,000	0.03	-	-
Chan Kien Sing	10,000	0.002	-	-

Save as disclosed, none of the other Directors in office has any interest in the shares and debentures of the Company or its related corporations as at 19 August 2004.

STATISTICS OF SHAREHOLDINGS

AS AT 19 AUGUST 2004

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	No. of Shares			
	Direct	%	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:

- Deemed interested by virtue of its 100% interest in Portal Access Sdn Bhd and 100% interest in Immediate Capital Sdn Bhd.
- Deemed interested by virtue of its interests in Berjaya Land Berhad, the holding company of Portal Access Sdn Bhd and Immediate Capital Sdn Bhd.
- Deemed interested by virtue of its 100% interest in Teras Mewah Sdn Bhd and its interests in related companies, namely, Berjaya Capital Berhad and Berjaya General Insurance Berhad.
- Deemed interested by virtue of his interest in Berjaya Group Berhad.
- Deemed interested by virtue of their interest in Orkid Menawan Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	62	2.25	1,734	0.00
100-1,000	227	8.22	180,454	0.11
1,001-10,000	1,846	66.88	8,936,709	5.38
10,001-100,000	568	20.58	15,130,624	9.12
100,001-8,300,233	54	1.96	71,829,379	43.27
8,300,234* and above	3	0.11	69,925,780	42.12
Total	2,760	100.00	166,004,680	100.00

Note:

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

* denotes 5% of the issued shares.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Portal Access Sdn Bhd	40,504,700	24.400
2.	Orkid Menawan Sdn Bhd	20,521,080	12.362
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Merchant Nominees (Tempatan) Sdn Bhd For Portal Access Sdn Bhd	8,900,000	5.361
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Land Berhad	8,200,000	4.940
5.	Eng Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Dato' Tan Han Kook	7,132,000	4.296

STATISTICS OF SHAREHOLDINGS

AS AT 19 AUGUST 2004

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholder	No. of Shares	%
6.	Bank Kerjasama Rakyat Malaysia Berhad Pledged Securities Account For Berjaya Capital Berhad	6,740,000	4.060
7.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Land Berhad	6,151,300	3.705
8.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Land Berhad (PMB)	6,130,000	3.693
9.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Berjaya Land Berhad (MIMB)	6,130,000	3.693
10.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Portal Access Sdn Bhd (BB)	4,240,000	2.554
11.	Petaluma Sendirian Berhad	3,712,000	2.236
12.	Southern Finance Berhad Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	2,800,000	1.687
13.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account For SJ Securities Sdn Bhd (1650 SUYA)	2,632,000	1.585
14.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	2,262,000	1.363
15.	Audette Management Services Sdn Bhd	2,164,300	1.304
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Portal Access Sdn Bhd	1,838,000	1.107
17.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chua Goon Eng (AC0078)	1,485,000	0.895
18.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Immediate Capital Sdn Bhd	1,344,000	0.810
19.	Eng Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Pantai Cemerlang Sdn Bhd	1,339,000	0.807
20.	Chua Ming	711,200	0.428
21.	Berjaya General Insurance Berhad	424,000	0.255
22.	Premier Pact Sdn Bhd	415,000	0.250
23.	Citicorp Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Fund	316,000	0.190
24.	Suraya Elland Yusoff	310,000	0.187
25.	Kwok Chiap Fuat	280,000	0.169
26.	Lee Thian Lye	260,000	0.157
27.	Menteri Kewangan Malaysia Section 29 (Sicda)	247,183	0.149
28.	Bee Yong Sdn Berhad	240,000	0.145
29.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Immediate Capital Sdn Bhd (51401114879A)	236,000	0.142
30.	Ng Pui Siong @ Ng Thong Lay	225,064	0.136
		<u>137,889,827</u>	<u>83.066</u>

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fourth 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 Friday, 15 October 2004 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 2004 and the Directors' and Auditors' Reports thereon. RESOLUTION 1
2. To approve the payment of Directors' fees amounting to RM60,000 for the year ended 30 April 2004. RESOLUTION 2
3. To re-elect the following Directors:-
 - a) Datuk Robert Yong Kuen Loke RESOLUTION 3
 - b) Heng Kiah Choong RESOLUTION 4
 - c) Chin Ah Pong RESOLUTION 5
4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. RESOLUTION 6
5. As special business:-

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 Directors 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 7

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
23 September 2004

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 appointer 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, AND 5

The particulars of the Directors who are standing for re-election are set out in the relevant pages of the Annual Report as follows:-

Directors	Profile of Directors	Directors' Shareholdings
1) Datuk Robert Yong Kuen Loke	Page 4	Page 58
2) Heng Kiah Choong	Page 5	-
3) Chin Ah Pong	Page 3	Page 58

The details of Directors' attendance for Board Meetings are set out on Page 12 of the Annual Report.

(C) SPECIAL BUSINESS

Resolution 7 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.

F O R M OF PROXY

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos. or Company 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-Fourth 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 Friday, 15 October 2004 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 Datuk Robert Yong Kuen Loke as Director.		
RESOLUTION 4 – To re-elect Heng Kiah Choong as Director.		
RESOLUTION 5 – To re-elect Chin Ah Pong as Director.		
RESOLUTION 6 – To re-appoint Auditors.		
RESOLUTION 7 – To approve authority to allot and issue shares.		

No. of Shares Held

Signature of Shareholder(s)

Signed this _____ day of _____ 2004.

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.
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 appointer 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.

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