

# GROUP FINANCIAL HIGHLIGHTS

Description	After change in shareholding*				Before change in shareholding*			
	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
Revenue	218,401	156,660	179,445	326,631	1,215,953	1,013,563	912,446	943,391
(Loss)/Profit Before Taxation	(7,111)	15,482	17,872	21,211	28,538	15,339	11,028	21,634
(Loss)/Profit Attributable To Shareholders	(15,683)	7,141	10,515	14,230	13,276	17,367	4,898	15,214
Share Capital	905,050	166,005	166,005	41,501	41,501	41,501	41,501	41,501
Reserves	305,637	34,169	36,590	162,364	149,919	138,570	133,155	142,599
Shareholders' Funds	1,210,687	200,174	202,595	203,865	191,420	180,071	174,656	184,100
Minority Interests	1,654	2,027	2,771	2,553	12,095	11,376	15,918	14,779
Deferred Taxation	18,193	726	826	904	-	68	68	68
Long Term Liabilities	741,818	-	-	-	25,449	30,037	33,454	15,902
Current Liabilities	205,815	14,825	15,564	23,933	337,758	298,477	257,086	283,734
	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
Property, Plant And Equipment	253,702	13,615	14,813	22,355	126,972	134,356	146,308	123,924
Investment Properties	1,306,189	-	-	-	-	-	-	-
Associated Company	-	-	-	-	1,773	1,888	1,970	1,980
Jointly Controlled Entity	4,810	-	-	-	-	-	-	-
Investments	13,566	2,272	3,156	1,120	-	-	-	-
Goodwill	219,975	179,323	179,323	158,043	-	-	-	-
Other Intangible Assets	6,130	6,380	6,630	-	-	-	-	-
Deferred Expenditure	-	-	-	-	-	312	1,634	220
Current Assets	373,795	16,162	17,834	49,737	437,977	383,473	331,270	372,459
Total Assets	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
Net Tangible Assets Per Share (RM)	1.09	0.09	0.10	0.28	1.15	1.08	1.05	1.11
Net Assets Per Share (RM)	1.34	1.21	1.22	1.23	1.15	1.08	1.05	1.11
(Loss)/Earnings Per Share (Sen)	(4.02)	4.30	6.33	8.57	8.00	10.5	2.95	9.16
Gross Dividend Rate (%)	3.00	7.00	7.00	3.00	6.45	40.0	48.0	12.5

## Notes:

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 to 2005 are for the year ended 30 April. Where additional shares are issued, the (loss)/earnings per share is 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.

In the current financial year ended 30 April 2005, the Company completed the acquisition of Berjaya Times Square Sdn Bhd that resulted in a significant change of the Group's business direction.

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

摘要	改变股份主权后*				改变股份主权前*			
	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
营业额	218,401	156,660	179,445	326,631	1,215,953	1,013,563	912,446	943,391
(亏损)/税前盈利	(7,111)	15,482	17,872	21,211	28,538	15,339	11,028	21,634
(亏损)/可分配予股东的盈利	(15,683)	7,141	10,515	14,230	13,276	17,367	4,898	15,214
股本	905,050	166,005	166,005	41,501	41,501	41,501	41,501	41,501
储备金	305,637	34,169	36,590	162,364	149,919	138,570	133,155	142,599
股东基金	1,210,687	200,174	202,595	203,865	191,420	180,071	174,656	184,100
少数股东权益	1,654	2,027	2,771	2,553	12,095	11,376	15,918	14,779
递延课税	18,193	726	826	904	-	68	68	68
长期债务	741,818	-	-	-	25,449	30,037	33,454	15,902
流动债务	205,815	14,825	15,564	23,933	337,758	298,477	257,086	283,734
	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
固定资产	253,702	13,615	14,813	22,355	126,972	134,356	146,308	123,924
投资产业	1,306,189	-	-	-	-	-	-	-
联号公司	-	-	-	-	1,773	1,888	1,970	1,980
联合控制的实体	4,810	-	-	-	-	-	-	-
投资	13,566	2,272	3,156	1,120	-	-	-	-
商誉	219,975	179,323	179,323	158,043	-	-	-	-
其他无形资产	6,130	6,380	6,630	-	-	-	-	-
递延开销	-	-	-	-	-	312	1,634	220
流动资产	373,795	16,162	17,834	49,737	437,977	383,473	331,270	372,459
资产总额	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
每股净有形资产(RM)	1.09	0.09	0.10	0.28	1.15	1.08	1.05	1.11
每股净资产(RM)	1.34	1.21	1.22	1.23	1.15	1.08	1.05	1.11
(亏损)/每股收益(Sen)	(4.02)	4.30	6.33	8.57	8.00	10.5	2.95	9.16
毛股息率(%)	3.00	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日为止截止年度；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(亏损)/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。

在2005年4月30日截止的本财政年度，公司完成了收购成功时代广场有限公司，因此导致集团的业务方向起了重大改变。

\*股份主权的改变，起因是董事局和公司动向的重大转变。

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 2005.

## MEMBERS AND MEETING ATTENDANCES

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

Heng Kiah Choong  
– *Chairman/Independent/Non-Executive Director*

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

Dato' Mohd Salleh Bin Ahmad  
– *Independent/Non-Executive Director*  
(Appointed on 28 March 2005)

The Audit and Risk Management Committee held five (5) meetings during the financial year ended 30 April 2005. The details of attendance of the members are as follows:-

Name	Attendance
Heng Kiah Choong	5/5 *
Chan Kien Sing	5/5 *
Dato' Mohd Salleh Bin Ahmad (Appointed on 28 March 2005)	1/1 *

\* Reflects the attendance and the number of meetings held during the period the member held office.

The Senior General Manager of Group Accounts and Budgets Division was also invited to attend the Audit and Risk Management Committee meetings. The external auditors were also invited to attend two 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 2005 included 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. Reviewed Statement of Internal Control, Statement of Corporate Governance and audited financial statements of the Group prior to submission to the Board for their consideration and approval;

4. Reviewed and discussed the external auditors' audit report and management's responses thereof;

5. Reported to the Board on its activities and significant findings and results.

## INTERNAL AUDIT FUNCTION

The Company does not have its own in-house Internal Audit function. The internal audit function was outsourced to the internal auditors of its affiliated company, Berjaya Land Berhad, 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.

The Audit and Risk Management Committee worked closely with the external auditors in reviewing the audit plan, systems of control and review any related party transactions. They have also placed reliance on the external auditors to highlight any material weaknesses in the internal control system of the Group in the course of the statutory audit of the Group. The recommendations of the external auditors are taken up at the Board level by Audit and Risk Management Committee for implementation.

For the financial year ended 30 April 2005, the Internal Audit has performed a regular audit on the high risk areas and internal control of the operations of the subsidiary of the Group involved in the gaming operations.

## TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

### 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 review and recommend the appointment of external auditors, the audit fee and any questions of resignation or 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.
- (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).

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 2005:-

## 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 six members, comprising three 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 pages 3 to 5 of the Annual Report.

During the financial year ended 30 April 2005, five (5) Board Meetings were held and the attendance record of the Directors is set out below:-

Name of Directors	Number of Meetings Attended
Chan Kien Sing	5/5
Chin Ah Pong	4/5
Datuk Robert Yong Kuen Loke	4/5
Lim Meng Kwong	4/5
Heng Kiah Choong	5/5
Dato' Mohd Salleh Bin Ahmad* (Appointed on 28 March 2005)	-

\* No Board Meetings were held during the period from his date of appointment till 30 April 2005.

### ii) Nomination Committee

A Nomination Committee currently comprise the following members:-

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

Heng Kiah Choong  
- Independent/Non-Executive Director

Dato' Mohd Salleh Bin Ahmad  
- Independent/Non-Executive Director  
(Appointed on 19 July 2005)

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

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

### iii) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme. Pursuant to Practice Note 15/2003 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on the Continuing Education Programme ("CEP"), all the Directors had attended seminars and courses organised by the relevant regulatory authorities and professional bodies and the majority of the Directors have obtained the requisite CEP points.

In line with the recent amendment to Practice Note 15/2003, the Directors shall be responsible to determine their continuous training needs to keep themselves updated on relevant regulatory and corporate governance developments.

### 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 comprise the following members:-

Heng Kiah Choong  
– Chairman/Independent/Non-Executive Director

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

Dato' Mohd Salleh Bin Ahmad  
– Independent/Non-Executive Director  
(Appointed on 19 July 2005)

The primary functions 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 2005, the aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components are as follows:-

	<b>Fees (RM)</b>	<b>Other Emoluments (RM)</b>	<b>Total (RM)</b>
Executive	2,000	191,000	193,000
Non-Executive	79,000	11,000	90,000
	<b>81,000</b>	<b>202,000</b>	<b>283,000</b>

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

	<b>Number of Directors</b>	
	<b>Executive</b>	<b>Non-Executive</b>
RM1 – RM50,000	–	5*
RM150,001 – RM200,000	1	–
	<b>1</b>	<b>5</b>

\* Inclusive of Directors who resigned during the year.

## C. Relations with Shareholders and Investors

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

Shareholders, investors and members of the public can also have an overview of the group's performance and operation via the quarterly financial reports, annual reports, announcements and circular to shareholders made by the Company to the Bursa Securities during the year. Such information may also be obtained from the Bursa Securities website at [www.bursamalaysia.com.my](http://www.bursamalaysia.com.my)

The Board has appointed Dato' Mohd Salleh Bin Ahmad 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 MASB 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 20 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.



### 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

In the current financial year under review, the Group acquired the entire equity interest in Berjaya Times Square Sdn Bhd ("BTSSB") via the issuance of 560.022 million new ordinary shares of RM1.00 each at an issue price of RM1.40 per share. BTSSB and its subsidiary companies are principally involved in property investment and development. As such, the Group's main focus is now on property investment, property development and gaming activities.

Whilst the Board maintains full direction over appropriate strategic, financial and compliance issues, it has delegated to a team of management the responsibility of managing day-to-day operations of the Group and the implementation of the system of internal control within an established framework.

The management of the respective core business formulate their business plans, which include the strategies and goals and an assessment of its current position and future prospects for the Board's review. The Board also receives regular updates on the Group's performance from management at Board meetings.

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

- Segregation of duties
- Clear reporting line
- Structured limit of authority
- Monitoring mechanisms (reports & meetings)
- Trained personnel
- Formal operating and draw procedures
- Physical security and Systems access controls
- Surprise checks on agents
- Quarterly comparison of operating companies' actual financial performance with budget
- Independent assurance on the system of internal control from 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 an affiliated company, Berjaya Land Berhad. The Internal Audit function will report directly to the Audit and Risk Management Committee. The report of the Audit and Risk Management Committee is set out on pages 14 to 16 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.