



**Matrix International Berhad**

Incorporated in Malaysia (Company No. 3907-W)

# *Annual Report 2008*



BERJAYA TIMES SQUARE  
KUALA LUMPUR



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Chan Kien Sing (*Chairman*)  
*Non-Independent Non-Executive*

Lim Meng Kwong  
*Non-Independent Non-Executive*

Tan Thiam Chai  
*Non-Independent Non-Executive*

Datuk Robert Yong Kuen Loke  
*Non-Independent Non-Executive*

Heng Kiah Choong  
*Independent Non-Executive*

Dato' Mohd Salleh Bin Ahmad  
*Independent Non-Executive*

## SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd  
Lot 06-03, Level 6 (East Wing)  
Berjaya Times Square  
No. 1 Jalan Imbi  
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



## AUDIT AND RISK MANAGEMENT COMMITTEE

Heng Kiah Choong (*Chairman*)  
Chan Kien Sing  
Dato' Mohd Salleh Bin Ahmad

## NOMINATION COMMITTEE

Chan Kien Sing (*Chairman*)  
Heng Kiah Choong  
Dato' Mohd Salleh Bin Ahmad

## REMUNERATION COMMITTEE

Heng Kiah Choong (*Chairman*)  
Chan Kien Sing  
Dato' Mohd Salleh Bin Ahmad

## SECRETARIES

Su Swee Hong  
(MAICSA No. 0776729)

Wan Foong Yee  
(MAICSA No. 7025376)

## REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)  
Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03 - 2149 1999  
Fax : 03 - 2143 1685

## PRINCIPAL BANKERS

Malayan Banking Berhad  
AmBank (M) Berhad  
Affin Bank Berhad  
Bank Pembangunan Malaysia Berhad  
CIMB Bank Berhad  
United Overseas Bank (Malaysia) 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



**Chan Kien Sing**  
Chairman  
Non-Independent Non-Executive  
52 years of age, Malaysian

He was appointed to the Board on 9 April 2001 and appointed as the Chairman of the Company on 1 September 2005. He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

Currently, he is an Executive Director of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad and Berjaya Media Berhad (formerly known as Nexnews Berhad). He is the Chairman of Berjaya Holdings (HK) Limited, the Chief Executive Officer of Berjaya Capital Berhad, a Director of Berjaya Group Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad and International Lottery & Totalizator Systems Inc, USA. He also holds directorships in several other private limited companies.

He is the Chairman of the Nomination Committee, a member of the Audit and Risk Management Committee and the Remuneration Committee.



**Lim Meng Kwong**  
Non-Independent Non-Executive  
55 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 the Cranfield Institute of Management, United Kingdom.

Currently, he is the head of the Group Investment Division of Berjaya Corporation Berhad holding the position as Senior General Manager. Prior to joining Berjaya Corporation 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 Corporation Berhad.



**Tan Thiam Chai**  
Non-Independent Non-Executive  
49 years of age, Malaysian

He was appointed to the Board on 16 July 2008. He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tuanku Abdul Rahman and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong Group of Companies in Malaysia as well as in Hong Kong for about 8 years. He joined the Berjaya Corporation Group of Companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

Currently, he is the Chief Financial Officer of Berjaya Corporation Berhad and is heading the Group Accounts & Budgets Division of Berjaya Corporation Group of Companies. He is also an Executive Director of Berjaya Land Berhad and a Director of Berjaya Capital Berhad and Cosway Corporation Berhad.

He also holds directorships in several other private limited companies.



**Datuk Robert Yong Kuen Loke**  
Non-Independent Non-Executive  
56 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 The Association of Chartered Certified Accountant (United Kingdom) and a member of The 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 was with Price Waterhouse, Singapore from 1979 to 1982. Prior to joining 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 also a Director of Berjaya Corporation Berhad, Berjaya Land Berhad, Berjaya Sports Toto Berhad, Berjaya Capital Berhad, Cosway Corporation Berhad, Berjaya Group Berhad and Berjaya Golf Resort Berhad and several other private limited companies.



**Heng Kiah Choong**  
Independent Non-Executive  
59 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, Deputy 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 and Marketing Committee of Olympic Council of Malaysia. 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.

He is the Chairman of the Audit and Risk Management Committee and Remuneration Committee and a member of the Nomination Committee.



**Dato' Mohd Salleh Bin Ahmad**  
Independent Non-Executive  
66 years of age, Malaysian

He was appointed to the Board on 28 March 2005. He graduated with a degree in Bachelor of Arts (Second Class Honours), University of Malaya. He began his career with the Ministry of Finance as Assistant Secretary in 1966. He was promoted to Principal Assistant Secretary in 1969 and was the Deputy Head of Division prior to his departure in 1988. Thereafter, he joined the Ministry of Defence and was the Director of Establishment and Services. He was appointed as the Chief Executive Officer of Koperasi Serbaguna Anak-Anak Selangor Berhad (KOSAS) in 1991 until January 2005. He also holds directorships in several private limited companies.

He is a member of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee.

*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

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Matrix International Berhad for the financial year ended 30 April 2008.

## FINANCIAL RESULTS

For the financial year ended 30 April 2008, the Group recorded a revenue of RM310.02 million and pre-tax profit of RM36.0 million as compared to a revenue of RM400.12 million and pre-tax loss of RM54.07 million in the previous year. The decrease in revenue was mainly due to lower property sales registered by Berjaya Times Square Sdn Bhd ("BTSSB") Group. In the previous year, BTSSB Group recorded a higher revenue from the sale of 181 units of service suites to Dian Kristal Sdn Bhd, a wholly-owned subsidiary of Berjaya Land Berhad, for a total cash consideration of RM90.0 million. The gaming business operated by Natural Avenue Sdn Bhd ("NASB") achieved 6% revenue growth despite having three draws less in the financial year under review.

The turnaround in the pre-tax profit for the year was mainly attributed to lower finance costs, higher profit contribution from the gaming business and a favourable fair value adjustment on investment properties of RM21.25 million and the curtailment of losses in the BTSSB Group arising from the discontinuance of business in two subsidiary companies namely BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd in the previous year. In addition, in the preceding year, the Group accounted for a significant non-recurring impairment in value of goodwill of RM58.9 million.



“Into its fifth year of operation, Berjaya Times Square (“BTS”) remains as Malaysia’s largest inner-city shopping-cum-leisure mall and continued to attract shoppers and visitors from all walks of life, be it family, young adults or tourists.”

**DIVIDEND**

The Board does not recommend the payment of dividend for the financial year ended 30 April 2008 (2007: Nil).

**CORPORATE DEVELOPMENTS**

On 12 September 2007, the Company proposed to undertake a renounceable two-call rights issue of up to 226,262,597 new ordinary shares of RM1.00 each (“Rights Share”) together with up to 452,525,194 free detachable warrants, at an issue price of RM1.00 per Rights Share, on the basis of one Rights Share together with two free warrants for every four existing ordinary shares of RM1.00 each held (“Rights Issue”). Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each in the Company at a price of RM1.00 each.



On completion of the Rights Issue, the Company issued 207,991,174 new ordinary shares of RM1.00 each with 415,982,348 free detachable warrants. As at 30 April 2008, all warrants issued remain unexercised.

The said shares and warrants were listed on the Main Board of Bursa Malaysia Securities Berhad on 28 March 2008. The Group raised RM155,993,381 in cash from the Rights Issue and the utilisation of the Rights Issue proceeds are as follows:-

	Proposed Utilisation * RM'000	Actual Utilisation RM'000	Total Rights Issue Proceeds RM'000
(a) Repayment of Tan Sri Dato' Seri Vincent Tan Chee Yioun's advances	89,726	89,726	89,726
(b) Repayment of bank borrowings	50,000	50,000	50,000
(c) Working capital	13,520	14,630	14,630
(d) Expenses relating to the Rights Issue	2,000	1,637	1,637
	155,246	155,993	155,993

\* As per Abridged Prospectus dated 27 February 2008.



REVIEW OF OPERATIONS

Property Investment and Development Division

Into its fifth year of operation, Berjaya Times Square (“BTS”) remains as Malaysia’s largest inner-city shopping-cum-leisure mall and continued to attract shoppers and visitors from all walks of life, be it family, young adults or tourists.

Located strategically at the centre hub of the Golden Triangle, occupying a built-up area of approximately 7.5 million square feet on a 10-acre land, the complex comprises a 12-level shopping mall and two 46-storey towers of service suites.



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The shopping mall area which measures approximately 3.5 million square feet houses a departmental store, a supermarket, 700 retail outlets, an indoor theme park with 14 major rides, cafes, bistros, restaurants and quick service restaurants, a 5-storey high screen IMAX Theatre, a 9-screen Cineplex and a 48-lane bowling alley.

For the financial year under review, the BTSSB Group registered a revenue of RM102.35 million and a pre-tax profit of RM11.6 million compared to RM203.3 million revenue and a pre-tax loss of RM16.2 million in the previous year. The lower revenue was mainly due to lower sales generated from the sale of property and the discontinued operations of BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd in the previous year. The turnaround in profitability was mainly attributed to the fair value adjustment on investment properties, dividend income and write back of impairment in value of certain quoted investments.

The new retail brands that opened their outlets during the financial year were Tropicana Life, Misso, Hang Ten, Zone 5, Matsuda, MNA and Friven. In addition, Pos Malaysia has started operating at the Lower Ground floor since January 2008.

Some of the other new retail shops that opened their outlets in BTS include Maxis, Acer, NGN Talk, Wilayah Computer, U Mobile, De Jade Shop, Pearlin, 101 Hair Care Centre, Sai Baba Book Store, Carpenter Tan, Mantra Design and Ideal Home. Affiliated companies that recently moved their offices to BTS are Berjaya Registration Services Sdn Bhd, Berjaya Vacation Club Berhad and MOL AccessPortal Berhad occupying the higher floors.

captions:

1. **Kenny Rogers ROASTERS** restaurant located on the 3rd floor in Berjaya Times Square.
2. Newly opened **Pos Malaysia** at Lower Ground floor in Berjaya Times Square.
3. **Carpenter Tan**, a souvenir outlet located on the 2nd floor in Berjaya Times Square.
4. Various significant events such as the **KL Batik Festival 07** were held in Berjaya Times Square.
5. **Yogur Berry**, an outlet to sweeten one’s taste-bud located on the 1st Floor in Berjaya Times Square.
6. **edc by esprit** outlet offers fashionable range of products located on the Ground floor in Berjaya Times Square.

CHAIRMAN'S STATEMENT

“BTS will also continue to improve on its tenants' mix, provide efficient customer service as well as step up on its marketing and promotional activities to cater to current shopping trends and demands in order to maintain its status as one of the leading shopping and entertainment malls in Kuala Lumpur.”

Under the food and beverage segment, new tenants that opened their outlets are Dynasty Dragon Restaurant, Old Town Kopitiam, Famous Amos, Yogur Berry, Sek Hou Restaurant, Gasoline Café and Shabu Shabu Train.

BTS was the venue of choice for several significant events such as the CIMB KL Open Squash Championship 2008, KL Batik Festival, One in a Million audition, ANDI Streetball Challenge 2007, Mc Donald's 25th Anniversary, KL International Dance Festival, Malaysian Art & Cultural and Asean Tea Cultural Expo, Pameran Kita Anak Malaysia Sempena Ulangtahun Kemerdekaan Malaysia ke-50, Animation Comic Game Convention, 100 days Countdown to Beijing Olympic 2008, to name a few.

BTS was also the selected venue for several famous celebrities, “meet the fan sessions” namely, Hanazakarino Kimitachihe, Fish Leong, Jolin Tsai, Wu Nien-Jen and Eason Chan.



Gaming Division

For the financial year ended 30 April 2008, NASB registered a revenue of RM207.6 million and pre-tax profit of RM19.4 million, compared to RM196.8 million revenue and pre-tax profit of RM18.7 million in the previous year. Revenue grew 6% in spite of having three draws less in the financial year under review. On a per draw basis, revenue grew 7%. Regular and effective promotional events and better public relations activities implemented throughout the year and improved customer service had contributed to the better revenue performance.

CORPORATE RESPONSIBILITY

Various corporate responsibility efforts were undertaken during the year under review. NASB contributed RM300,000 through its annual sponsorship to the Sarawak Turf & Equestrian Club Kidney Foundation, which currently provides financial assistance to 38 persons who are undergoing dialysis at the Kidney Association of Sarawak, MAA-Medicare Dialysis Centre, Sibul Kidney Foundation and MRCS Dialysis Centre, Miri.

NASB also sponsored RM20,000 for the Kuching Festival 2007 Martial Arts display. The event was aimed at promoting greater understanding of Sarawak's diversified culture among the youth population, besides cultivating goodwill, tolerance and the spirit of unity. In addition, NASB contributed RM35,000 as the main sponsor for the Sarawak Golf Club Cash Sweep Monthly Medals 2008, a monthly event for the young and senior golfers.

NASB continued with its tradition of hosting its annual presentation of gifts and 'angpow' to deserving social and welfare organizations throughout the State of Sarawak. These events, which drew overwhelming response, were held at the end of the year and during Chinese New Year.

FUTURE OUTLOOK

The Malaysian economy for the current year is expected to remain resilient despite the global surge in oil prices and growing inflationary pressures. Consumer confidence is expected to remain stable with domestic consumption boosted by the purchasing power of a sizeable middle class segment.

Tourist arrivals into the country are expected to continue to increase with the many promotions by the Malaysian Tourism Board including the extension of The Visit Malaysia Year 2007 into 2008. The annual Malaysian Mega Sale Carnival also presents an excellent opportunity for both foreign and local retailers at BTS to draw shoppers to the mall with attractive sales offers and promotions.



BTS will also continue to improve on its tenants' mix, provide efficient customer service as well as step up on its marketing and promotional activities to cater to current shopping trends and demands in order to maintain its status as one of the leading shopping and entertainment malls in Kuala Lumpur.

Despite the gaming industry in Malaysia being highly regulated, we still expect to see growth in this sector. NASB, which has become increasingly popular with the general public in Sarawak, is confident that it will continue to generate higher sales through its aggressive promotional activities, and expects its results to be good in the current financial year 2008/2009.

APPRECIATION

I would like to welcome Mr. Tan Thiam Chai who joined the Board on 16 July 2008. On behalf of the Board, I would like to thank the management, employees and agents for their dedication, hard work, commitment as well as contributions, and to our customers, retailers, shareholders, business associates, financiers and the government authorities for their kind support and co-operation.

I would also like to thank my fellow colleagues on the Board for their guidance and active participation in the Board and look forward to their continued support in the ensuing years ahead.

CHAN KIEN SING

Chairman  
28 August 2008

captions:

1. Energetic sportswear by **Adidas** outlet located on the Ground floor in Berjaya Times Square.
2. Coffee savoury at the **Old Town Kopitiam** on the 3rd floor in Berjaya Times Square.
3. "Meet the fan sessions" namely **Hanazakarino Kimitachihe** at Boulevard Central in Berjaya Times Square.
4. Enthusiastic audience watching the **CIMB KL Open Squash Championship 2008** at Lower Ground Concourse in Berjaya Times Square.
5. Sponsorship presentation by NASB to the **Sarawak Turf & Equestrian Club Kidney Foundation**.
6. NASB sponsors the **Sarawak Golf Club Cash Sweep Monthly Medals 2008**.



# 主席报告

本人谨代表董事部欣然提呈万利国际有限公司 2008 年 4 月 30 日截止年度的常年报告与财务报告。

## 业绩

在2008年4月30日截止财政年度，本集团取得3亿1千零2万令吉的收益和3千6百万令吉的税前盈利，上一年度对比的收益是4亿零12万令吉和5千4百零7 万令吉的税前亏损。收益减低的主要原因是成功时代广场有限公司（“成功时代广场”）的产业销售额减低。在上一年度，成功时代广场集团售卖 181 单位的服务公寓予成功置地有限公司的独资子公司 Dian Kristal Sdn Bhd，现金总价为9千万令吉，从而取得较高的收益。Natural Avenue 有限公司（“NASB”）经营的博彩业，虽然在检讨中的财政年度少开彩三次，仍然取得6%的收益成长。

本年度税前盈利的转变，主因是较低的融资成本，博彩业务更高的盈利贡献和投资产业2千1百25万令吉有利的价值调整，以及上一年度终止经营两家子公司，即成功时代广场百货有限公司和 Shasta 超级市场有限公司；从而削减了亏损。除此之外，在上一年度，集团在账面上作了一项重大的非重复性商誉价值减损，高达马币5千8 百90万令吉。

## 营业检讨

### 产业投资及发展组

进入第五年营业的成功时代广场（“时代广场”），仍然是马来西亚最大的市中心购物兼休闲广场，而且继续吸引各阶层的购物者和访客，包括家庭、年轻人或旅客。

这座综合建设位于吉隆坡金三角的中心腹地，占地10英亩，建筑面积大约7百50万平方米，内含12层购物广场和两幢46层楼的服务公寓。

购物广场的面积大约3百50万平方米，内设一间百货商店、一间超级市场、700间零售商店、一个设有14种骑乘游乐的主题公园、咖啡店、西餐厅、酒楼和快餐店，一间备有五层楼高巨型银幕的 IMAX 电影院、一间9银幕戏院和一家48球道的保龄球场。



## 股息

董事部没有推荐对2008年4月30日截止财政年度派发股息（2007年：无）。

## 企业发展

在2007年9月12日，公司建议进行配售可放弃权利的两回催缴附加股，发行多达226,262,597每股1令吉的新普通股及多达452,525,194可分拆的免费凭单（“配售股权”），配售基础是每持有4股面值1令吉的现有普通股（“附加股”），配售一股附加股及两份凭单，发行价1令吉。每份凭单的持有人，有权认购公司的一股新普通股，售价每股1令吉。

在完成股权配售后，公司共发行了207,991,174股面值1令吉的新普通股，及415,982,348份可分拆的免费凭单。截至 2008 年 4 月 30 日，所有已发行的凭单仍未换现。

上述附加股与凭单，已于2008年3月28日在马来西亚股票交易所主板挂牌。从这项发行附加股中，集团筹得1亿5千5百 99万3千3百81令吉现金。发行附加股所得收益，被分配应用如下：

	建议应用* RM'000	建议应用 RM'000	建议应用 RM'000
(a) 摊还丹斯里拿督斯里陈志远的预支	89,726	89,726	89,726
(b) 摊还银行借贷	50,000	50,000	50,000
(c) 流动资金	13,520	14,630	14,630
(d) 发行附加股的相关开销	2,000	1,637	1,637
	155,246	155,993	155,993

\* 根据 2008 年 2 月 27 日节略配售发股说明书所述。

在检讨中的财政年度，成功时代广场集团创下1亿零2百35万令吉的收益和1千1百60万令吉的税前盈利，上一年度的对比是2亿零3百30万令吉的收益和1千6百20万令吉的税前亏损。收益较低，主要原因是产业销售额较低以及成功时代广场百货有限公司与 Shasta 超级市场中止营业所致。盈利的转变，主因是投资产业的价值调整，股息收入和某些挂牌投资的减值回注。

在本财政年度开张营业的新零售品牌，计有Tropicana Life、Misso、Hang Ten、Zone 5、Matsuda、MNA及Friven。除此以外，大马邮政局也自2008年正月在时代广场的下层楼面开始营业。

在时代广场开张营业的其他零售商店，包括Maxis（明讯）及Acer（宏基）、NGN Talk、Wilayah 电脑、U Mobile电讯、De Jade 玉器商店、Pearlin、101护发中心、赛峇峇书店、Carpenter Tan、Mantra设计，理想家居。最近办事处迁入时代广场的联号公司则有成功注册服务有限公司、成功度假俱乐部有限公司及MOL Accessportal 有限公司。这些机构协助填满广场内较高的楼层。

在饮食业领域，在广场开店的新租户则有皇龙海鲜大酒楼、怡保旧街场咖啡馆、Famous Amos、Yogur Berry、石好餐厅、Gasoline Café和Shabu Shabu Train。

成功时代也是好几项重要活动的特选举行地点，如2008年联昌土著银行吉隆坡壁球公开锦标赛、吉隆坡峇迪节、万中之一试音、2007年 AND1 Streetball 挑战赛、麦当劳25周年纪念、吉隆坡国际舞蹈节、马来西亚艺术及文化与东协茶艺展、马来西亚独立50周年国庆纪念“我们是大马儿女”展览会、漫画动画游戏大会，以及2008年北京奥运会100天倒数等等。

## 主席报告

成功时代广场也被选为多位著名艺人“会见歌迷”签唱会的举行场地，他们包括花样少年少女成员、梁静茹、蔡依林、吴念真及陈奕迅。

### 博彩组

在2008年4月30日截止财政年度，NASB取得2亿零7百60万令吉的收益和1千9百40万令吉的税前盈利，上一年度的对比是1亿9千6百80万令吉的收益和1千8百70万令吉的税前盈利。尽管检讨中的本财政年度少开彩三次，收益仍然成长6%。依据每期开彩为准，收益则成长了7%。定期性和有效的促销活动与一年到头进行得更良好公关活动，以及改善的顾客服务，是收益表现更好的致因。

### 企业责任

在检讨中的年度，公司继有进行各项企业责任努力。NASB捐出30万令吉常年赞助砂拉越马会与骑马俱乐部肾脏基金会。目前，这个基金会一直在为砂拉越肾脏协会、马联保险医药护理洗肾中心、诗巫肾脏基金会和美里MRCS洗肾中心接受洗肾的38位人士提供财力援助。

NASB也捐出2万令吉赞助2007年古晋节武术表演。这项活动的宗旨，是要促进砂拉越青年人口对多元文化的更大理解，并培养他们之间的亲善、容忍和团结精神。NASB也捐出3万5千令吉赞助2008年砂拉越高尔夫球俱乐部现金全赢常月奖章赛，这是年轻与乐龄高尔夫球手的一项常月赛会。



NASB也延续其传统，为全砂拉越各地值得支持的社会福利机构主办常年红包与礼物施赠活动。这些深受欢迎的活动，是在年终和农历新年时期举行。

### 今后展望

马来西亚本年度的经济，虽然面对全球油价高涨和通货膨胀日增的压力，预料仍然保持弹性。国内消费在相当大量中产阶级的购买力支持下，预料消费者的信心也将保持稳定。

旅客到访我国，预料将随大马旅游局的许多促销活动而继续增加，其中包括延长马来西亚2007旅游年至2008年。马来西亚常年举行的大销售嘉年华会，为成功时代广场的外来及本地零售商，提供了大好的购物和营销的商机。在这期间，广场内的商家都会呈献深具吸引力的销售优惠和促销，以吸引顾客光顾。

成功时代广场也继续改善其租户混合，提供有效的顾客服务和加紧其行销与促销活动，以迎合当今的购物趋势和需求，并维持其作为吉隆坡主导购物与娱乐广场的地位。

尽管博彩业在马来西亚高度受管制，我们仍然预期这一领域会有所成长。NASB在砂拉越日益深受公众人士欢迎，因此我们深信通过其雄心促销活动，它将继续取得更高的销售额，预料在2008/2009年的本财政年度，就会看到成果。

### 申谢

在此，我欢迎陈添财于2008年7月16日加入董事部。本人谨代表董事部，感谢管理层、员工与代理的勤奋工作及贡献，致予由衷的谢意，同时也谢谢我们的顾客、零售商、股东、业务伙伴、融资银行，以及政府机构给予我们的支持与合作。

最后，我们谢谢董事部全体同仁所给予的指导和积极参与，并寄望他们在今后的年头，继续鼎力支持。

### 陈建星

主席  
2008年8月28日

### captions:

1. De Jade City, a Jade and Gemstones outlet located on the 1st floor in Berjaya Times Square.
2. TITAN, a watch boutique located on the 1st floor in Berjaya Times Square.
3. Cheque presentation by NASB to 16 charitable organizations.
4. A typical NASB outlet in Sarawak.
5. NASB sponsors the *Kuching Festival 2007*.
6. The Public Launch of Mazda's new line up of vehicles at Berjaya Times Square.

# GROUP FINANCIAL HIGHLIGHTS

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Description	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
Revenue	310,016	400,120	390,132	218,401	156,660
Profit/(Loss) Before Tax	36,004	(54,070)	(3,991)	(7,111)	15,482
(Loss)/Profit Attributable To Shareholders	(2,050)	(59,629)	(16,491)	(15,683)	7,141
Share Capital	1,113,042	905,050	905,050	905,050	166,005
Reserves	120,645	176,331	289,146	305,637	34,169
Shareholders' Funds	1,233,687	1,081,381	1,194,196	1,210,687	200,174
Minority Interests	3,078	440	1,274	1,654	2,027
Deferred Taxation	92,812	66,527	17,630	18,193	726
Long Term Liabilities	459,869	622,877	679,832	741,818	-
Current Liabilities	199,445	212,591	249,045	205,815	14,825
Total Equity And Liabilities	1,988,891	1,983,816	2,141,977	2,178,167	217,752
Property, Plant And Equipment	210,925	214,942	238,464	253,702	13,615
Investment Properties	1,314,491	1,305,915	1,304,962	1,306,189	-
Associated Company	-	-	-	-	-
Jointly Controlled Entity	7,149	6,581	5,438	4,810	-
Investments	47,485	32,337	13,178	13,566	2,272
Goodwill	140,609	140,609	199,546	199,546	158,043
Other Intangible Assets	23,256	24,357	25,458	26,559	27,660
Current Assets	244,976	259,075	354,931	373,795	16,162
Total Assets	1,988,891	1,983,816	2,141,977	2,178,167	217,752
Net Assets Per Share (RM)	1.11	1.19	1.32	1.34	1.21
(Loss)/Earnings Per Share (Sen)	(0.22)	(6.59)	(1.82)	(4.02)	4.30
Gross Dividend Rate (%)	-	-	-	3.00	7.00

## Notes:

Where additional shares are issued, the (loss)/earnings per share is calculated on a weighted average number of shares.



# 集团财政简报

摘要	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
营业额	310,016	400,120	390,132	218,401	156,660
税前盈利/(亏损)	36,004	(54,070)	(3,991)	(7,111)	15,482
(亏损)/可分配予 股东的盈利	(2,050)	(59,629)	(16,491)	(15,683)	7,141
股本	1,113,042	905,050	905,050	905,050	166,005
储备金	120,645	176,331	289,146	305,637	34,169
股东基金	1,233,687	1,081,381	1,194,196	1,210,687	200,174
少数股东权益	3,078	440	1,274	1,654	2,027
递延课税	92,812	66,527	17,630	18,193	726
长期债务	459,869	622,877	679,832	741,818	-
流动债务	199,445	212,591	249,045	205,815	14,825
股东及经济债务	1,988,891	1,983,816	2,141,977	2,178,167	217,752
固定资产	210,925	214,942	238,464	253,702	13,615
投资产业	1,314,491	1,305,915	1,304,962	1,306,189	-
联号公司	-	-	-	-	-
联合控制的实体	7,149	6,581	5,438	4,810	-
投资	47,485	32,337	13,178	13,566	2,272
商誉	140,609	140,609	199,546	199,546	158,043
其他无形资产	23,256	24,357	25,458	26,559	27,660
流动资产	244,976	259,075	354,931	373,795	16,162
资产总额	1,988,891	1,983,816	2,141,977	2,178,167	217,752
每股净资产 (RM)	1.11	1.19	1.32	1.34	1.21
(亏损)/每股收益 (Sen)	(0.22)	(6.59)	(1.82)	(4.02)	4.30
毛股息率 (%)	-	-	-	3.00	7.00

**注:**

若有发行额外股票，每股(亏损)/收益将按加权平均股额计算。

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Matrix International Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2008.

## MEMBERS AND MEETING ATTENDANCES

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

Heng Kiah Choong  
*Chairman/Independent Non-Executive*

Chan Kien Sing  
*Non-Independent Non-Executive*

Dato' Mohd Salleh Bin Ahmad  
*Independent Non-Executive*

The Audit and Risk Management Committee held six (6) meetings during the financial year ended 30 April 2008. The details of attendance of the members are as follows:

Name	Attendance
Heng Kiah Choong	6/6
Chan Kien Sing	6/6
Dato' Mohd Salleh Bin Ahmad	6/6

The head of department of Group Accounts and Budgets Division, the General Manager of Finance and General Manager of Complex of Berjaya Times Square Sdn Bhd were 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 2008 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 prior to commencement of annual audit;
3. Reviewed the management responses and their follow-up actions pertaining to the audit findings in order to ensure that appropriate action was taken by Management on the recommendations of the Internal Auditor;

4. 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;
5. Reviewed the risk management report of its subsidiary company, Berjaya Times Square Sdn Bhd.
6. Reviewed and discussed the external auditors' audit report and management's responses thereof;
7. 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.

For the financial year ended 30 April 2008, four audit reports were tabled at the Audit Committee Meeting by the Internal Audit Division. The audits were conducted on various operating units in the Group involved in gaming operations, property management and food mall operations.

Internal Audit reports, incorporating audit recommendations and management's responses with regards to audit findings on weaknesses in the systems and controls of the respective operations audited were issued to Audit Committee and the management of the respective operations. The Internal Audit also followed up with management on the implementation of the agreed audit recommendations.

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

### I. 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 all the Committee must be non executive directors, with majority of them being independent directors 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, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever 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 applicable financial reporting standards and regulatory requirements
  - any changes in accounting policies and practices
  - significant issues arising from the audit
  - major judgemental areas
- (d) To prepare Audit Committee Report at the end of each financial year;
- (e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditors' management letter and management's response;
- (g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;



## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (h) To do the following when the internal audit function is established:
- review the adequacy of scope, functions, competency 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).

# 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 2008:

## 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 four Non-Independent Non-Executive Directors and two Independent Non-Executive Directors. The qualifications and experience of each of the Director is set out in the Directors' Profile on pages 2 to 4 of the Annual Report.

During the financial year ended 30 April 2008, four (4) 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	4/4
Lim Meng Kwong	4/4
Datuk Robert Yong Kuen Loke	4/4
Heng Kiah Choong	4/4
Dato' Mohd Salleh Bin Ahmad	4/4
Tan Thiam Chai (appointed on 16 July 2008)	-

### ii) Nomination Committee

A Nomination Committee currently comprise the following members:

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

Heng Kiah Choong  
*Independent Non-Executive*

Dato' Mohd Salleh Bin Ahmad  
*Independent Non-Executive*

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 successfully completed the Mandatory Accreditation Programme and have obtained the requisite points under the Continuing Education Programme.

During the financial year, the Company had organised a special briefing for the Directors and Senior Management on the Companies (Amendment) Act 2007 and the Capital Markets & Services Act 2007.

Apart from the above, the Directors are also encouraged to continue to attend training programmes and seminars to enhance their knowledge as well as to keep abreast with amendments in regulatory guidelines and changes in the business environment.

### iv) Supply of Information

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

## STATEMENT ON CORPORATE GOVERNANCE

### v) Re-election of Directors

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*

Chan Kien Sing  
*Non-Independent Non-Executive*

Dato' Mohd Salleh Bin Ahmad  
*Independent Non-Executive*

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 2008, the aggregate Directors' remuneration paid or payable to the Directors of the Company as at the end of the financial year by the group and categorised into appropriate components are as follows:

	Fees (RM)	Other Emoluments (RM)	Total (RM)
Executive	-	-	-
Non-Executive	70,000	12,000	82,000
	70,000	12,000	82,000

The number of Directors of the Company who served as at the financial year end and whose total remuneration from the Group falling within the band is as follows:

	Number of Directors	
	Executive	Non-Executive
RM1 - RM50,000	-	3

## 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 Financial Reporting 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 financial reporting 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 reasonable steps have been taken to prevent and detect 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.

# STATEMENT OF INTERNAL CONTROL

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## 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 business risks are focussed on the achievement of the Group's business objectives. The Board, throughout the financial year under review, has identified, evaluated and managed the significant risks being 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 property investment, property development, operated by Berjaya Times Square Sdn Bhd's Group and gaming business operated by Natural Avenue Sdn Bhd.

Whilst the Board maintains full direction over appropriate strategic, financial and compliance issues, it has delegated to its management team 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 businesses 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 then reviewed the minutes of the Audit and Risk Management Committee's meetings. Internal audit function of the Group is provided by an affiliated company, Berjaya Land Berhad. The Internal Audit 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.

During the financial year, the management of Berjaya Times Square Sdn Bhd ("BTS") has furnished its report to the Audit and Risk Management Committee to formalise and update its risk management policy by identifying all business risk exposures and ensures the risk management processes are integrated into all core business processes. The said Committee has reviewed and approved the report for adoption by BTS.

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

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The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2008.

## 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;
- (iv) investment holding;
- (v) property management, investment and development;
- (vi) operation of theme park and IMAX theatre; and
- (vii) management of food mall.

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

## RESULTS

	GROUP	COMPANY
	RM'000	RM'000
Profit / (loss) for the year	3,847	(43,157)
Attributable to:		
Equity holders of the Company	(2,050)	(43,157)
Minority interests	5,897	-
	3,847	(43,157)

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 the effects of the fair value adjustment on investment properties which has resulted in an increase in the Group's profit for the year as disclosed in Note 23.

## DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial year.

## 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:

Chan Kien Sing  
Lim Meng Kwong  
Datuk Robert Yong Kuen Loke  
Heng Kiah Choong  
Dato' Mohd Salleh Bin Ahmad  
Tan Thiam Chai (Appointed on 16 July 2008)

**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 the 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 25 to 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 32 to the financial statements.

**DIRECTORS' INTERESTS IN SHARES**

According to the register of directors' shareholdings, the interest of the directors in office at the end of the financial year in shares of the Company during the financial year were as follows :-

**THE COMPANY**

	NO. OF ORDINARY SHARES OF RM1.00 EACH			
	At 1.5.07	Bought	Sold	At 30.4.08
<b>Matrix International Berhad</b>				
Datuk Robert Yong Kuen Loke	722,000	-	722,000	-

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.

**SHARE CAPITAL**

During the financial year, the Company issued 207,991,174 new ordinary shares of RM1.00 each pursuant to its two-call Rights Issue at an issue price of RM1.00 per ordinary share (of which the first call of RM0.75 is payable in cash on application and the second call of RM0.25 is payable out of the Company's share premium account) with 415,982,348 free detachable warrants as disclosed in Note 14 to the financial statements ("Rights Issue"). The proceeds raised from the Rights Issue amounting to RM155.993 million were utilised to repay borrowings and to pay Rights Issue expenses with the balance for working capital purposes as disclosed in Note 35 to the financial statements.

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

Significant event during the financial year is disclosed in Note 35.

**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 all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value 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.

## DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION (CONTD.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; 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 dated 23 July 2008.

**CHAN KIEN SING**

**LIM MENG KWONG**



# STATEMENT BY DIRECTORS

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

We, CHAN KIEN SING and LIM MENG KWONG, 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 28 to 85 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 July 2008.

**CHAN KIEN SING**

**LIM MENG KWONG**

# STATUTORY DECLARATION

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

I, TANTHIAM CHAI, being the Director primarily responsible for the financial management of MATRIX INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 28 to 85 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 23 July 2008

**TANTHIAM CHAI**

Before me,

**SOH AH KAU (W315)**  
Commissioner for Oaths  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MATRIX INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

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## Report on the financial statements

We have audited the financial statements of Matrix International Berhad, which comprise the balance sheets as at 30 April 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 85.

### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

### *Report on other legal and regulatory requirements*

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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.
- (c) The auditors' reports on the accounts 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 Companies Act, 1965.

### **Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young**  
AF: 0039  
Chartered Accountants  
Kuala Lumpur, Malaysia  
23 July 2008

**WONG KANG HWEE**  
No. 1116/01/10(J)  
Chartered Accountant



# BALANCE SHEETS

AS AT 30 APRIL 2008

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	Note	GROUP		COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	3	210,925	214,942	6	8
Investment properties	4	1,314,491	1,305,915	-	-
Subsidiary companies	5	-	-	825,632	879,572
Jointly controlled entity	6	7,149	6,581	-	-
Associated company	7	-	-	-	-
Other investments	8	47,485	32,337	986	1,244
Long term receivable	9	-	-	420,157	260,077
Intangible assets	10	163,865	164,966	-	-
		1,743,915	1,724,741	1,246,781	1,140,901
<b>CURRENT ASSETS</b>					
Inventories	11	183,492	196,230	-	-
Receivables	12	18,378	19,481	20,832	7,969
Tax recoverable		1,641	1,353	-	81
Cash and bank balances	13	41,465	42,011	3,137	12,743
		244,976	259,075	23,969	20,793
<b>TOTAL ASSETS</b>		1,988,891	1,983,816	1,270,750	1,161,694
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	1,113,042	905,050	1,113,042	905,050
Share premium	15	258,985	312,621	258,985	312,621
Accumulated losses	16	(138,340)	(136,290)	(104,777)	(61,620)
Shareholders' funds		1,233,687	1,081,381	1,267,250	1,156,051
Minority interests		3,078	440	-	-
Total equity		1,236,765	1,081,821	1,267,250	1,156,051
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	17	459,739	533,139	-	-
Hire purchase liabilities	18	130	12	-	-
Long term liability	19	-	89,726	-	-
Deferred tax liabilities	20	92,812	66,527	-	2
		552,681	689,404	-	2
<b>CURRENT LIABILITIES</b>					
Payables	21	125,320	158,833	3,489	5,641
Borrowings	17	73,485	52,502	-	-
Hire purchase liabilities	18	38	35	-	-
Tax payable		602	1,221	11	-
		199,445	212,591	3,500	5,641
Total liabilities		752,126	901,995	3,500	5,643
<b>TOTAL EQUITY AND LIABILITIES</b>		1,988,891	1,983,816	1,270,750	1,161,694

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

# INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

	Note	GROUP		COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Continuing Operations</b>					
Revenue	22	310,016	388,901	12,482	25,013
Cost of sales		(184,420)	(252,804)	-	-
Gross profit		125,596	136,097	12,482	25,013
Other income	23	37,089	15,162	132	626
Distribution and marketing expenses		(4,471)	(4,107)	-	-
Administrative expenses		(73,792)	(82,788)	(899)	(1,190)
Other expenses		(576)	(59,341)	(54,198)	(97,588)
Operating profit / (loss)		83,846	5,023	(42,483)	(73,139)
Finance costs	26	(49,140)	(56,160)	-	-
Share of results of a jointly controlled entity		1,298	1,143	-	-
Profit / (loss) before tax	27	36,004	(49,994)	(42,483)	(73,139)
Income tax expense	28	(32,157)	(852)	(674)	(6,561)
Profit / (loss) for the year from continuing operations		3,847	(50,846)	(43,157)	(79,700)
<b>Discontinued Operation</b>					
Loss for the year from discontinued operation	29	-	(4,076)	-	-
Profit / (loss) for the year		3,847	(54,922)	(43,157)	(79,700)
Attributable to:					
Equity holders of the Company		(2,050)	(59,629)	(43,157)	(79,700)
Minority interests		5,897	4,707	-	-
		3,847	(54,922)	(43,157)	(79,700)
<b>Loss per share attributable to equity holders of the Company (sen)</b>					
Basic, for loss from continuing operations	30	(0.22)	(6.14)		
Basic, for loss from discontinued operation	30	-	(0.45)		
Basic, for loss for the year	30	(0.22)	(6.59)		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2008

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	← ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT →					
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
<b>At 1 May 2006</b>	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
Effects of adopting FRS 140 (Loss) / profit for the year, representing total recognised income and expense for the year	-	-	(53,186)	(53,186)	-	(53,186)
Dividends paid to minority shareholders	-	-	(59,629)	(59,629)	4,707	(54,922)
	-	-	-	-	(5,541)	(5,541)
<b>At 30 April 2007</b>	905,050	312,621	(136,290)	1,081,381	440	1,081,821
<b>At 1 May 2007</b>	905,050	312,621	(136,290)	1,081,381	440	1,081,821
First call of RM0.75 pursuant to the Rights Issue	155,993	-	-	155,993	-	155,993
Second call of RM0.25 pursuant to the Rights Issue	51,999	(51,999)	-	-	-	-
Rights Issue expenses (Loss) / profit for the year, representing total recognised income and expense for the year	-	(1,637)	-	(1,637)	-	(1,637)
Dividends paid to minority shareholders	-	-	(2,050)	(2,050)	5,897	3,847
	-	-	-	-	(3,259)	(3,259)
<b>At 30 April 2008</b>	1,113,042	258,985	(138,340)	1,233,687	3,078	1,236,765

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2008

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Earning / (Accumulated Losses) RM'000	Total RM'000
<b>At 1 May 2006</b>	905,050	312,621	18,080	1,235,751
Loss for the year, representing total recognised income and expense for the year	-	-	(79,700)	(79,700)
<b>At 30 April 2007</b>	905,050	312,621	(61,620)	1,156,051
<b>At 1 May 2007</b>	905,050	312,621	(61,620)	1,156,051
First call of RM0.75 pursuant to the Rights Issue	155,993	-	-	155,993
Second call of RM0.25 pursuant to the Rights Issue	51,999	(51,999)	-	-
Rights Issue expenses	-	(1,637)	-	(1,637)
Loss for the year, representing total recognised income and expense for the year	-	-	(43,157)	(43,157)
<b>At 30 April 2008</b>	1,113,042	258,985	(104,777)	1,267,250

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

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

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	Note	2008 RM'000	2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		343,746	366,797
Payments to suppliers, prize winners and other operating expenses		(253,203)	(194,621)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(36,618)	(34,374)
Tax refund		835	201
Payment of taxes		(6,691)	(6,470)
Other receipts / (payments)		102	(156)
Net cash generated from operating activities		48,171	131,377
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		164	5,857
Acquisitions of property, plant and equipment	(a)	(2,906)	(1,132)
Sale of other investments		1,772	25
Acquisition of other investments		(15,382)	(5,638)
Interest received		1,012	1,420
Dividends received		7,404	413
Net cash (used in) / generated from investing activities		(7,936)	945
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Rights Issue		155,993	-
Payment of Rights Issue expenses		(1,602)	-
Drawdown of bank borrowings and loans		-	15,123
Repayment of borrowings and loans		(52,502)	(101,492)
Repayment of advances from a director of a subsidiary company		(89,726)	-
Interest paid		(49,090)	(43,663)
Payment of hire purchase liabilities		(43)	(112)
Dividends paid to minority shareholders		(3,896)	(7,690)
Net cash used in financing activities		(40,866)	(137,834)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(631)	(5,512)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		42,011	47,523
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(b)	41,380	42,011



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

(a) The additions in property, plant and equipment were acquired by way of:

	2008 RM'000	2007 RM'000
Cash	2,906	1,132
Hire purchase arrangements	164	-
	<u>3,070</u>	<u>1,132</u>

(b) The closing cash and cash equivalents comprise of the followings:

	2008 RM'000	2007 RM'000
Deposits with licensed banks (Note 13)	34,829	37,468
Cash on hand and at banks (Note 13)	6,636	4,543
Bank overdraft (Note 17)	(85)	-
	<u>41,380</u>	<u>42,011</u>

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

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

	2008	2007
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment for operating expenses	(105)	(456)
Tax refund	63	23
Payment of taxes	(57)	(4)
Net cash used in operating activities	(99)	(437)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	132	266
Dividends received	11,166	17,730
Net cash generated from investing activities	11,298	17,996
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Rights Issue	155,993	-
Payment of Rights Issue expenses	(1,602)	-
Inter-company advances	(175,196)	(15,202)
Net cash used in financing activities	(20,805)	(15,202)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(9,606)	2,357
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	12,743	10,386
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(a) 3,137	12,743
(a) The closing cash and cash equivalents comprise of the followings:		
Deposits with licensed banks (Note 13)	3,065	12,644
Cash on hand and at banks (Note 13)	72	99
	3,137	12,743

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

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2008

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## I 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 consist of:

- (i) number forecast lotteries in Sarawak;
- (ii) general trading and commission agent;
- (iii) provision of lottery consultancy and related services;
- (iv) investment holding;
- (v) property management, investment and development;
- (vi) operation of theme park and IMAX theatre; and
- (vii) management of food mall.

There have been no significant changes in the nature of the Group's 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 Lot 13 - 01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 July 2008.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared on a historical basis unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 October 2006 as described fully in Note 2.3.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

### 2.2 Summary of Significant Accounting Policies

#### (a) Subsidiary Companies and 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 purchase method of accounting.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (a) Subsidiary Companies and Basis of Consolidation (contd.)

Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated income statement from the effective date of acquisition. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. At the Group level, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems fit that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. 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 cost cannot be recovered.

Minority interests in the consolidated balance sheet consist of the minorities' share of fair values 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.

#### (b) Associated Companies

Associated companies are companies in which the Group has a long term equity interest and where it exercises significant influence over its financial and operating policies through Board representation.

Investments in associated companies 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. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

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 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (b) Associated Companies (contd.)

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit and loss in the period in which the investment is acquired.

When the Group's share of losses exceeds its interest in an equity accounted associated company, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associated companies.

#### (c) Jointly Controlled Entity

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or another entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investment in jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting based on the audited financial statements of the jointly controlled entity. Under the equity method of accounting, the Group's share of profits less losses of the jointly controlled entity during the period is included in the consolidated income statement. The Group's interest in the jointly controlled entity 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 as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the assets transferred.

#### (d) Affiliated Companies

The Group treats companies substantially owned directly or indirectly by a major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun and persons connected with him as affiliated companies.

#### (e) Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses.

#### (f) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.



**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****2.2 Summary of Significant Accounting Policies (Contd.)****(f) Property, Plant and Equipment and Depreciation (contd.)**

Depreciation of 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:

Freehold building	2 %
Short term leasehold land and buildings	Over 44 - 50 years
Plant, machinery and equipment	10 % - 20%
Computer equipment	10 % - 20%
Renovation and signage	10 % - 20%
Furniture, fittings and office equipment	10 % - 50%
First aid and theme park equipment	10 % - 20%
IMAX theatre and equipment	10 % - 20%
Motor vehicles	14 % - 20%
Others *	10 % - 20%

\* Others comprise mainly ponies, lottery computer system and telecommunications equipment.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

**(g) Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by independent professional valuers.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

**(h) Inventories**

Properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and appropriate development overheads.

Retail goods, consumables, finished goods and souvenirs are stated at the lower of cost and net realisable value. Cost of retail goods, consumables, finished goods and souvenirs comprise of invoiced value of the goods purchased plus incidental expenses. Cost is determined on the first-in, first-out basis.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (h) Inventories (contd.)

Ticket inventories and gaming equipment are stated at the lower of cost and net realisable value. Cost is determined on the 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.

#### (i) Provisions

Provisions 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.

Liquidated ascertained damages which have been accrued based on estimates of settlement sums to be agreed, are charged to the income statement.

#### (j) Leases

##### (i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(g)); and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

##### (ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (j) Leases (contd.)

##### (ii) Finance Leases - the Group as Lessee (contd.)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.2(f).

##### (iii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### (iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(q)(vi)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### (k) Intangible Assets

##### (i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### (ii) Other Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed yearly at each balance sheet date.

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (l) 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 if the temporary difference arises from goodwill which are not deductible for tax purposes or from the initial recognition of assets or liabilities in a transaction which is not a business combination and 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 directly in equity, or when it arises from a business combination that is an acquisition, in which case it 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.

#### (m) 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

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (n) Impairment of Assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

#### (o) Foreign Currencies

##### (i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.



**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****2.2 Summary of Significant Accounting Policies (Contd.)****(o) Foreign Currencies (contd.)****(ii) Foreign Currency Transactions**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**(p) Financial Instruments**

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

**(i) Cash and Cash Equivalents**

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value.

**(ii) Investments**

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

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 impairment losses.

**(iii) Receivables**

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.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****2.2 Summary of Significant Accounting Policies (Contd.)****(p) Financial Instruments (contd.)****(iv) Payables**

Payables are stated at cost which approximate the fair value of the consideration to be paid in the future for goods and services received.

**(v) 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 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.

**(vi) Equity Instruments**

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

**(q) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**(i) Dividend income**

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

**(ii) Interest income**

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

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****2.2 Summary of Significant Accounting Policies (Contd.)****(q) Revenue Recognition (contd.)****(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.

**(vi) Rental income**

Revenue from rental of investment properties is recognised on an accrual basis unless collection is in doubt, in which case it is recognised on receipt basis.

**(vii) Sale of goods and properties**

Revenue relating to sale of goods and properties are recognised net of discounts and sales taxes upon the transfer of risks and rewards.

**(viii) Theme park and IMAX theatre tickets**

Revenue from sale of theme park and IMAX theatre tickets are recognised when obligation to render services are discharged.

**(ix) Property management**

Revenue from property management services rendered is recognised net of service taxes and discounts when the services are performed.

**(x) Income from services**

Revenue from services rendered is recognised net of services taxes when the services are performed.

**(xi) Sale of fruits and beverages**

Revenue from the sale of fruits and beverages are recognised upon the transfer of risks and rewards.

**(xii) Other income**

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Summary of Significant Accounting Policies (Contd.)

#### (r) Discontinued Operation

A component of the Group is classified as a discontinued operation when a component representing a separate major line of business ceased its operation or is abandoned. Non-current assets to be abandoned include non-current assets that are to be used to the end of their economic life and non-current assets that are to be closed rather than sold.

#### (s) Segment Information

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format. The segment information by geographical locations is not applicable as the Group operates solely in Malaysia.

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

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities.

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

### 2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 May 2007, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 May 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The Amendments to FRS 119<sub>2004</sub> and FRS 6 are not applicable to the Group or to the Company. The adoption of the revised FRS 124 gives rise to additional disclosures but does not result in significant changes in accounting policies of the Group and of the Company.

The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 117 are explained below:

#### (a) Leasehold land held for own use

Prior to 1 May 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs (Contd.)****(a) Leasehold land held for own use (contd.)**

This change in accounting policy did not materially affect the financial statements of the Group and the Company.

**(b) Initial direct costs**

Prior to 1 May 2007, the Group, as a lessor in operating lease arrangements, had recognised initial direct costs incurred in negotiating and arranging leases as an expense in the profit or loss in the period in which they were incurred. The revised FRS 117 requires such costs to be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. According to the revised FRS 117, this change in accounting policy should be applied retrospectively. In general, the Group does not incur significant initial direct costs on negotiating and arranging leases and as a result, this change in accounting policy did not materially affect the financial statements of the Group and the Company.

**2.4 Standards and Interpretation Issued but not yet Effective**

At the date of authorisation of these financial statements, the following FRSs, Amendment to FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company.

Effective for financial periods beginning on or after 1 July 2007:

FRSs, Amendment to FRS and Interpretations

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

IC Interpretation 1	: Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	: Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	: Liabilities arising from Participation in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	: Applying the Restatement Approach under FRS 129 <sup>2004</sup> Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	: Scope of FRS 2



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.4 Standards and Interpretation Issued but not yet Effective (Contd.)

Effective date deferred indefinitely:

FRS 139 Financial Instruments: Recognition and Measurement

The new and revised FRSs, Amendment to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

The Group and the Company have not early adopted FRS 139 and are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of this Standard.

### 2.5 Significant Accounting Estimates and Judgements

#### (a) Critical Judgements Made in Applying Accounting Policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

##### (i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement have been made by the Group that the portion held for administrative purposes is insignificant.

##### (ii) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.5 Significant Accounting Estimates and Judgements (Contd.)

#### (b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 30 April 2008 were RM140,609,000 (2007: RM140,609,000). Further details are disclosed in Note 10.

##### (ii) Depreciation of plant, machinery and equipment

The cost of plant, machinery and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant, machinery and equipment to be within 5 to 10 years. These are common life expectancies applied in the industry.

##### (iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM89,229,000 (2007: RM93,122,000) and the unrecognised tax losses and capital allowances of the Group was RM80,517,000 (2007: RM58,801,000).

## 3 PROPERTY, PLANT AND EQUIPMENT

GROUP						Net carrying amount as at 30.4.08 RM'000
	Net carrying amount as at 1.5.07 RM'000	Additions RM'000	Write off / Disposals RM'000	Reclassification / Adjustments RM'000	Depreciation RM'000	
Freehold building	157,511	-	-	5,509	(3,382)	159,638
Short term leasehold land and buildings	4,656	-	-	-	(101)	4,555
Plant, machinery and equipment	3,188	6	-	-	(722)	2,472
Computer equipment	2,175	181	-	-	(733)	1,623
Renovation and signage	1,654	1,507	-	-	(514)	2,647
Furniture, fittings and office equipment	3,706	1,173	(3)	(45)	(677)	4,154
First aid and theme park equipment	24,665	6	-	-	(3,854)	20,817
IMAX theatre and equipment	16,389	-	-	-	(2,232)	14,157
Motor vehicles	919	180	(60)	-	(256)	783
Others	79	17	(1)	-	(16)	79
	214,942	3,070	(64)	5,464	(12,487)	210,925

						Net carrying amount as at 30.4.07 RM'000
	Net carrying amount as at 1.5.06 RM'000	Additions RM'000	Write off / Disposals RM'000	Reclassification / Adjustments RM'000	Depreciation RM'000	
Freehold building	160,875	-	-	-	(3,364)	157,511
Short term leasehold land and buildings	4,758	-	-	-	(102)	4,656
Plant, machinery and equipment	3,911	-	-	-	(723)	3,188
Computer equipment	3,987	108	(1,003)	(54)	(863)	2,175
Renovation and signage	9,127	84	(6,709)	410	(1,258)	1,654
Furniture, fittings and office equipment	7,625	574	(3,141)	(410)	(942)	3,706
First aid and theme park equipment	28,517	1	-	-	(3,853)	24,665
IMAX theatre and equipment	18,488	155	-	-	(2,254)	16,389
Motor vehicles	1,091	203	(64)	-	(311)	919
Others	85	7	-	-	(13)	79
	238,464	1,132	(10,917)	(54)	(13,683)	214,942

**3 PROPERTY, PLANT AND EQUIPMENT (CONTD.)**
**GROUP (CONTD.)**
**As at 30 April 2008**

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Freehold building	173,715	14,077	159,638
Short term leasehold land and buildings	5,074	519	4,555
Plant, machinery and equipment	7,546	5,074	2,472
Computer equipment	8,797	7,174	1,623
Renovation and signage	5,223	2,576	2,647
Furniture, fittings and office equipment	8,663	4,509	4,154
First aid and theme park equipment	38,490	17,673	20,817
IMAX theatre and equipment	21,776	7,619	14,157
Motor vehicles	2,025	1,242	783
Others	527	448	79
	271,836	60,911	210,925

**As at 30 April 2007**

Freehold building	168,206	10,695	157,511
Short term leasehold land and buildings	5,074	418	4,656
Plant, machinery and equipment	7,540	4,352	3,188
Computer equipment	8,722	6,547	2,175
Renovation and signage	3,716	2,062	1,654
Furniture, fittings and office equipment	7,957	4,251	3,706
First aid and theme park equipment	38,484	13,819	24,665
IMAX theatre and equipment	21,776	5,387	16,389
Motor vehicles	2,172	1,253	919
Others	552	473	79
	264,199	49,257	214,942

(a) During the year, the Group acquired property, plant and equipment by way of:

	GROUP	
	2008 RM'000	2007 RM'000
Cash	2,906	1,132
Hire purchase arrangements	164	-
	3,070	1,132

**3 PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

- (b) The net carrying amount of property, plant and equipment held under hire purchase arrangements are as follows:

	GROUP	
	2008 RM'000	2007 RM'000
Motor vehicles	221	243

- (c) Included in adjustments is a transfer of certain property amounting to RM5,509,000 (2007: RMNil) from investment properties and overaccruals of acquisition cost amounting to RM45,000 (2007: RM54,000).

- (d) The net carrying amounts of property, plant and equipment pledged to financial institutions for bank borrowings granted to the Group, as referred to in Note 17 are as follows:

	GROUP	
	2008 RM'000	2007 RM'000
Freehold building	159,638	157,511
Short term leasehold land and buildings	4,555	4,656
Plant, machinery and equipment	22	38
Computer equipment	1,615	2,162
Renovation and signage	2,647	1,654
Furniture, fittings and office equipment	4,154	3,706
IMAX theatre and equipment	14,157	16,389
Motor vehicles	608	711
Others	79	79
	<u>187,475</u>	<u>186,906</u>

- (e) Included in the cost of property, plant and equipment of the Group are fully depreciated assets which are still in use:

	GROUP	
	2008 RM'000	2007 RM'000
At cost		
Furniture, fittings and office equipment	2,444	1,803
Computers	584	560
Renovation	119	38
Motor vehicles	5	40
	<u>3,152</u>	<u>2,441</u>

**3 PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

COMPANY	2008			2007		
	Net carrying amount as at 1.5.07 / 1.5.06 RM'000	Additions RM'000	Depreciation RM'000	Net carrying amount as at 30.4.08 / 30.4.07 RM'000	Net carrying amount as at 30.4.07 / 30.4.06 RM'000	Depreciation RM'000
<b>30 April 2008</b>						
Computer equipment	8	-	(2)	6	6	(2)
<b>30 April 2007</b>						
Computer equipment	10	-	(2)	8	8	(2)

	2008			2007		
	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
<b>As at 30 April 2008</b>						
Computer equipment	12	6	6	12	4	8
<b>As at 30 April 2007</b>						
Computer equipment	12	4	8	12	4	8

**4 INVESTMENT PROPERTIES**

	GROUP	
	2008 RM'000	2007 RM'000
At fair value :		
At 1 May 2007 / 2006	1,305,915	1,304,962
Fair value adjustment (Note 27)	21,251	-
Additions from subsequent expenditure	133	953
Reduction in previous contract price	(7,299)	-
Transfer to property, plant and equipment	(5,509)	-
At 30 April	1,314,491	1,305,915

During the financial year, the Group has determined that a certain property that was previously classified as investment properties amounting to RM5,509,000 no longer meets the criteria based on FRS 140: Investment Property to qualify as an investment property and has been reclassified to property, plant and equipment.

Investment properties have been pledged to financial institutions for bank borrowings as referred to in Note 17.

The fair value of the investment properties is measured on 30 April 2008 by an independent professional valuer by reference to open market value by using the Comparison Method.



**5 SUBSIDIARY COMPANIES**

	COMPANY	
	2008 RM'000	2007 RM'000
Unquoted shares at cost	977,160	977,160
Less: Impairment losses of unquoted shares	(151,528)	(97,588)
	<u>825,632</u>	<u>879,572</u>

The Group's effective equity interest in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 36.

**6 JOINTLY CONTROLLED ENTITY**

	GROUP	
	2008 RM'000	2007 RM'000
Unquoted shares at cost	5,000	5,000
Share of post acquisition reserves	2,149	1,581
	<u>7,149</u>	<u>6,581</u>

The Group's share of profit after tax of a jointly controlled entity which have been recognised in the financial statements amounted to RM1,298,000 (2007: RM1,143,000).

Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Paid-up Capital RM	Effective Interest		Principal Activity
		2008 %	2007 %	
Berjaya - GSC Sdn Bhd	10,000,000	50	50	Cinema operations

**6 JOINTLY CONTROLLED ENTITY (CONTD.)**

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liability, income and expenses of the jointly controlled entity are as follows:

	GROUP	
	2008 RM'000	2007 RM'000
<b>Assets and Liabilities</b>		
Current assets	4,207	2,760
Non-current assets	5,012	6,151
Total assets	9,219	8,911
Current liabilities	(1,750)	(2,004)
Non-current liability	(320)	(326)
Total liabilities	(2,070)	(2,330)
<b>Results</b>		
Revenue	5,092	4,801
Expenses, including finance costs and income tax expense	(3,794)	(3,658)

During the financial year, the Group received a net dividend income amounting to RM730,000 (2007: RMNil) from the jointly controlled entity.

**7 ASSOCIATED COMPANY**

	GROUP	
	2008 RM'000	2007 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 36.

**8 OTHER INVESTMENTS**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Quoted investments in Malaysia				
- Malaysian Government Securities	1,000	1,000	-	-
- shares	47,318	25,398	1,819	1,819
- loan stocks	-	10,667	-	-
	48,318	37,065	1,819	1,819
Less : Accumulated impairment losses				
- shares	(833)	(4,728)	(833)	(575)
	47,485	32,337	986	1,244
Market value of:				
- Malaysian Government Securities	1,087	1,107	-	-
- Quoted shares	163,390	21,380	2,188	1,565
- Quoted loan stocks	-	14,851	-	-

The investment in Malaysian Government Securities is pledged to the Malaysian Government as security in compliance with the terms and conditions for the issuance of gaming licence by the Minister of Finance.

The investments in quoted shares and loan stocks include investments in affiliated companies, Berjaya Land Berhad and Berjaya Corporation Berhad with a net carrying amount of RM22,632,000 and RM23,053,000 respectively (2007: RM13,982,000 and RM14,637,000).

**9 LONG TERM RECEIVABLE**

	COMPANY	
	2008 RM'000	2007 RM'000
Amount due from a subsidiary company	420,157	260,077

The amount due from a subsidiary company is non-trade and long term in nature, unsecured, interest free and has no fixed terms of repayment.

**10 INTANGIBLE ASSETS**

<b>Group</b>	<b>Goodwill on consolidation RM'000</b>	<b>Rights * RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 May 2007 / 2006 and at 30 April 2008 / 2007	199,928	28,243	228,171
<b>Accumulated amortisation and impairment losses</b>			
At 1 May 2006	382	2,785	3,167
Impairment losses (Note 27)	58,937	-	58,937
Amortisation (Note 27)	-	1,101	1,101
At 30 April 2007	59,319	3,886	63,205
Amortisation (Note 27)	-	1,101	1,101
At 30 April 2008	59,319	4,987	64,306
<b>Net carrying value</b>			
At 30 April 2008	140,609	23,256	163,865
At 30 April 2007	140,609	24,357	164,966

\* Rights to receive Special Cash Sweep Lottery royalty revenue

Impairment test for goodwill

Goodwill of RM140,609,000 (2007: RM140,609,000) has been allocated to the Group's CGUs identified to the gaming and related activities business segment.

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five year period. The key assumptions used for value-in-use calculations are:

## (i) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margins and growth rate is the average gross margins and average growth rate achieved in the years before the budgeted year and increased for expected efficiency improvements.

## (ii) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the Company.

**11 INVENTORIES**

	GROUP	
	2008 RM'000	2007 RM'000
Cost:		
Properties held for sale	182,476	194,970
Finished goods	32	122
Ticket stocks and souvenirs	132	189
Gaming equipment	852	949
	<u>183,492</u>	<u>196,230</u>

The cost of finished goods recognised as an expense during the financial year in the Group amounted to RM13,443,000 (2007: RM85,244,000).

Properties held for sale is pledged to financial institutions for bank borrowings as referred to in Note 17.

**12 RECEIVABLES**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	27,268	29,993	-	-
Other receivables	5,642	4,285	-	-
Deposits	2,132	2,730	-	-
Prepayments	2,548	1,754	75	89
Amount due from affiliated companies	5,163	8,741	-	-
Amount due from subsidiary companies	-	-	20,757	7,880
	<u>42,753</u>	<u>47,503</u>	<u>20,832</u>	<u>7,969</u>
Provision for doubtful debts - trade receivables	(24,375)	(28,022)	-	-
	<u>18,378</u>	<u>19,481</u>	<u>20,832</u>	<u>7,969</u>

During the financial year, provision for doubtful debts of the Group amounting to RM2,931,000 (2007: RMNil) has been written off.

The Group's normal trade credit term ranges from 7 to 30 days (2007: 7 to 30 days). Other credit terms are assessed on a case-by-case basis.

The amount due from subsidiary and affiliated 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 groups of debtors.

**13 CASH AND BANK BALANCES**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with licensed banks	34,829	37,468	3,065	12,644
Cash on hand and at banks	6,636	4,543	72	99
	41,465	42,011	3,137	12,743

Deposits with licensed banks of the Group and of the Company amounting to RM1,526,000 and RM1,510,000 respectively (2007 : RM1,480,000 and RM1,464,000) and cash at banks of the Group amounting to RM1,115,000 (2007: RM894,000) are pledged for bank guarantee facilities and syndicated credit facilities granted to the Group.

The weighted average interest rate of the Group during the financial year and the average maturities of deposits of the Group as at 30 April 2008 were as follows:

	WEIGHTED AVERAGE INTEREST RATE		AVERAGE MATURITIES	
	2008 %	2007 %	2008 Days	2007 Days
Licensed banks	3.2	3.1	1 - 31	1 - 31

**14 SHARE CAPITAL**

	GROUP AND COMPANY ORDINARY SHARES OF RM1.00 EACH			
	2008 No. of shares '000	2007 '000	2008 Amount RM'000	2007 Amount RM'000
<b>Authorised:</b>				
At 1 May 2007 / 2006 and at 30 April 2008 / 2007	5,000,000	5,000,000	5,000,000	5,000,000

	GROUP AND COMPANY ORDINARY SHARES OF RM1.00 EACH			
	2008 No. of shares '000	2007 '000	2008 Amount RM'000	2007 Amount RM'000
<b>Issued and fully paid:</b>				
At 1 May 2007 / 2006	905,050	905,050	905,050	905,050
First call of RM0.75 pursuant to the Rights Issue	155,993	-	155,993	-
Second call of RM0.25 pursuant to the Rights Issue	51,999	-	51,999	-
At 30 April 2008 / 2007	1,113,042	905,050	1,113,042	905,050



**14 SHARE CAPITAL (CONTD.)**

During the financial year, the Company issued 207,991,174 new ordinary shares of RM1.00 each pursuant to its two-call Rights Issue at an issue price of RM1.00 per ordinary share (of which the first call of RM0.75 is payable in cash on application and the second call of RM0.25 is payable out of the Company's share premium account) with 415,982,348 free detachable Warrants 2008/2018 as disclosed below. The said shares and warrants were listed on Main Board of Bursa Malaysia Securities Berhad on 28 March 2008. The proceeds raised from the Rights Issue of RM155,993,381 were utilised to repay borrowings and to pay Rights Issue expenses with the balance for working capital purposes as detailed in Note 35. The new ordinary shares rank pari passu in all respects with the existing shares of the Company.

Warrants 2008/2018

On 28 March 2008, the Company issued 415,982,348 free detachable Warrants 2008/2018 pursuant to the Rights Issue as disclosed in Note 35.

The Warrants are constituted by a Deed Poll dated 12 February 2008 and the main features of the Warrants are as follows:

- (a) Each warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at a price of RM1.00 per share;
- (b) The Warrants may be exercised at any time up to 27 March 2018; and
- (c) The shares arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments or distributions, unless the exercise of warrants is effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

As at the balance sheet date, all Warrants issued remain unexercised.

**15 SHARE PREMIUM**

	GROUP AND COMPANY	
	2008 RM'000	2007 RM'000
At 1 May 2007 / 2006	312,621	312,621
Capitalisation pursuant to second call of the Rights Issue	(51,999)	-
Rights Issue expenses	(1,637)	-
At 30 April 2008 / 2007	258,985	312,621

**16 ACCUMULATED LOSSES**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accumulated losses	(138,340)	(136,290)	(104,777)	(61,620)

As at 30 April 2008, the Company has tax exempt income amounting to RM30,791,000 (2007: RM30,791,000) available for the payment of future tax exempt dividends, subject to the agreement with the Inland Revenue Board and the availability of profits.

In the past, Malaysian companies adopted the full imputation system. The Finance Act 2007, which was gazetted on 28 December 2007, has introduced a single tier system. Under the single tier system, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders and such dividends will be exempted from tax in the hands of the shareholders.

Companies have an irrevocable option either to continue to frank dividends under limited circumstances or to disregard the Section 108 balance and pay dividends under the single tier system.

Companies with Section 108 balance which do not opt for single tier system are allowed to use the credit balance for purpose of dividend distribution during the transitional period of 6 years until 31 December 2013. However, the Section 108 balance allowed for the purpose of dividend distribution is to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance.

**17 BORROWINGS**

	GROUP	
	2008 RM'000	2007 RM'000
<b>Short term borrowings</b>		
Secured:		
Term loan	3,400	3,050
Bridging loan	24,218	17,109
Syndicated credit facility	45,782	32,343
Bank overdraft	85	-
	<u>73,485</u>	<u>52,502</u>
<b>Long term borrowings</b>		
Secured:		
Term loan	26,050	29,450
Bridging loan	150,041	174,259
Syndicated credit facility	283,648	329,430
	<u>459,739</u>	<u>533,139</u>

## 17 BORROWINGS (CONTD.)

	GROUP	
	2008 RM'000	2007 RM'000
<b>Total borrowings</b>		
Secured:		
Term loan	29,450	32,500
Bridging loan	174,259	191,368
Syndicated credit facility	329,430	361,773
Bank overdraft	85	-
	<b>533,224</b>	<b>585,641</b>
Maturity of borrowings:		
Not later than 1 year	73,485	52,502
Later than 1 year and not later than 2 years	103,400	73,400
Later than 2 years and not later than 5 years	343,889	443,889
More than 5 years	12,450	15,850
	<b>533,224</b>	<b>585,641</b>

The interest rates per annum for borrowings are as follows:

	GROUP	
	2008 %	2007 %
Term loan	3.75	3.75
Bridging loan	7.65 to 8.80	7.65 to 8.80
Syndicated credit facility	7.65 to 8.80	7.65 to 8.80
Bank overdraft	8.75	-

The borrowings are secured by the followings:

- (i) investment properties and a debenture over assets of certain subsidiary companies of the Group;
- (ii) the assignment of sales proceeds and future rental by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;
- (iii) a third party first fixed and floating charge over a parcel of land held under documents title HS(D) I3720 Lot No. PT 17201, Pahang and/or any other lands valued at not less than RM32 million; and
- (iv) certain quoted shares owned by and a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun.

**18 HIRE PURCHASE LIABILITIES**

	GROUP	
	2008 RM'000	2007 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	56	37
Later than 1 year and not later than 2 years	43	12
Later than 2 years and not later than 5 years	115	-
	<u>214</u>	<u>49</u>
Less: Future finance charges	(46)	(2)
Present value of hire purchase liabilities	<u>168</u>	<u>47</u>
<b>Present value of hire purchase liabilities:</b>		
Not later than 1 year	38	35
Later than 1 year and not later than 2 years	30	12
Later than 2 years and not later than 5 years	100	-
	<u>168</u>	<u>47</u>
<b>Analysed as:</b>		
Due within 12 months	38	35
Due after 12 months	130	12
	<u>168</u>	<u>47</u>

The hire purchase liabilities bear interest rates ranging from 3.91% to 6.50% (2007: 3.91%) per annum.

**19 LONG TERM LIABILITY**

	GROUP	
	2008 RM'000	2007 RM'000
Amount due to a major shareholder	-	89,726

The amount due to a major shareholder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, was fully settled with the proceeds of the Rights Issue (Note 35).

20 DEFERRED TAX

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 May 2007 / 2006	66,527	17,630	2	2
Effects of adopting FRS 140	-	53,186	-	-
Recognised in income statement (Note 28)	26,285	(4,289)	(2)	-
At 30 April 2008 / 2007	92,812	66,527	-	2

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

**Deferred Tax Liabilities of the Group**

	Property, plant and equipment and investment properties RM'000	Land and development expenses RM'000	Accelerated capital allowances RM'000	Total RM'000
	At 1 May 2007	123,224	-	78,809
Recognised in income statement	(70)	-	4,894	4,824
At 30 April 2008	123,154	-	83,703	206,857
At 1 May 2006	31,545	11,476	54,003	97,024
Effects of adopting FRS 140	101,433	-	-	101,433
Recognised in income statement	(9,754)	(11,476)	24,806	3,576
At 30 April 2007	123,224	-	78,809	202,033

**20 DEFERRED TAX (CONTD.)****Deferred Tax Assets of the Group**

	<b>Tax losses and unabsorbed capital allowances RM'000</b>	<b>Unutilised investment tax allowance RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
At 1 May 2007	(93,122)	(2,771)	(39,613)	(135,506)
Recognised in income statement	3,893	-	17,568	21,461
At 30 April 2008	(89,229)	(2,771)	(22,045)	(114,045)
At 1 May 2006	(62,135)	(2,771)	(14,488)	(79,394)
Consequential effects arising from adoption of FRS 140 to now recognise deferred tax assets previously unrecognised	(13,697)	-	(34,550)	(48,247)
Recognised in income statement	(17,290)	-	9,425	(7,865)
At 30 April 2007	(93,122)	(2,771)	(39,613)	(135,506)

Deferred tax liability for the Company mainly consist of accelerated capital allowances.

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

	<b>GROUP</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Unused tax losses	68,532	52,375
Unabsorbed capital allowances	11,985	6,426
Other deductible temporary differences	118,591	123,655
	<b>199,108</b>	<b>182,456</b>

The availability of the unused tax losses, unabsorbed capital allowances and other deductible temporary differences for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of the subsidiary companies under Section 44(5A) and (5B) of the Income Tax Act, 1967.



**21 PAYABLES**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade payables	40,564	69,992	-	-
Provision for liquidated ascertained damages	4,456	4,456	-	-
Deposits refundable	24,091	24,286	-	-
Other payables and accruals	50,047	53,117	260	179
Amount due to affiliated companies	6,162	6,982	7	1
Amount due to subsidiary companies	-	-	3,222	5,461
	125,320	158,833	3,489	5,641

Provision for liquidated ascertained damages of the Group is made in respect of the delay in the completion of the development project and is in accordance with Note 2.2(i).

The normal trade credit term granted to the Group and to the Company ranges from 15 to 90 days (2007: 15 to 90 days).

The amount due to affiliated companies are unsecured, interest free and have no fixed terms of repayment, with the exception of a sum amounting to RM5,634,000 (2007: RM5,186,000) at Group level which bears interest at 11% (2007: 11%) per annum.

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

**22 REVENUE****Group**

The main categories of revenue are as follows:

	2008 RM'000	2007 RM'000
Sale of properties	16,000	106,459
Property management	20,086	17,849
Sale of theme park and IMAX theatre tickets	12,479	12,419
Sale of fruits and beverages	1,360	1,351
Rental income from investment properties	52,424	54,022
Gaming ticket sales less gaming tax	207,557	196,712
Gaming terminal sales	110	89
	310,016	388,901

Sale of properties represents the value received and receivable from the sale of inventories.

**22 REVENUE (CONTD.)****Company**

	2008 RM'000	2007 RM'000
Gross dividends from subsidiary companies	11,669	24,288
Gross dividends from an affiliated company	88	-
Management fees from subsidiary companies	629	629
Management fees from an associated company	96	96
	12,482	25,013

**23 OTHER INCOME**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Dividend income	7,638	573	-	-
Interest income	1,009	1,346	132	266
Gain on disposal of other investment	41	-	-	-
Write-back of impairment in value of quoted investments	4,153	11,245	-	360
Fair value adjustment on investment properties	21,251	-	-	-
Miscellaneous	2,997	1,998	-	-
	37,089	15,162	132	626

**24 STAFF COSTS**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	13,472	13,504	184	172
Bonus	1,167	830	45	42
EPF contributions	1,566	1,540	27	26
Social security organisation contributions	214	212	1	1
Short term accumulating compensated absences	4	6	4	6
Other staff related expenses	910	973	-	-
	17,333	17,065	261	247

The above staff costs excludes executive director's other emoluments.

**25 DIRECTORS' REMUNERATION**

The total remuneration paid or payable to the directors of the Group and of the Company categorised into appropriate components for the financial year are as follows:

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Directors of the Company</b>				
Executive:				
Fees	5	20	-	-
Salary and other emoluments	43	298	43	298
Benefits-in-kind	12	23	12	23
	60	341	55	321
Non-Executive:				
Fees	70	70	60	60
Other emoluments	12	12	12	12
	82	82	72	72
<b>Directors of the subsidiary companies</b>				
Fees	70	100	-	-
Other emoluments	90	120	-	-
	160	220	-	-
Total	302	643	127	393

**26 FINANCE COSTS**

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest expense:				
- borrowings	48,683	55,511	-	-
- hire purchase liabilities	9	7	-	-
- an affiliated company	448	642	-	-
	49,140	56,160	-	-

## 27 PROFIT / (LOSS) BEFORE TAX

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit / (loss) before tax is stated after charging / (crediting):				
Fair value adjustment of investment properties (Note 4)	(21,251)	-	-	-
Direct operating expenses of investment properties:				
- revenue generating during the year	3,928	4,187	-	-
- non-revenue generating during the year	1,710	2,302	-	-
Gaming royalty	1,129	1,070	-	-
Depreciation of property, plant and equipment (Note 3)	12,487	12,653	2	2
Directors' remuneration (Note 25):				
- fees	145	190	60	60
- other emoluments	145	430	55	310
Auditors' remuneration:				
- statutory audit	127	102	28	19
- under / (over) provision in prior years	8	(42)	9	1
- other services	45	53	8	6
- under provision in prior years for other services	-	143	-	2
Amortisation of other intangible assets (Note 10)	1,101	1,101	-	-
Provision for doubtful debts	192	1,892	-	-
Provision for doubtful debts written back	(908)	-	-	-
Operating leases:				
- lease payments for buildings	71	68	-	-
Staff costs (Note 24)	17,333	17,065	261	247
Gain on disposal of property, plant and equipment	(100)	(75)	-	-
Gain on disposal of other investment	(41)	-	-	-
Loss on disposal of other investment	-	25	-	-
Impairment in value of quoted investments (Note 33)	258	72	258	-
Impairment in value of goodwill (Notes 10 and 33)	-	58,937	-	-
Impairment in value of investment in a subsidiary company	-	-	53,940	97,588

## 28 INCOME TAX EXPENSE

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Continuing Operations</b>				
Current income tax:				
Malaysian income tax	6,283	6,198	676	6,562
Over provision in prior years	(411)	(1,057)	-	(1)
	5,872	5,141	676	6,561
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	4,913	588	(2)	-
Relating to changes in tax rates	(3,523)	(5,108)	-	-
Under provision in prior years	24,895	231	-	-
	26,285	(4,289)	(2)	-
Total income tax expense	32,157	852	674	6,561

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 30 April 2008 has reflected these changes.

The corporate tax rate of subsidiary companies with paid-up capital of RM2.5 million and below at the beginning of the basis period are as follows:

Chargeable Income	Rate
First RM500,000	20%
Amount exceeding RM500,000	26%

**28 INCOME TAX EXPENSE (CONTD.)**

A reconciliation of income tax expense applicable to profit / (loss) before tax 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit / (loss) before tax	36,004	(49,994)	(42,483)	(73,139)
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	9,361	(13,498)	(11,046)	(19,748)
Effect of income subject to tax rate of 20%	(30)	(35)	-	-
Effect of changes in tax rate on opening balance of deferred tax	(3,186)	(5,059)	-	-
Deferred tax recognised at different tax rate	(200)	(49)	-	-
Effect of expenses not deductible for tax purposes	3,490	19,480	14,186	26,407
Effect of income not subject to tax	(5,934)	(406)	(2,466)	(97)
Effect of utilisation of previously unrecognised unutilised investment allowances and unabsorbed capital allowances	(57)	(213)	-	-
Deferred tax assets not recognised during the year	4,229	1,458	-	-
Under provision of deferred tax expense in prior years	24,895	231	-	-
Over provision of tax expense in prior years	(411)	(1,057)	-	(1)
Income tax expense for the year	32,157	852	674	6,561

**29 DISCONTINUED OPERATION**

During the previous financial year ended 30 April 2007, two wholly owned subsidiaries of the Group, Shasta Supermarket Sdn. Bhd. and BTS Department Store Sdn. Bhd. ceased operations and subsequently became dormant. Therefore, the results of these subsidiaries were presented separately on the consolidated income statement as discontinued operation.

An analysis of the results of discontinued operation is as follows:

	GROUP	
	2008 RM'000	2007 RM'000
Revenue	-	11,219
Expenses	-	(15,295)
Loss before tax of discontinued operation	-	(4,076)
Income tax expense	-	-
Loss for the year from discontinued operation	-	(4,076)



**29 DISCONTINUED OPERATION (CONTD.)**

The following amounts have been included in arriving at loss before tax of discontinued operation:

	GROUP	
	2008 RM'000	2007 RM'000
Depreciation of property, plant and equipment	-	1,030
Auditors' remuneration:		
- statutory audit	-	31
Reversal of provision for slow moving inventories	-	(2,500)
Bad debts written off	-	27
Plant and equipment written off	-	151
Foreign exchange losses	-	7
Loss on disposal of property, plant and equipment	-	4,854

The cash flows attributable to the discontinued operation are as follows:

	GROUP	
	2008 RM'000	2007 RM'000
Operating cash flows	-	(8,515)
Investing cash flows	-	5,820
Financing cash flows	-	(63)
Total cash flows	-	(2,758)

**30 LOSS PER SHARE**

Basic loss per share is calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2008 RM'000	2007 RM'000
Loss from continuing operations attributable to ordinary equity holders of the Company	(2,050)	(55,553)
Loss from discontinued operation attributable to ordinary equity holders of the Company	-	(4,076)
Loss attributable to ordinary equity holders of the Company	(2,050)	(59,629)
Weighted average number of ordinary shares in issue ('000)	923,804	905,050
Basic loss per share for:	Sen	Sen
Loss from continuing operations	(0.22)	(6.14)
Loss from discontinued operation	-	(0.45)
Loss for the year	(0.22)	(6.59)

No diluted loss per share is presented for the financial year as the computation based on the outstanding Warrants 2008/2018 as disclosed in Note 14 would have an antidilutive effect.

**31 COMMITMENTS****(a) Non-Cancellable Operating Lease Commitments - Group as Lessee**

	GROUP	
	2008 RM'000	2007 RM'000
Future minimum rental payments:		
Not later than 1 year	47	71
Later than 1 year and not later than 5 years	-	47
	<u>47</u>	<u>118</u>

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of building. Leases are negotiated for a period of 3 years and rentals fixed for between 1 and 3 years.

**(b) Non-Cancellable Operating Lease Commitments - Group as Lessor**

	GROUP	
	2008 RM'000	2007 RM'000
Future minimum rental receivable:		
Not later than 1 year	36,053	33,878
Later than 1 year and not later than 5 years	25,023	36,356
	<u>61,076</u>	<u>70,234</u>

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial space. These leases have remaining non-cancellable lease terms of between 1 and 3 years.

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	GROUP		COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Management fees charged to subsidiary companies		-	-	(629)	(629)
Management fees charged to an associated company		(96)	(96)	(96)	(96)
Management fees charged by					
- Berjaya Land Berhad	a	240	240	240	240
Interest expense charged by					
- Prime Credit Leasing Sdn Bhd	a	448	642	-	-
Rental income, service charges and other related income charged to:					
- A jointly controlled entity		(1,295)	(1,252)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd	a	(776)	(278)	-	-
- Berjaya HVN Sdn Bhd	a	(170)	(146)	-	-
- Berjaya Roasters (M) Sdn Bhd	a	(378)	(345)	-	-
- Berjaya Registration Services Sdn Bhd	a	(45)	-	-	-
- Berjaya Higher Education Sdn Bhd	a	(56)	-	-	-
- Cosway (M) Sdn Bhd	a	(388)	(385)	-	-
		(3,108)	(2,406)	-	-
Rental income, service charges and other related income charged to:					
- Berjaya Vacation Club Berhad	a	(131)	(27)	-	-
- Berjaya Land Berhad	a	(410)	(299)	-	-
- Berjaya Books Sdn Bhd	a	(2,523)	(3,002)	-	-
- Berjaya Hospitality Services Sdn Bhd	a	(854)	(6,324)	-	-
- Berjaya Resort Management Services Sdn Bhd	a	(80)	(60)	-	-
- U Television Sdn Bhd (formerly known as U Telecom Media Holdings Sdn Bhd) ("UTSB")	e	(29)	(29)	-	-
- U Mobile Sdn Bhd (formerly known as MiTV Network Sdn Bhd) ("UMSB")	e	(63)	-	-	-
- 7-Eleven Malaysia Sdn Bhd (formerly known as Convenience Shopping Sdn Bhd)	b	(379)	(108)	-	-
- MOL Accessportal Berhad	h	(57)	-	-	-
- Restoran Rasa Utara Sdn Bhd ("Rasa Utara")	c	(290)	(322)	-	-
		(4,816)	(10,171)	-	-

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	GROUP		COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Service charges and sinking funds charged to:					
- Ambilan Imej Sdn Bhd	a	(1,495)	(1,464)	-	-
- Berjaya Golf Resort Berhad	a	(45)	(45)	-	-
- Dian Kristal Sdn Bhd	a	(3,725)	(3,289)	-	-
- Nada Embun Sdn Bhd	a	(1,541)	(1,541)	-	-
- Berjaya Retail Sdn Bhd	a	(41)	(45)	-	-
- Magna Mahsuri Sdn Bhd	d	(1,527)	(1,527)	-	-
		(8,374)	(7,911)	-	-
Sale of service suites to Dian Kristal Sdn Bhd	a	-	(90,000)	-	-
Parking charges charged to:					
- Berjaya Land Berhad	a	(90)	(67)	-	-
- Berjaya Resort Management Services Sdn Bhd	a	(22)	(15)	-	-
- Inter-Pacific Securities Sdn Bhd	a	(137)	(112)	-	-
- Prime Credit Leasing Sdn Bhd	a	(14)	(11)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd	a	(30)	(5)	-	-
- Berjaya Books Sdn Bhd	a	(11)	(10)	-	-
- Sports Toto Malaysia Sdn Bhd	d	(237)	(182)	-	-
- UMSB	e	(153)	(51)	-	-
		(694)	(453)	-	-
Advertisement and promotional material expenses charged by Novacomm Integrated Sdn Bhd	a	-	181	-	-
Hotel management fee charged by Berjaya Hospitality Services Sdn Bhd	a	-	8	-	-
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	g	18	6	-	-
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	97	27	-	-
IT consultancy, management and maintenance services charged by Qinetics Solutions Berhad	f	189	888	-	-
Procurement of betting terminals from International Lottery & Totalizator Systems, Inc	d	204	194	-	-

**32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)**

The nature of the related party relationships are as follows:

- (a) Subsidiary company / member company of Berjaya Corporation Berhad (“BCorp”). Deemed a related party by virtue of the interests of Tan Sri Dato’ Seri Vincent Tan Chee Yioun (“Tan Sri Vincent Tan”), Tan Sri Dato’ Tan Chee Sing (“TSDT”), Dato’ Robin Tan Yeong Ching (“DRT”) and Rayvin Tan Yeong Sheik (“RTYS”) in BCorp. Tan Sri Vincent Tan, TSDT, DRT and RTYS are persons connected with each other.
- (b) Subsidiary company of Intan Utilities Berhad (“Intan”). Deemed a related party by virtue of Tan Sri Vincent Tan’s interests in Intan.
- (c) Associated company of United Prime Corporation Sdn Bhd (“UPC”). Deemed a related party by virtue of Tan Sri Vincent Tan’s interest in UPC.
- (d) Subsidiary company of Berjaya Sports Toto Berhad (“BSTB”). Deemed a related party by virtue of the interests of Tan Sri Vincent Tan and persons connected with him in BSTB.
- (e) Deemed a related party by virtue of Tan Sri Vincent Tan’s major shareholdings in UMSB and UTSB.
- (f) Subsidiary company of MOL.com Berhad (“MOL”). Tan Sri Vincent Tan and BCorp are major shareholders of MOL while his son, DRT is the chairman and a shareholder of MOL.
- (g) Subsidiary company of Berjaya Media Berhad (formerly known as Nexnews Berhad) (“BMedia”). Tan Sri Vincent Tan is the Chairman of BMedia and a director of Sun Media Corporation Sdn Bhd. Tan Sri Vincent Tan, Berjaya Capital Berhad and BCorp are major shareholders of BMedia.
- (h) Associated company of MOL. Tan Sri Vincent Tan and BCorp are major shareholders of MOL while his son, DRT is the chairman and a shareholder of MOL.

The compensation of the key management personnel who are directors of the Group are disclosed in Note 25.

**33 SEGMENT INFORMATION**

The Group is organised into the following business segments:

- (i) gaming and related activities;
- (ii) property development and property investment;
- (iii) recreation; and
- (iv) trading and others.

No segment information by geographical location is prepared as the Group operates solely in Malaysia.

Unallocated assets / liabilities include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segment. These mainly include corporate assets, tax recoverable / liabilities, borrowings, hire purchase and lease obligations.

Other non cash items mainly include unrealised gain / loss on foreign exchange, write-off of property, plant and equipment, and allowance for bad and doubtful debts.

33 SEGMENT INFORMATION (CONTD.)

Business segments:

Revenue	2008			2007		
	External RM'000	Inter- segment RM'000	Total RM'000	External RM'000	Inter- segment RM'000	Total RM'000
Revenue from continuing operations:						
Gaming and related activities	207,667	-	207,667	196,801	-	196,801
Property development and property investment	88,353	-	88,353	178,129	-	178,129
Recreation	13,996	-	13,996	13,971	-	13,971
Trading and others	-	3,948	3,948	-	3,742	3,742
Inter-segment eliminations	-	(3,948)	(3,948)	-	(3,742)	(3,742)
Total revenue from continuing operations	310,016	-	310,016	388,901	-	388,901
Revenue from discontinued operation:						
Trading and others	-	-	-	11,219	-	11,219
	310,016	-	310,016	400,120	-	400,120

30 April 2008

Results

	Total RM'000
Gaming and related activities	23,703
Property development and property investment	31,748
Recreation	(5,583)
Trading and others	(1,852)
	48,016
Unallocated corporate expenses	(683)
	47,333
Other income	
- gaming and related activities	729
- property development and property investment	33,112
- recreation	139
- trading and others	2,793
- unallocated	316
	37,089
Balance carried forward	84,422

33 SEGMENT INFORMATION (CONTD.)

Business segments (contd.):

30 April 2008

Results (contd.)

	Total RM'000
Balance brought forward	84,422
Other expenses	
- gaming and related activities	(73)
- recreation	(5)
- unallocated	(498)
	(576)
Operating profit	83,846
Finance costs	(49,140)
Share of results of a jointly controlled entity	1,298
Profit before tax	36,004
Income tax expense	(32,157)
Profit for the year	3,847
Minority interests	(5,897)
Loss attributable to equity holders of the Company	(2,050)

30 April 2007

Results

	Results from continuing operations RM'000	Results from discontinued operation RM'000	Total RM'000
Gaming and related activities	22,855	-	22,855
Property development and property investment	34,764	-	34,764
Recreation	(5,556)	-	(5,556)
Trading and others	(1,871)	(4,107)	(5,978)
	50,192	(4,107)	46,085
Unallocated corporate expenses	(990)	-	(990)
	49,202	(4,107)	45,095

Other income

- gaming and related activities	682	-	682
- property development and property investment	13,569	-	13,569
- recreation	89	-	89
- trading and others	99	45	144
- unallocated	723	-	723
	15,162	45	15,207
Balance carried forward	64,364	(4,062)	60,302

**33 SEGMENT INFORMATION (CONTD.)****Business segments (contd.):****30 April 2007****Results (contd.)**

	Results from continuing operations RM'000	Results from discontinued operation RM'000	Total RM'000
Balance brought forward	64,364	(4,062)	60,302
Other expenses			
- gaming and related activities	(17,500)	-	(17,500)
- property development and property investment	(41,529)	-	(41,529)
- trading and others	(72)	-	(72)
- unallocated	(240)	-	(240)
	(59,341)	-	(59,341)
Operating profit / (loss)	5,023	(4,062)	961
Finance costs	(56,160)	(14)	(56,174)
Share of results of a jointly controlled entity	1,143	-	1,143
Loss before tax	(49,994)	(4,076)	(54,070)
Income tax expense	(852)	-	(852)
Loss for the year	(50,846)	(4,076)	(54,922)
Minority interests	(4,707)	-	(4,707)
Loss attributable to equity holders of the Company	(55,553)	(4,076)	(59,629)

	2008		2007	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<b>Assets and liabilities</b>				
Gaming and related activities	158,675	15,434	156,366	16,773
Property development and property investment	1,545,120	103,465	1,538,410	133,684
Recreation	193,232	6,916	203,328	6,703
Trading and others	26,126	496	30,172	3,143
Segment assets/liabilities	1,923,153	126,311	1,928,276	160,303
Investment in a jointly controlled entity	7,149	-	6,581	-
Unallocated corporate assets/liabilities	58,589	625,815	48,959	741,692
Consolidated assets/liabilities	1,988,891	752,126	1,983,816	901,995



33 SEGMENT INFORMATION (CONTD.)

Business segments (contd.):

Other information	2008			2007		
	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non cash items RM'000	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non cash items RM'000
From continuing operations:						
Gaming and related activities	87	568	-	278	683	-
Property development and property investment	2,835	1,449	(716)	673	1,472	1,892
Recreation	148	9,732	-	181	9,758	-
Trading and others	-	1,837	-	-	1,839	-
Unallocated	-	2	-	-	2	-
	3,070	13,588	(716)	1,132	13,754	1,892
From discontinued operation:						
Trading and others	-	-	-	-	1,030	(2,322)
	3,070	13,588	(716)	1,132	14,784	(430)

Impairment losses

Gaming and related activities (Note 27)	-	17,434
Property development and property investment (Note 27)	-	41,503
Trading and others (Note 27)	-	72
Unallocated (Note 27)	258	-
	258	59,009

	2008 RM'000	2007 RM'000
	-	17,434
	-	41,503
	-	72
	258	-
	258	59,009

## 34 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, credit and foreign currency 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 primary interest rate risk relates to interest-bearing assets and interest-bearing debts.

The interest-bearing assets are mainly investments in quoted loan stocks, fixed deposits and repo placements with licensed banks and financial institutions and they are not held for speculative purposes. The interest-bearing debts are mainly term loan, bridging loan, syndicated credit facility and an amount due to an affiliated company. Interest-bearing debts which are obtained at fixed rates are term loan and amount due to an affiliated company.

Interest rate risk exposure is managed by negotiations with the lenders to derive favourable terms, which are mutually agreeable. The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

### (c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funds so as to ensure that all funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio so as to achieve overall cost effectiveness.

### (d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

**34 FINANCIAL INSTRUMENTS (CONTD.)****(e) Foreign Currency Risk**

The Group mainly transacts in Ringgit Malaysia. However, certain of the Group's purchases are in foreign currencies and as such, the Group is exposed to exchange rate fluctuation between Ringgit Malaysia and foreign currencies such as United States Dollar and Euro. The Group seeks to mitigate foreign currency risk with close monitoring via making payments when foreign exchange rates are favourable to the Group.

The financial liabilities of the Group that are denominated in foreign currencies are as follows:

	GROUP	
	2008 RM'000	2007 RM'000
Trade payables		
- United States Dollar	47	186
- Euro	9	4
	<u>56</u>	<u>190</u>

**(f) Fair Values**

It is not practical to estimate the fair value of amount due from/(to) subsidiary companies, affiliated companies and jointly controlled entity due principally to lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs. However, the directors does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The fair value of quoted shares and loan stocks are 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 fair value of these financial assets are disclosed in Note 8.

The carrying amounts of financial liabilities of the Group as at the balance sheet date approximated their fair values except for the followings:

	Note	AT 30 APRIL 2008 GROUP		AT 30 APRIL 2007 GROUP	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>Financial Liabilities</b>					
Hire purchase liabilities	18	168	149	47	47
Term loan	17	29,450	24,745	32,500	20,167

The carrying amounts of all other financial assets and liabilities are not materially different from their fair values due to the relatively short term maturity of these financial instruments.

**35 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 12 September 2007, the Company announced to undertake a renounceable two-call rights issue of up to 226,262,597 new ordinary shares of RM1.00 each ("Rights Share") (of which the first call of RM0.75 is payable in cash on application and the second call of RM0.25 is payable out of the Company's share premium account) together with up to 452,525,194 free detachable Warrants 2008/2018 ("Warrants"), at an issue price of RM1.00 per Rights Share, on the basis of one Rights Share together with two free Warrants for every four existing ordinary shares of RM1.00 each held ("Rights Issue").

On 28 March 2008, the Company announced that 207,991,174 Rights Shares and 415,982,348 Warrants were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad, marking the completion of the Rights Issue exercise.

The Rights Issue raised a total cash proceeds of RM155,993,381 and the utilisation of proceeds up to 30 April 2008 are summarised below:

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance Unutilised RM'000</b>	<b>Total Rights Issue Proceeds RM'000</b>
(a) Repayment of Tan Sri Vincent Tan's advances	89,726	89,726	-	89,726
(b) Repayment of bank borrowings	50,000	50,000	-	50,000
(c) Working capital	13,520	14,000	630	14,630
(d) Expenses relating to the Rights Issue	2,000	1,602	35	1,637
	<b>155,246</b>	<b>155,328</b>	<b>665</b>	<b>155,993</b>

## 36 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2008 %	2007 %
<b>Subsidiary Companies</b>				
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
Berjaya Times Square Sdn Bhd	Malaysia	Property investment, property development and investment holding	100	100
<b>Subsidiary of Dayadil Sdn Bhd</b>				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100
<b>Subsidiaries of Imej Jasa Sdn Bhd</b>				
Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100	100
Muara Tebas Sdn Bhd	Malaysia	Investment holding	100	100
<b>Subsidiary of Natural Avenue Sdn Bhd</b>				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100	100
<b>Subsidiary of Rentas Padu Sdn Bhd</b>				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100	100

**36 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)**

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2008 %	2007 %
<b>Subsidiary Companies (contd.)</b>				
<b>Subsidiaries of Berjaya Times Square Sdn Bhd</b>				
Berjaya TS Management Sdn Bhd	Malaysia	Property management	100	100
Cosmo's World Theme Park Sdn Bhd	Malaysia	Operation of theme park and IMAX theatre	100	100
TS Service Suites Sdn Bhd	Malaysia	Dormant	100	100
BTS Department Store Sdn Bhd	Malaysia	Dormant	100	100
Shasta Supermarket Sdn Bhd	Malaysia	Dormant	100	100
10th Avenue Food Mall Sdn Bhd	Malaysia	Food mall management	100	100
<b>Associated Company</b>				
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

**37 COMPARATIVES**

Certain comparatives figures have been reclassified to conform with current year's presentation.

Group	As at 30 April 2008		
	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
<b>Income Statement</b>			
Other income	15,066	96	15,162
Administrative expenses	(77,934)	(4,854)	(82,788)
Other expenses	(64,099)	4,758	(59,341)

# LIST OF PROPERTIES

AS AT 30 APRIL 2008

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Location	Tenure	Size	Description/ Existing Use	Estimated Age Of Building	Date Of Acquisition	Net Book Value RM'000
No. Geran 56069, Lot 2001, Section 52, Town and District of Kuala Lumpur. (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,591 sq meter	Shopping-cum- leisure mall	<5 years	8.7.1994	1,656,605
No. Geran 56068, Lot 2000, Section 52, Town and District of Kuala Lumpur. (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,901 sq meter	Office building	<15 years	8.7.1994	
Lot 8189 & 8190, Town East, Jalan Pending, 93450 Kuching, Sarawak	Leasehold 60 years expiring on 11.5.2048	245 sq meter	4-storey shop house/office building	20 years	13.7.1996	715
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 meter	4-storey shop house/office building used as office and draw hall	14 years	31.8.2002	3,840

## Revaluation Policy

The Group does not adopt a policy of regular revaluation except for investment properties which are stated at fair value.

## OTHER INFORMATION

### MATERIAL CONTRACTS

Other than as disclosed in Notes 12, 17, 19, 21, 25, 26 and 32 of the financial statements for the financial year ended 30 April 2008, neither Matrix International Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

### NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2008 amounted to RM66,000.

# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
<b>Berjaya Corporation Berhad and/or its unlisted subsidiaries and associated companies</b>			
Berjaya Registration Services Sdn Bhd	Matrix	Receipt of share registration services	97
	Berjaya Times Square Sdn Bhd ("BTSSB")	Rental income receivable for renting of shoplots at 06-03 and 10-04A & 04B Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	29
	Berjaya TS Management Sdn Bhd ("Berjaya TS")	Receipt of service charges and advertising fund for abovementioned premises.	16
Inter-Pacific Trading Sdn Bhd	Berjaya TS, BTSSB and Cosmo's World Theme Park Sdn Bhd ("CWTP")	Purchase of stationery products	125
Berjaya Starbucks Coffee Company Sdn Bhd Berjaya Hills Berhad Berjaya Books Sdn Bhd BerjayaCity Sdn Bhd Berjaya Higher Education Sdn Bhd Berjaya Registration Services Sdn Bhd	BTSSB	Parking charges receivable	52
Berjaya Higher Education Sdn Bhd	BTSSB	Rental income receivable for renting of office at 03-45, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.	46
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	10
Berjaya Roasters (M) Sdn Bhd	BTSSB	Rental income receivable for renting of a shoplot at 03-98, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	335
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	43
Berjaya Books Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at 01-66, 02-49, 02-52(U), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	1,583
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	940



RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
<b>Berjaya Corporation Berhad and/or its unlisted subsidiaries and associated companies (Contd.)</b>			
Berjaya Starbucks Coffee Company Sdn Bhd	BTSSB	Rental income receivable for renting of café at 03-110, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	158
		Rental income receivable for renting of office at Lot 10-04 Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.	234
		Rental income receivable for renting of café at Ground Floor, walkway area, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.	239
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	145
Berjaya Retail Sdn Bhd	Berjaya TS	Receipt of service charges and advertising fund	41
<b>Berjaya Capital Berhad and/or its unlisted subsidiaries</b>			
Berjaya Capital Berhad Prime Credit Leasing Sdn Bhd Inter-Pacific Securities Sdn Bhd	BTSSB	Parking charges receivable	162
Ambilan Imej Sdn Bhd	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	1,495
<b>Cosway Corporation Berhad and/or its unlisted subsidiaries</b>			
Cosway (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots and office at 06-18, 06-19, 06-20, 06-26, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	321
		Rental income receivable for renting of event space at Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.	20
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	47
Kimia Suchi Marketing Sdn Bhd	CWTP	Purchase of cleaning chemical products	3

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
<b>Cosway Corporation Berhad and/or its unlisted subsidiaries (Contd.)</b>			
Berjaya HVN Sdn Bhd	BTSSB	Rental income receivable for renting of a shoplot at 01-55, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	145
		Rental income receivable for renting of event space at Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur.	12
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	13
<b>Berjaya Land Berhad and/or its unlisted subsidiaries</b>			
Berjaya Land Berhad	Matrix	Management fee payable for services rendered that includes inter-alia, the provision of finance, corporate, secretarial and general administrative services	240
		BTSSB	Parking charges receivable
	Berjaya TS	Rental income receivable for renting of office space at 02-17, 02-34, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	328
		Receipt of service charges and advertising fund for abovementioned premises.	82
Berjaya Vacation Club Berhad	BTSSB	Rental income receivable for renting of office space at 08-85, 08-96, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	70
		Promotion and advertising services receivable	25
		Parking charges receivable	2
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	36
Berjaya Resort Management Services Sdn Bhd	BTSSB	Rental income receivable for renting of retail lots at 06-61 & 06-62, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	58
		Parking charges receivable	22
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	22

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
<b>Berjaya Land Berhad and/or its unlisted subsidiaries (Contd.)</b>			
Berjaya Hospitality Services Sdn Bhd	BTSSB	Rental income receivable for renting of office space at G-14, G-14A, G-14B, G-14C & G-14D, 14-02, 15-02B, 16-02, 16-02B, 16-02C Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.	452
	Berjaya TS	Parking charges receivable	7
		Receipt of service charges and advertising fund for abovementioned premises.	402
Nada Embun Sdn Bhd	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	1,586
Berjaya Golf Resort Berhad			
Dian Kristal Sdn Bhd	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	3,725
<b>Berjaya Sports Toto Berhad and/or its unlisted subsidiaries</b>			
Magna Mahsuri Sdn Bhd	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	1,527
International Lottery & Totalizator Systems, Inc	Natural Avenue Sdn Bhd	Procurement of computerised lottery system and related services	204
Sports Toto Malaysia Sdn Bhd	BTSSB	Parking charges receivable	237
<b>Other Related Parties</b>			
Qinetics Solutions Berhad (a)	10th Avenue Food Mall Sdn Bhd, BTSSB and Berjaya TS	Receipt of IT consultancy and management services	189
Restoran Rasa Utara Sdn Bhd (b)	BTSSB	Rental income receivable for renting of a shoptlot at 03-90, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	248
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	42

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
<b>Other Related Parties (Contd.)</b>			
7-Eleven Malaysia Sdn Bhd (formerly known as Convenience Shopping Sdn Bhd) ("7-11") (c)	BTSSB	Rental income receivable for renting of shoplot and store room at LG-60A & 05-75(S), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	122
	Berjaya TS	Rental income receivable for renting of shoplots at 03-108A, 05-103, 01-71(S), PB01 & 02 & 01-21, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	217
		Receipt of service charges and advertising fund for abovementioned premises.	40
U Television Sdn Bhd (formerly known as U Telecom Media Holdings Sdn Bhd) ("UTSB") (d) U Mobile Sdn Bhd (formerly known as MiTV Networks Sdn Bhd) ("UMSB") (d)	BTSSB	Rental income receivable for renting of broadcasting facility at TB-Roof-02, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	30
UTSB (d)	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	4
UMSB (d)	BTSSB	Rental income receivable for renting of shoplot at G-04, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	44
		Rental income receivable for renting of store rooms at B2-TA018 & B2-TA031, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	10
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	4
Intan Utilities Berhad (c) UMSB (d)	BTSSB	Parking charges receivable	156
Sun Media Corporation Sdn Bhd ("Sun Media") (e)	Matrix	Procurement of promotion, advertising and publishing services from Sun Media	18
MOL AccessPortal Berhad (f)	BTSSB	Rental income receivable for renting of shoplots at 07-03 & 08-03 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	32
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	25
<b>Grand Total</b>			<b>16,607</b>

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

**Notes:**

- a) Subsidiary company of MOL.com Berhad (“MOL”). Tan Sri Dato’ Seri Vincent Tan Chee Yioun (“Tan Sri Vincent Tan”) and Berjaya Corporation Berhad (“BCorp”) are major shareholders of MOL while his son, Dato’ Robin Tan Yeong Ching is the chairman and a shareholder of MOL.
- b) Associated company of United Prime Corporation Berhad (“UPC”). Deemed a related party by virtue of Tan Sri Vincent Tan’s interest in UPC.
- c) 7-11 is wholly owned subsidiary of Premier Merchandise Sdn Bhd which in turn is a wholly owned subsidiary of Intan Utilities Berhad (“Intan”). Deemed a related party by virtue of Tan Sri Vincent Tan’s interest in Intan.
- d) Deemed a related party by virtue of Tan Sri Vincent Tan’s major shareholdings in UMSB and UTSB.
- e) Subsidiary company of Berjaya Media Berhad (formerly known as Nexnews Berhad) (“BMedia”). Tan Sri Vincent Tan is the Chairman of BMedia and a director of Sun Media. Tan Sri Vincent Tan, Berjaya Capital Berhad and BCorp are major shareholders of BMedia.
- f) Associated company of MOL. Tan Sri Vincent Tan and BCorp are major shareholders of MOL while his son, Dato’ Robin Tan Yeong Ching is the chairman and a shareholder of MOL.

# STATISTICS ON SHAREHOLDINGS

AS AT 18 AUGUST 2008

## ANALYSIS OF SHAREHOLDINGS

### ORDINARY SHARES

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	292	6.72	11,161	0.00
100 - 1,000	259	5.96	182,562	0.02
1,001 - 10,000	2,183	50.28	11,828,348	1.06
10,001 - 100,000	1,234	28.42	41,952,919	3.77
100,001 - 55,652,077	368	8.48	556,141,423	49.97
55,652,078* and above	6	0.14	502,925,146	45.18
<b>Total</b>	<b>4,342</b>	<b>100.00</b>	<b>1,113,041,559</b>	<b>100.00</b>

Note:

Each share entitles the holder to one vote.

\* Denotes 5% of the issued ordinary share capital of the Company.

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
<b>1 Amsec Nominees (Tempatan) Sdn Bhd</b> AmBank (M) Berhad For Vincent Tan Chee Yioun	126,000,000	11.320
<b>2 ABB Nominee (Tempatan) Sdn Bhd</b> Pledged Securities Account For Vincent Tan Chee Yioun (Times Square)	125,000,000	11.230
<b>3 OSK Nominees (Tempatan) Sdn Berhad</b> Pledged Securities Account For Vincent Tan Chee Yioun	69,500,000	6.244
<b>4 Bakat Rampai Sdn Bhd</b>	63,025,146	5.662
<b>5 AMMB Nominees (Tempatan) Sdn Bhd</b> AmBank (M) Berhad For Vincent Tan Chee Yioun	62,500,000	5.615
<b>6 CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Vincent Tan Chee Yioun (49877 PDZM)	56,900,000	5.112
<b>7 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Vincent Tan Chee Yioun (MGN-VTC0001M)	55,000,000	4.941
<b>8 Vincent Tan Chee Yioun</b>	53,713,610	4.826
<b>9 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Permata Dayu Sdn Bhd (AP 8888)	32,000,000	2.875
<b>10 Dian Kristal Sdn Bhd</b>	25,528,768	2.294
<b>11 Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Portal Access Sdn Bhd (Banking)	25,000,000	2.246
<b>12 CIMB Group Nominees (Tempatan) Sdn Bhd</b> Berjaya Land Berhad For Portal Access Sdn Bhd (50002 JTRK)	24,000,000	2.156
<b>13 Amsec Nominees (Tempatan) Sdn Bhd</b> AmBank (M) Berhad For Vincent Tan Chee Yioun (TSVT)	23,329,390	2.096
<b>14 Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tengku Rethwan Bin Tengku Mansor	16,250,000	1.460
<b>15 Portal Access Sdn Bhd</b>	16,113,650	1.448

STATISTICS ON SHAREHOLDINGS AS AT 18 AUGUST 2008

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONTD.)

Name of Shareholders	No. of Shares	%
<b>16 A.A. Anthony Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Vincent Tan Chee Yioun	15,000,000	1.348
<b>17 Berjaya Land Berhad</b>	13,934,135	1.252
<b>18 Ambilan Imej Sdn Bhd</b>	13,536,527	1.216
<b>19 Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Berjaya Land Bhd (Banking 30)	13,200,000	1.186
<b>20 Nada Embun Sdn Bhd</b>	12,531,543	1.126
<b>21 OSK Nominees (Tempatan) Sdn Berhad</b> Pledged Securities Account For Vincent Tan Chee Yioun	11,500,000	1.033
<b>22 Magna Mahsuri Sdn Bhd</b>	10,936,251	0.983
<b>23 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Arsam Bin Damis (AA0023)	10,500,000	0.943
<b>24 Berjaya Capital Berhad</b>	8,425,000	0.757
<b>25 Berjaya Sampo Insurance Berhad</b>	8,292,500	0.745
<b>26 RC Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Vincent Tan Chee Yioun (M)	8,000,000	0.719
<b>27 Mayban Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Kok Ping	7,200,000	0.647
<b>28 Dumez Jaya Sdn Bhd</b>	7,151,078	0.642
<b>29 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Pantai Cemerlang Sdn Bhd	6,250,000	0.562
<b>30 EB Nominees (Tempatan) Sendirian Berhad</b> Pledged Securities Account For Berjaya Land Bhd (BBB)	6,130,000	0.551
	<b>926,447,598</b>	<b>83.236</b>

ANALYSIS OF WARRANT HOLDINGS

WARRANTS (2008/2018) (“WARRANTS”)

Size of holdings	No. of Warrant Holders	%	No. of Warrants	%
less than 100	1	0.25	10	0.00
100 - 1,000	31	7.89	24,666	0.01
1,001 - 10,000	236	60.05	1,089,144	0.26
10,001 - 100,000	90	22.90	2,961,076	0.71
100,001 - 20,799,116	30	7.64	80,089,090	19.25
20,799,117* and above	5	1.27	331,818,362	79.77
<b>Total</b>	<b>393</b>	<b>100.00</b>	<b>415,982,348</b>	<b>100.00</b>

\* Denotes 5% of the Warrants outstanding.

## LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

Name of Warrant Holders	No. of Warrants	%
<b>1 Vincent Tan Chee Yioun</b>	182,418,122	43.852
<b>2 ABB Nominee (Tempatan) Sdn Bhd</b> Pledged Securities Account For Vincent Tan Chee Yioun (Times Square)	50,000,000	12.020
<b>3 Amsec Nominees (Tempatan) Sdn Bhd</b> AmBank (M) Berhad For Vincent Tan Chee Yioun (TSVT)	46,658,780	11.217
<b>4 Portal Access Sdn Bhd</b>	27,741,460	6.669
<b>5 AMMB Nominees (Tempatan) Sdn Bhd</b> AmBank (M) Berhad For Vincent Tan Chee Yioun	25,000,000	6.010
<b>6 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Permata Dayu Sdn Bhd (AP 8888)	14,000,000	3.366
<b>7 Berjaya Land Berhad</b>	13,305,654	3.199
<b>8 Dian Kristal Sdn Bhd</b>	10,211,506	2.455
<b>9 Inter-Pacific Securities Sdn Bhd IVT (9C55)</b>	7,000,000	1.683
<b>10 Tengku Rethwan Bin Tengku Mansor</b>	6,500,000	1.563
<b>11 Nada Embun Sdn Bhd</b>	5,012,616	1.205
<b>12 Magna Mahsuri Sdn Bhd</b>	4,374,500	1.052
<b>13 Berjaya Capital Berhad</b>	3,370,000	0.810
<b>14 Berjaya Sampo Insurance Berhad</b>	3,317,000	0.797
<b>15 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Arsam Bin Damis (AA0023)	3,000,000	0.721
<b>16 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Pantai Cemerlang Sdn Bhd	2,500,000	0.601
<b>17 Immediate Capital Sdn Bhd</b>	2,106,000	0.506
<b>18 HSBC Nominees (Asing) Sdn Bhd</b> Exempt An For HSBC Private Bank (Suisse) S.A (Spore TST ACCL)	1,050,000	0.252
<b>19 JMP Holdings Sdn Bhd</b>	717,028	0.172
<b>20 Vecc-Men Holdings Sdn Bhd</b>	717,028	0.172
<b>21 Ng Lee Lin</b>	278,488	0.067
<b>22 JF Apex Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Teo Kwee Hock (Margin)	255,600	0.061
<b>23 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Fabulous Channel Sdn Bhd (AF 0010)	250,000	0.060
<b>24 Robin Tan Yeong Ching</b>	243,340	0.058
<b>25 Sumland Development Sdn Bhd</b>	219,000	0.053
<b>26 Rayvin Tan Yeong Sheik</b>	218,340	0.052
<b>27 Nerine Tan Sheik Ping</b>	218,340	0.052
<b>28 Mercsec Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For TNTT Realty Sdn Bhd	216,950	0.052
<b>29 Cheah Saw Khim</b>	209,000	0.050
<b>30 HLG Nominee (Asing) Sdn Bhd</b> Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	187,500	0.045
	<b>411,296,252</b>	<b>98.873</b>



# SUBSTANTIAL SHAREHOLDERS

AS AT 18 AUGUST 2008

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Name of Substantial Shareholders	No. of Ordinary Shares of RMI.00 each			
	Direct Interest	%	Indirect Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	611,000,000	54.89	192,425,946 (a)	17.29
Portal Access Sdn Bhd	69,353,650	6.23	-	-
Berjaya Land Berhad	33,264,135	2.99	123,615,212 (b)	11.11
Teras Mewah Sdn Bhd	-	-	156,879,347 (c)	14.09
Juara Sejati Sdn Bhd	-	-	190,633,374 (d)	17.13
Berjaya Group Berhad	-	-	190,633,374 (e)	17.13
Berjaya Corporation Berhad	-	-	190,633,374 (f)	17.13
Hotel Resort Enterprise Sdn Bhd	-	-	190,633,374 (g)	17.13
Bakat Rampai Sdn Bhd	63,025,146	5.66	-	-
Dijaya Corporation Berhad	-	-	63,025,146 (h)	5.66
Tan Sri Dato' Tan Chee Sing	-	-	63,025,146 (i)	5.66
Golden Diversity Sdn Bhd	-	-	63,025,146 (j)	5.66

## NOTES:-

- Deemed interested by virtue of his interest in Berjaya Corporation Berhad and Vecc-Men Holdings Sdn Bhd.
- Deemed interested by virtue of its 100% interests in Portal Access Sdn Bhd, Immediate Capital Sdn Bhd, Dian Kristal Sdn Bhd and Nada Embun Sdn Bhd as well as its interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- Deemed interested by virtue of its interests in Berjaya Land Berhad and its deemed interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- Deemed interested by virtue of its interests in Berjaya Land Berhad and Berjaya Capital Berhad, and its deemed interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- Deemed interested by virtue of its 100% interest in Teras Mewah Sdn Bhd and Juara Sejati Sdn Bhd and its deemed interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.
- Deemed interested by virtue of its interest in Berjaya Corporation Berhad.
- Deemed interested by virtue of its 100% interest in Bakat Rampai Sdn Bhd.
- Deemed interested by virtue of his interest in Dijaya Corporation Berhad.
- Deemed interested by virtue of its interest in Dijaya Corporation Berhad.

## STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 18 AUGUST 2008

	No. of Ordinary Shares of RMI.00 each			
	Direct Interest	%	Indirect Interest	%
Chan Kien Sing	-	-	-	-
Lim Meng Kwong	-	-	-	-
Tan Thiam Chai	-	-	-	-
Datuk Robert Yong Kuen Loke	-	-	-	-
Heng Kiah Choong	-	-	-	-
Dato' Mohd Salleh Bin Ahmad	-	-	-	-

Save as disclosed, none of the above Directors in office has any interest in the shares of the Company or its related corporations as at 18 August 2008.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth Annual General Meeting of the Company will be held at Bronx III, Level 14, West Tower, Berjaya Times Square Hotel & Convention Center, No.1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 15 October 2008 at 10:00 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 2008 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 2008. **RESOLUTION 2**
3. To re-elect the following Directors:
  - a) Chan Kien Sing **RESOLUTION 3**
  - b) Datuk Robert Yong Kuen Loke **RESOLUTION 4**
  - c) Tan Thiam Chai **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 Resolutions:

a) **Authority to Issue and Allot 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 and allot 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 to be in force until the conclusion of the next Annual General Meeting of the Company."

**RESOLUTION 7**

b) **Proposed Renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"That, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 23 September 2008 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such mandate shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which the ordinary resolution for the proposed mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

## NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier.

And Further That authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

**RESOLUTION 8**

By Order of the Board

SU SWEE HONG  
Secretary

Kuala Lumpur  
23 September 2008

**NOTES:****(A) APPOINTMENT OF PROXY**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) proxy only, to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
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 shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

**(B) SPECIAL BUSINESS**

1. 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 not exceeding 10% of the existing issued and paid-up share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
2. Resolution 8 is in relation to the approval on the Shareholder's Mandate on Recurrent Related Party Transactions and if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with paragraph 10.09 of Listing Requirements of Bursa Malaysia Securities Berhad. The explanatory notes on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 23 September 2008 attached to the Annual Report.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Directors who are standing for re-election at the Forty-Eighth Annual General Meeting are:

- a) Chan Kien Sing
- b) Datuk Robert Yong Kuen Loke
- c) Tan Thiam Chai

The details of Directors standing for re-election are set out in the respective pages of the Annual Report as follows:

- a) Name, age, nationality, qualification, position in the Company
- b) Working experience and occupation, other directorships of public companies
- c) Details of securities holdings in the Company and its subsidiaries
- d) The family relationship with any director and/or major shareholder of the Company, conflict of interest they have with the Company, list of convictions for offences within the past 10 years other than traffic offences.

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# GROUP ADDRESSES

PG  
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## **Berjaya Times Square Sdn Bhd**

Corporate Office  
Lot 08-16, PO Box 08-23  
Level 8, Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2144 9821  
Fax : 03-2143 3055  
www.timessquarekl.com

## **Cosmo's World Theme Park Sdn Bhd**

Theme Park Division  
Lot 09-103  
Level 9, Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3118  
Fax : 03-2143 2380

## **IMAX Theatre Division**

Lot 10-08  
Level 10, Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3063  
Fax : 03-2143 2380

## **10th Avenue Food Mall Sdn Bhd**

Lot 10-71  
Level 10, Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3164  
Fax : 03-2148 4851

## **Natural Avenue Sdn Bhd**

Head Office:  
Lot 8189 & 8190  
Town East, Pending Road  
93450 Kuching  
Sarawak  
Tel : 082-333 666  
Fax : 082-330 188  
www.cashsweep.com.my

## **Regional Offices:**

### **Kuching Regional Office**

273-274, Lot 2545-2546  
Centraland Commercial Park  
Off Rock Road  
93200 Kuching  
Sarawak  
Tel : 082-233 466  
Fax : 082-233 467

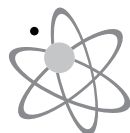
### **Sibu Regional Office**

25, Ground Floor  
Jalan Causeway  
96000 Sibu  
Sarawak  
Tel : 084-320 202  
Fax : 084-320 246

### **Miri Regional Office**

Lot 627, Ground Floor  
Jalan Sim Chieng Kay  
Off North Yu Seng Road  
98000 Miri  
Sarawak  
Tel : 085-415 331  
Fax : 085-415 336

# FORM OF PROXY



**Matrix International Berhad**  
Incorporated in Malaysia (Company No. 3907-W)

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-Eighth Annual General Meeting of the Company to be held at Bronx III, Level 14, West Tower, Berjaya Times Square Hotel & Convention Center, No.1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 15 October 2008 at 10:00 a.m. or any adjournment thereof.

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

	FOR	AGAINST
RESOLUTION 1 – To receive and adopt the Audited Financial Statements.		
RESOLUTION 2 – To approve payment of Directors' fees.		
RESOLUTION 3 – To re-elect Chan Kien Sing as Director.		
RESOLUTION 4 – To re-elect Datuk Robert Yong Kuen Loke as Director.		
RESOLUTION 5 – To re-elect Tan Thiam Chai as Director.		
RESOLUTION 6 – To re-appoint Auditors.		
RESOLUTION 7 – To approve authority to allot and issue shares.		
RESOLUTION 8 – To approve mandate on Recurrent Related Party Transactions.		

No. of Shares Held

\_\_\_\_\_  
 Signature of Shareholder(s)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) proxy only, to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
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 shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.
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FOLD THIS FLAP SEALING

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AFFIX STAMP

THE COMPANY SECRETARY  
MATRIX INTERNATIONAL BERHAD  
LOT 13-01A, LEVEL 13 (EAST WING),  
BERJAYA TIMES SQUARE, NO. 1 JALAN IMBI,  
55100 KUALA LUMPUR

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[www.cashsweep.com.my](http://www.cashsweep.com.my)