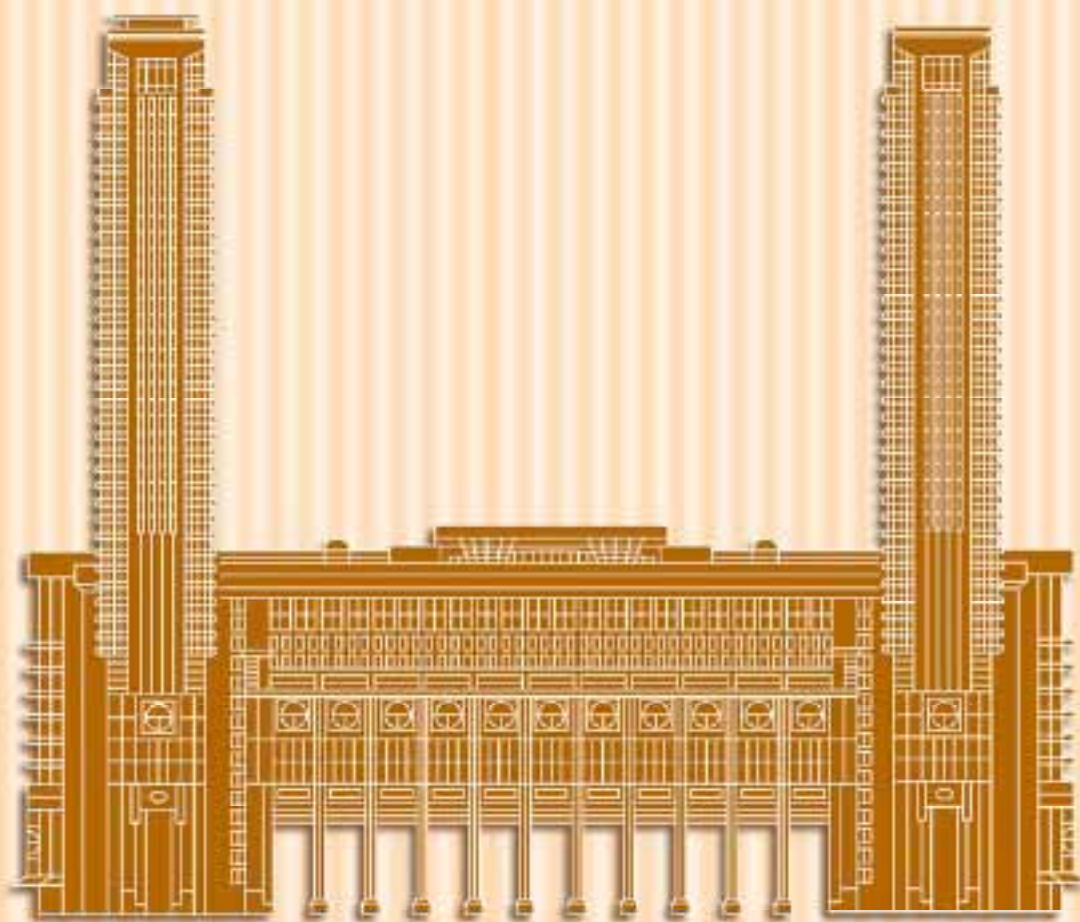


**Matrix International Berhad**

Incorporated in Malaysia (Company No. 3907-W)



**2 0 0 5**

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A N N U A L R E P O R T



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## BOARD OF DIRECTORS

Chan Kien Sing (Chairman)  
 Chin Ah Pong (Executive Director)  
 Datuk Robert Yong Kuen Loke  
 Lim Meng Kwong  
 Heng Kiah Choong  
 Dato' Mohd Salleh Bin Ahmad

## SECRETARIES

Su Swee Hong (MAICSA No. 0776729)  
 Wan Foong Yee (MAICSA No. 7025376)

# CORPORATE INFORMATION

## AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

Dato' Mohd Salleh Bin Ahmad  
 – Independent/Non-Executive  
 Director

## SHARE REGISTRARS

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

## AUDITORS

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

## REGISTERED OFFICE

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

## PRINCIPAL BANKERS

Affin Bank Berhad  
 AmBank (M) Berhad  
 AmMerchant Bank Berhad  
 Bank Pembangunan &  
 Infrastruktur Malaysia Berhad  
 Malayan Banking Berhad  
 Southern Bank Berhad

## STOCK EXCHANGE LISTING

Main Board of  
 Bursa Malaysia Securities Berhad

## STOCK SHORT NAME

MATRIX (3239)

## PLACE OF INCORPORATION AND DOMICILE

Malaysia



## CHAN KIEN SING

Chairman  
(Non-Independent/Non-Executive)  
49 years of age, Malaysian



## CHIN AH PONG

Executive Director  
59 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 (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad as General Manager, Investments.

Currently, he is the Chief Executive Officer of Berjaya Capital Berhad and an Executive Director of Berjaya Group Berhad and Berjaya Sports Toto Berhad. He is the Chairman of Berjaya Holdings (HK) Limited, a Director of Intan Utilities Berhad, Berjaya Vacation Club Berhad and International Lottery & Totalizator Systems Inc, USA and an Alternate Director of Nexnews Berhad. 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.

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

he was recalled in 2003 to assist in the business development of Berjaya Land Berhad as Senior General Manager.



**DATUK ROBERT  
YONG KUEN LOKE**  
(Non-Independent/Non-Executive)  
53 years of age, Malaysian

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

Currently, he is an Executive Director of Berjaya Group Berhad, Berjaya Land Berhad and Berjaya Sports Toto Berhad. He is also a Director of Cosway Corporation Berhad and Berjaya Capital Berhad. He also holds directorships in Berjaya Golf Resort Berhad and several other private limited companies.



**LIM MENG KWONG**  
(Non-Independent/Non-Executive)  
52 years of age, Malaysian

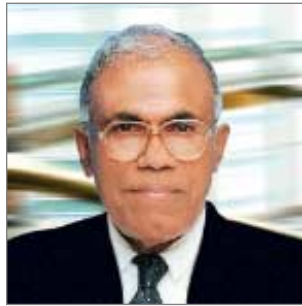
He was appointed to the Board on 7 May 2003. He is a member of Malaysian Institute of Accountants and holds a Master's degree in Business Administration from the Cranfield Institute of Management, United Kingdom.

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





**HENG KIAH CHOONG**  
(Independent/Non-Executive)  
56 years of age, Malaysian



**DATO' MOHD SALLEH  
BIN AHMAD**  
(Independent/Non-Executive)  
63 years of age, Malaysian

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

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

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 is a Director of Hyundai-Sime Darby Berhad and 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.



The retail area of Berjaya Times Square.



## 主席报告

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Matrix International Berhad ("Matrix") for the financial year ended 30 April 2005.

我很高兴代表董事部同人，提呈美特士国际有限公司（“美特士”）截至2005年4月30日财政年的年度报告及财政报表。



BORDERS, the largest outlet worldwide, is now in Berjaya Times Square, Kuala Lumpur.



DiGi-IMAX, the largest 3D screen theatre in South East Asia.



The 10<sup>th</sup> Avenue Food Mall located on the 10<sup>th</sup> floor of the complex.

## FINANCIAL RESULTS

For the financial year ended 30 April 2005, the Group registered a higher revenue of RM218.4 million compared to RM156.7 million in the previous financial year.

The increase in revenue was partly due to higher revenue achieved by its subsidiary, Natural Avenue Sdn Bhd ("NASB"), which operates the gaming business in Sarawak. As a result of better sales in the 1+3D game and additional draws, the revenue for NASB had increased by 16% compared to the previous financial year.

The Group also consolidated four months' results of Berjaya Times Square Sdn Bhd ("BTSSB") following the completion of its acquisition during the year under review.

Despite the higher revenue, the Group incurred a pre-tax loss of RM7.1 million compared to a pre-tax profit of RM15.5 million in the previous financial year. This was mainly attributed to BTSSB deferring the sales of some of its properties until the completion of the exercise to rationalize the tenant mix. In addition, the Group provided for impairment losses on goodwill and certain of its investments.

## DIVIDEND

For the financial year under review, the Board declared and paid an interim dividend of 3% per share less 28% income tax on 20 January 2005 (FY 2004: 7% less 28% income tax) based on 166,004,680 ordinary shares.

## CORPORATE DEVELOPMENTS

- During the financial year, Matrix completed the acquisition of BTSSB for a total purchase consideration of RM784.031 million ("BTSSB Acquisition") and the settlement on behalf of BTSSB, its liquidated ascertained damages ("LAD") to the property purchasers of RM250.632 million ("LAD Settlement") via the issuances of new shares at an issue price of RM1.40 per Matrix share to the vendors of BTSSB (560.022 million shares) and the LAD creditors (179.023 million shares) respectively.

The BTSSB Acquisition which was completed on 23 December 2004 had resulted in the increase of the Company's issued and paid-up share capital from 166.005 million shares to 726.027 million shares. The direct shareholding of Tan Sri Dato' Seri Vincent Tan Chee Yiu ("TSVT"), one of the vendors of BTSSB, together with parties acting in concert with him, increased from 1.7% to 69%. Berjaya Land Berhad's ("BLand") shareholding in the Company was diluted from approximately 51.99% to 11.89% and Matrix ceased to be a subsidiary of BLand effective 23 December 2004.

Pursuant to the requirements of the Malaysian Code on Take-Overs and Mergers, 1998, TSVT and parties acting in concert with him were required to extend an unconditional mandatory general offer for the remaining Matrix shares not held by them ("TSVT GO"). The TSVT GO was completed on 18 February 2005.

## 财政业绩

截至2005年4月30日财政年度，集团的收入提高，从上个财政年的1亿5千6百70万令吉增至2亿1千8百40万令吉。

收入增加的原因之一是集团在砂拉越州经营博彩业的子公司Natural Avenue有限公司（“NASB”）的收入提高所致。由于万字票博彩的销售额增加以及额外的开彩次数，使NASB的收入比上个财政年度增加了16%。

随着集团在检讨年度内完成收购成功时代广场有限公司（“BTSSB”）后，集团的账目也综合了该公司四个月的业绩。

虽然收入增加，集团在本财政年度蒙受了7百10万令吉税前亏损，而上个财政年则赚取1千5百50万令吉税前盈利。这主要是BTSSB展延出售某些产业直至该公司完成租户组合合理化计划后的原故。此外，集团也对商誉及某些投资提供减损。

## 股息

在截至2005年4月30日财政年，董事部在1月20日宣布派发中期股息每股3%予总数1亿6千6百4千6百80股的普通股股份，须扣28%所得税（2004财政年股息为7%，须扣28%所得税）。

## 企业发展

- 在本财政年度内，美特士完成了以总收购价格7亿8千4百零3万1千令吉收购BTSSB的计划（“BTSSB收购计划”）以及代替BTSSB偿还BTSSB产业购买者为数2亿5千零63万2千令吉的已确定清还赔偿（“已确定清还赔偿”）。上述收购价格和已确定清还赔偿是通过发出每股售价1.40令吉的美特士股份给BTSSB卖主（5亿6千零2万2千股）以及发已确定清还赔偿债权人（1亿7千9百零2万3千股）的方式支付。

在2004年12月23日已完成BTSSB收购计划之后，使到本公司的发出及缴足股本从1亿6千6百5万5千股增至7亿2千6百零2万7千股。BTSSB卖主之一，丹斯里拿督斯里陈志远（“TSVT”）连同相关参与者在本公司持有的直接股权从1.7%增至69%。成功置地有限公司（“成功置地”）在本公司持有的股权从大约51.99%冲淡至11.89%，而美特士从2004年12月23日起，不再是成功置地的子公司。



Cosmo's World Theme Park with 14 major rides located on the 5th and 7th floors of Berjaya Times Square.







Debenhams Department Store at Berjaya Times Square.



Motivi, an Italian fashion brand, is now in Berjaya Times Square.



GSC at Berjaya Times Square – The state-of-the-art cinema with the first Premier Class in Klang Valley.

Following the completion of the TSVT GO, the Company had on 8 March 2005, issued 179.023 million new Matrix shares at an issue price of RM1.40 per share to the LAD creditors of BTSSB pursuant to the LAD Settlement. The issued and paid-up capital of Matrix then increased from 726.027 million shares to 905.05 million shares on completion of the LAD Settlement.

- The Company was reclassified from the "Trading/Services" sector to the "Properties" sector on the Main Board of Bursa Malaysia Securities Berhad on 7 March 2005 following the completion of the BTSSB Acquisition in view of the significant change in the business direction of the Company i.e. from number forecasting business to property investment and development.

## REVIEW OF OPERATIONS

### Property Investment and Development Division

Berjaya Times Square ("BTS"), Malaysia's largest inner-city shopping-cum-leisure mall located in the heart of the Golden Triangle of Kuala Lumpur, is the latest addition to the Group resulted from the BTSSB Acquisition mentioned earlier.

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 towers of 46 storeys each of service suites.

The shopping mall area which measures approximately 3.5 million square feet houses a departmental store, approximately 1,000 retail outlets, an indoor theme park with 14 major rides, cafes, bistros, restaurants and fast food outlets, a 5-storey high screen DiGi-IMAX Theatre, and a 9-screen Cineplex. The tenant mix at the mall is mid-upper with both international and local brands.

During the last quarter of 2004, two major retail tenants namely DiGi-IMAX Theatre (the largest 3D Screen in South East Asia) and 10th Avenue Food Mall opened in BTS occupying a total area of approximately 80,000 square feet. In January 2005, a 9-screen cinema managed by Golden Screen Cinema opened on the first and third floors of BTS. The state-of-the-art cinema which occupies 68,859 square feet has the first Premier Class in Klang Valley. On 19 April 2005, the largest BORDERS outlet worldwide and first ever franchised store opened in BTS occupying an area of approximately 60,000 square feet.

Since its opening, BTS has progressively been realigning its tenant mix with the introduction of international fashion brands such as MNG, Esprit, Timberland, Motivi, Oxbow, Levi's & Dockers, G2000, U2, Mexx and Aldo. Other notable brands include Sony VAIO, the largest VAIO outlet in South East Asia, Sasa Cosmetic, the largest Sasa Cosmetic retail outlet in Malaysia, Samsung Plaza, the first concept store in Klang Valley, Cortina Watch, Tag Heuer, DOME, Secret Recipe, Baskin Robbins, Starbucks, Delifrance, Lazo Diamond, De Gems, England Optical, OGAWA and OSIM.

按照1998年《马来西亚收购及并购规则》，TSVT及相关参与者必须提出无条件的强制全面收购协议，以收购他们尚未持有的美特士股份（“全面收购协议”）。上述全面收购协议在2005年2月18日完成。

在完成了上述全面收购协议后，本公司按照已确定清还赔偿方法，在2005年3月8日以每股发售价格1.40令吉发行1亿7千9百零2万3千股美特士新股份给BTSSB已确定清还赔偿债权人。因此，在完成了已确定清还赔偿的偿还方案后，美特士的发行及缴足股本从7亿2千6百零2万7千股增至9亿零5百零5万股。

- 在完成了对BTSSB的收购后，由于本公司的业务方向已具体的从博彩业务转向产业投资及发展，本公司在马来西亚证券交易所主板的分类于2005年3月7日，从“贸易/服务”领域改为“产业”领域。

### 业务检讨

#### 产业投资及发展部

成功时代广场（“BTS”）位于吉隆坡的金三角中心，是全马最大的市内购物兼休闲广场。在集团完成了上述BTSSB的收购后，BTS成为集团旗下最新的产业。

BTS占地10英亩，其建筑面积共达约7百50万方尺，分楼高12层的购物商场和两幢各高46层的服务套房。

商场的购物区面积广达约3百50万方尺，设有一家百货商店、约1,000个零售单位、一个室内主题公园和14种主要的游乐设施、咖啡座、餐室、餐馆及快餐店、一座5层高屏幕DiGi-IMAX戏院，以及一座9个银幕的电影院中心。广场的租户组合为中上的国际和本地品牌。

在2004年最后的一个季度，两个主要零售租户即DiGi-IMAX戏院（是东南亚最大的三维屏幕）和10th Avenue食坊在BTS开张，占地约80,000方尺。在2005年1月，由Golden Screen Cinema经营的9个银幕电影院在广场的第一和第三楼开张。这座设备先进的电影院占地共68,859方尺，为巴生谷流域内的首家第一级电影院。在2005年4月19日，全球最大的以及首家加盟BORDERS分店在广场设立，占地约60,000方尺。

BTS开张后，逐渐调整它的租户组合，而推介各种国际时尚品牌如MNG、Esprit、Timberland、Motivi、Oxbow、Levi's & Dockers、G2000、U2、Mexx以及Aldo。其他名牌包括Sony VAIO（东南亚最大的VAIO分行）、Sasa Cosmetic（马来西亚



The largest Sasa Cosmetic retail outlet in Malaysia.



Live draw in progress held in Sibuan, Sarawak.



Draw in progress in Sarawak Turf and Equestrian Club's Draw Hall, Kuching, Sarawak.

The occupancy for the mall as at 5 June 2005 was 67% and footfalls in the mall increased approximately 27% in the first quarter of 2005 compared to the corresponding year.

The two towers of BTS comprised of 1,200 units of apartment suites of which 800 units are used for hotel operations (known as Berjaya Times Square Hotel & Convention Center) at the west wing and service suites at the east wing. BTS also houses corporate office space, a stock trading floor, 4,300 car park bays and 7 tour coach bays.

Due to the softening property market condition, BTS has placed its priority on improving the complex's market positioning by improving on its tenant mix and introduction of floor themes. The re-launching of sales is targeted to happen towards the end of calendar year 2005, when most of the preferred retail mix of the complex is in place by third quarter of 2005.

A proposal for an overhead pedestrian bridge linking East Tower to the bus stop in front of Amoda Building across Jalan Imbi for the convenience of its patrons has been submitted to the authorities for approval.

#### Gaming Division

For the financial year ended 30 April 2005, NASB registered a revenue of RM181.4 million and pre-tax profit of RM14.2 million compared to a revenue of RM156.5 million and pre-tax profit of RM14 million in the previous corresponding year.

The increase of 16% in revenue was attributed to higher sales achieved through better acceptance of the game resulting from efforts of effective promotion, customer relationship management programmes, better prize payment services, public relations and additional special draws.

Pre-tax profit, however, recorded only a marginal increase of RM0.2 million due to higher prize payout during the financial year under review as compared to the previous year.

NASB continued to fulfil its social responsibilities through its year-end events of ang-pow and gifts presentation to several social and charitable organizations in the State of Sarawak.

#### FUTURE OUTLOOK

Despite a moderating economy in 2005, the retail industry has continued to grow with new shopping centres and entertainment hubs coming on stream in recent years. Occupancies in the shopping complex sector increased during the last quarter of 2004 rising to 79.4% on the back of 520 existing centres throughout Malaysia. The rising influx of tourists with a forecast of 16.7 million tourists in 2005 especially from countries with high spending power such as Northern and Western Asia is expected to contribute significantly to the improvement of the retail industry in the country including the shopping complex sector. The changing shopping pattern of consumers and

Sasa Cosmetic 最大的零售分店)、Samsung Plaza(巴生谷流域内的首家概念分店)、Cortina Watch、Tag Heuer、DOME、Secret Recipe、Baskin Robbins、Starbucks、Delifrance、Lazo Diamond、De Gems、英伦眼镜、OGAWA以及 OSIM等。

截至2005年6月5日，BTS的出租率是67%；在2005年第一季度，广场的游客人数比上一年同期增加了约27%。

BTS的两幢大楼共有1,200单位的公寓套房，其中西侧的800单位用作酒店业务(称为BTS酒店及会议中心)以及东侧作为服务套房。BTS也设有公司办公空间、一层供证券交易，另有4,300停车位以及7个旅游巴士停车位。

鉴于产业市场走势趋软，BTS优先通过改善广场的租户组合和采用楼面主题方法，以提升广场的市场定位。广场计划在2005年杪重新进行发售计划，因为预料广场大部份的理想零售租户组合将在2005年第三季度时完成。

此外，公司也向有关当局申请批准在燕美路建造一座行人天桥，连贯东侧大楼和对面的Amoda大厦，方便广场的顾客。

#### 博彩部

截至2005年4月30日财政年度，NASB的收入共达1亿8千1百40万令吉，税前盈利达1千4百20万令吉，而上个财政年的收入是1亿5千6百50万令吉；税前盈利计1千4百万令吉。

博彩部的收入增加16%，是由于公司采取了有效的促销、顾客关系管理计划、更佳的赔奖服务、公共关系以及额外的特别开奖抽奖等，而且提高了公众对博彩产品的接受。

然而由于在检讨年内的奖金付出比上个财政年的奖金增加，使公司的税前盈利只略增20万令吉。

NASB继续秉承它的社会责任，而于年终举行施赠活动，捐赠红包和礼物给砂州内的多个社会及慈善团体。

#### 未来展望

尽管我国经济在2005年适度复苏，零售业继续成长；近年来的新商场和娱乐中心纷纷林立。在2004年最后季度，全马共有520个商场，商场领域的租用率增至79.4%。据预测，2005年将有





Winners of the CASH Sweep Kelab Golf Sarawak Monthly Medals.



Christmas and New Year gift presentation at Sibul, Sarawak.



Chinese New Year gift presentation at Cheshire Home, Kuching, Sarawak.

retail merchandizing brought about the emergence of many new shopping centre designs that includes retail, entertainment and recreational activities all placed under one roof.

Despite a lower growth projection forecasted by the Retail Group Malaysia, the Malaysian Retailers Association remains optimistic that the retail sector would be able to sustain its momentum in view of positive trends in employment, job prospect and consumption indicators.

BTS, being an integrated commercial and residential development located in a strategic site along the central business district of Kuala Lumpur supported by the Monorail (MRT), Light Rail Transit (LRT) and various other modes of transportation, is poised to achieve appreciation in rental rates and occupancy.

Like the rest of the states in Malaysia, the gaming industry in Sarawak is highly regulated with minimal changes throughout the years. Growth in the industry is expected to be in tandem with the GDP growth and higher purchasing power. The stringent measures undertaken by the Government to regulate the industry including the standardization of prize payout and the fixed number of outlets resulted in keen competition among the three main players in the state as they depend solely on promotional activities and strategic marketing plans to attract punters. NASB, with its aggressive marketing strategies which includes product

promotions, strategic selection of outlet locations, and efforts to upgrade its computer software to provide better and faster services to punters, is confident that it will continue to generate profits in the coming financial year.

With the injection of BTSSB, the Group has diversified its earnings base from being solely dependent on the number forecast business to one offering a more stable and constant income stream from property investment. However, as BTSSB is currently undergoing a rationalization exercise of its tenant mix, the Board does not foresee any improvement in the financial performance in the forthcoming year.

#### APPRECIATION

On behalf of the Board, I would like to express my appreciation to the management, employees and agents for their commitment and contributions, and to our customers, retailers, shareholders, business associates, financiers and the government authorities for their co-operation and support.

**Chan Kien Sing**  
Chairman

8 September 2005

大约1千6百70万人次的外国游客，特别是来自消费力强的国家如北亚和西亚的游客不断流入我国。这将对促进国内的零售业包括商场领域作出重大的贡献。消费人和零售商品销售方式的不断改变，使到许多新商场设计推陈出新，把零售娱乐及休闲汇集在一个屋檐下。

虽然根据马来西亚零售组织的预测，零售业的成长将放慢，但鉴于国内正面的就业、工作展望及消费指标，大马零售商公会对于零售业保持成长的势头感到乐观。

由于BTS是位于吉隆坡市中心商业地要冲位置的综合性商业及住宅发展项目，而且获得单轨火车、轻快铁及各种交通工具的支援，预料市场需求将增加，进而使租金及出租率提高。

与全马其他州属一样，砂拉越州的博彩业也受到高度的管制。多年来，这种现象未有太大的改变。预料国内生产总值和人民购买力的提高，将带动博彩业的成长。政府为了管制博彩业而采取的严格措施包括划一奖金及固定的投注站。这导致州内三大博彩公司出现激烈竞争。各公司只能通过促销活动和策略性的行销计划争取投资者投注。NASB采取了积极的行销策略，包括产品促销、选择具策略性的地点设立投注站，提升电脑软件以加强对投注者的服务素质及效率等。该公司深信有了这些条件，将能在下个财政年继续赚取盈利。

在注入了BTSSB后，集团的收益基础已经从完全依赖博彩业务而扩展到从产业投资获取更稳定的收入来源。然而由于BTSSB正在进行租户的合理化计划，董事会不预期集团在来年的财政表现会有所提升。

#### 致谢

我谨代表董事部同人，衷心感谢集团管理层、全体员工及代理对集团的奉献和忠于职守，同时也对全体顾客、零售商、股东、商业友好、融资机构及政府当局的合作与支持，表达由衷的谢意。

主席  
陈健星  
2005年9月8日

# GROUP FINANCIAL HIGHLIGHTS

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

## Notes:

Figures for 1997 to 2000 are for the year ended 31 December; figures for 2002 are for the 16 months period ended 30 April; figures for 2003 to 2005 are for the year ended 30 April. Where additional shares are issued, the (loss)/earnings per share is calculated on a weighted average number of shares.

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

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

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

摘要	改变股份主权后*				改变股份主权前*			
	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
营业额	218,401	156,660	179,445	326,631	1,215,953	1,013,563	912,446	943,391
(亏损)/税前盈利	(7,111)	15,482	17,872	21,211	28,538	15,339	11,028	21,634
(亏损)/可分配予股东的盈利	(15,683)	7,141	10,515	14,230	13,276	17,367	4,898	15,214
股本	905,050	166,005	166,005	41,501	41,501	41,501	41,501	41,501
储备金	305,637	34,169	36,590	162,364	149,919	138,570	133,155	142,599
股东基金	1,210,687	200,174	202,595	203,865	191,420	180,071	174,656	184,100
少数股东权益	1,654	2,027	2,771	2,553	12,095	11,376	15,918	14,779
递延课税	18,193	726	826	904	-	68	68	68
长期债务	741,818	-	-	-	25,449	30,037	33,454	15,902
流动债务	205,815	14,825	15,564	23,933	337,758	298,477	257,086	283,734
	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
固定资产	253,702	13,615	14,813	22,355	126,972	134,356	146,308	123,924
投资产业	1,306,189	-	-	-	-	-	-	-
联号公司	-	-	-	-	1,773	1,888	1,970	1,980
联合控制的实体	4,810	-	-	-	-	-	-	-
投资	13,566	2,272	3,156	1,120	-	-	-	-
商誉	219,975	179,323	179,323	158,043	-	-	-	-
其他无形资产	6,130	6,380	6,630	-	-	-	-	-
递延开销	-	-	-	-	-	312	1,634	220
流动资产	373,795	16,162	17,834	49,737	437,977	383,473	331,270	372,459
资产总额	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182	498,583
每股净有形资产(RM)	1.09	0.09	0.10	0.28	1.15	1.08	1.05	1.11
每股净资产(RM)	1.34	1.21	1.22	1.23	1.15	1.08	1.05	1.11
(亏损)/每股收益(Sen)	(4.02)	4.30	6.33	8.57	8.00	10.5	2.95	9.16
毛股息率(%)	3.00	7.00	7.00	3.00	6.45	40.0	48.0	12.5

注：

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

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

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

\*股份主权的改变，起因是董事局和公司动向的重大转变。



The Board of Directors of Matrix International Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2005.

## MEMBERS AND MEETING ATTENDANCES

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

Heng Kiah Choong

– *Chairman/Independent/Non-Executive Director*

Chan Kien Sing

– *Non-Independent/Non-Executive Director*

Dato' Mohd Salleh Bin Ahmad

– *Independent/Non-Executive Director*  
(Appointed on 28 March 2005)

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

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

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

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

## SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities undertaken by the Audit and Risk Management Committee during the financial year ended 30 April 2005 included the following:-

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
2. Reviewed the external auditors' scope of work and audit plan for the year;

3. Reviewed Statement of Internal Control, Statement of Corporate Governance and audited financial statements of the Group prior to submission to the Board for their consideration and approval;

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

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

## INTERNAL AUDIT FUNCTION

The Company does not have its own in-house Internal Audit function. The internal audit function was outsourced to the internal auditors of its affiliated company, Berjaya Land Berhad, to assist the Audit and Risk Management Committee in discharging its duties and responsibilities. Their role is to provide the Audit and Risk Management Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

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

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

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

### 1. MEMBERSHIP

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

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

## 2. QUORUM

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

## 3. CHAIRMAN

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

## 4. SECRETARY

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

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

## 5. FREQUENCY OF MEETINGS

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

## 6. AUTHORITY

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

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

## 7. DUTIES

The duties of the Committee shall be:-

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

(h) To do the following when the internal audit function is established:-

- review the adequacy of scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programme;
- ensure coordination of external audit with internal audit;
- consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of the staff of the internal audit function;
- approve any appointment or termination of senior staff member of the internal audit function;
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;
- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.17 of the Bursa Securities Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.

(k) To undertake the following risk management activities:-

- *Establishing Strategic Context* – Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.
- *Establishing Risk Management Processes* – Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.
- *Establishing Risk Management Structure* – Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.
- *Embedding Risk Management Capability* – Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.
- *Establishing Reporting Mechanism* – Providing a consolidated risk and assurance report to the Board and Audit Committee to support the statement relating to internal control in the Company's annual report.
- *Integrating & coordinating assurance activity* – Ensuring alignment and coordination of assurance activity across the organisation.
- *Establishing Business Benefits* – Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.
- *Establishing Effectiveness of Risk Management Processes* – Simplifying and improving the effectiveness of existing risk management structures.
- *Managing the Group Wide Risk Management Programme* – Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme (GWRM).



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

Set out below is a description of how the Corporate Governance framework is applied by the Company for the financial year ended 30 April 2005:-

## A. Directors

### i) The Board

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

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

The Board currently has six members, comprising three Non-Independent/Non-Executive Directors, two Independent/Non-Executive Directors and one Executive Director. The qualifications and experience of each of the Director is set out in the Directors' Profile on pages 3 to 5 of the Annual Report.

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

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

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

### ii) Nomination Committee

A Nomination Committee currently comprise the following members:-

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

Heng Kiah Choong  
- Independent/Non-Executive Director

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

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

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

### iii) Directors' Training

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

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

### iv) Supply of Information

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

v) Re-election

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

## B. Directors' Remuneration

i) Remuneration Committee

A Remuneration Committee currently comprise the following members:-

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

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

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

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

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

ii) Details of the Directors' Remuneration

For the year ended 30 April 2005, the aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components are as follows:-

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

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

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

\* Inclusive of Directors who resigned during the year.

## C. Relations with Shareholders and Investors

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

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

The Board has appointed Dato' Mohd Salleh Bin Ahmad as the Senior Non-Executive Director to whom shareholders' concerns may be conveyed.

## D. Accountability and Audit

i) Financial Reporting

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

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

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

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

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

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

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

iii) Internal Controls

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on Internal Control of the Group is set out on page 20 of the Annual Report.

iv) Relationship with the External Auditors

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



### Responsibility

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

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

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

### Management Style and Control Consciousness

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

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

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

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

- Segregation of duties
- Clear reporting line
- Structured limit of authority
- Monitoring mechanisms (reports & meetings)
- Trained personnel
- Formal operating and draw procedures
- Physical security and Systems access controls
- Surprise checks on agents
- Quarterly comparison of operating companies' actual financial performance with budget
- Independent assurance on the system of internal control from internal audit visits

### Assurance Mechanism

The Board had tasked the Audit and Risk Management Committee, in its Terms of Reference, with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Board reviews the minutes of the Audit and Risk Management Committee's meetings. Internal audit reviews of the Group is provided by an affiliated company, Berjaya Land Berhad. The Internal Audit function will report directly to the Audit and Risk Management Committee. The report of the Audit and Risk Management Committee is set out on pages 14 to 16 of the Annual Report.

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



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2005.

## 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;
- (vii) operation of departmental stores and supermarket; and
- (viii) management of food mall.

There have been no significant changes in the nature of the Group's activities during the financial year other than the additional activities arising from the acquisition of subsidiary companies as disclosed in Note 35 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
(Loss) / profit before taxation	(7,111)	10,463
Taxation	(5,057)	(3,031)
(Loss) / profit after taxation	(12,168)	7,432
Minority interests	(3,515)	–
Net (loss) / profit for the year	(15,683)	7,432

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

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.

## DIVIDENDS

The amount of dividends paid by the Company since 30 April 2004 were as follows:

	RM'000
In respect of the financial year ended 30 April 2004 as reported in the directors' report of that year:	
The second interim dividend of 4.0% per share on 166,004,680 ordinary shares, less 28% income tax, declared on 8 June 2004 and paid on 15 July 2004	4,781
In respect of the financial year ended 30 April 2005:	
First interim dividend of 3.0% per share on 166,004,680 ordinary shares, less 28% income tax, declared on 1 December 2004 and paid on 20 January 2005	3,586
	8,367

The directors do not recommend any final dividend for 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	
Datuk Robert Yong Kuen Loke	
Chin Ah Pong	
Lim Meng Kwong	
Heng Kiah Choong	
Dato' Mohd Salleh Bin Ahmad	(Appointed on 28 March 2005)
Tan Sri Datuk Amar Chong Siew Fai	(Resigned on 28 March 2005)
Mark Wee Liang Yee	(Resigned on 28 March 2005)
John Ko Wai Seng	(Resigned on 28 March 2005)

## DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 26 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

None of the 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.

## ISSUE OF SHARES

During the financial year, the Company increased its:

- (a) authorised share capital from RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each to RM5,000,000,000 comprising 5,000,000,000 ordinary shares of RM1.00 each through the creation of 4,500,000,000 new ordinary shares of RM1.00 each; and
- (b) issued and paid-up share capital from RM166,004,680 to RM905,050,385 by the issuances of:
  - (i) 560,022,265 new ordinary shares of RM1.00 each at an issue price of RM1.40 per ordinary share in respect of the acquisition of the entire equity interest in Berjaya Times Square Sdn Bhd ("BTSSB") on 23 December 2004; and
  - (ii) 179,023,440 new ordinary shares of RM1.00 each at an issue price of RM1.40 per ordinary share pursuant to the settlement on behalf of BTSSB of the liquidated ascertained damages claims due to the respective property purchasers on 8 March 2005.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

## 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 had 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 values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

**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 as 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.

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The significant event during the financial year is disclosed in Note 35 to the financial statements.

**AUDITORS**

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

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

**CHAN KIEN SING**

**DATUK ROBERT YONG KUEN LOKE**

Kuala Lumpur, Malaysia  
19 August 2005

# STATEMENT BY DIRECTORS

pursuant to section 169(15) of the companies act,1965

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We, CHAN KIEN SING and DATUK ROBERT YONG KUEN LOKE, being two of the directors of MATRIX INTERNATIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 59 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2005 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.

**CHAN KIEN SING**

**DATUK ROBERT YONG KUEN LOKE**

Kuala Lumpur, Malaysia  
19 August 2005

## STATUTORY DECLARATION

pursuant to section 169(16) of the companies act,1965

I, TAN THIAM CHAI, being the person primarily responsible for the financial management of MATRIX INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 59 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 19 August 2005

**TAN THIAM CHAI**

Before me,

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



# REPORT OF THE AUDITORS

## to the members of Matrix International Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 27 to 59. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
  - (i) the financial position of the Group and of the Company as at 30 April 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

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

**Ernst & Young**  
AF: 0039  
Chartered Accountants

**Wong Kang Hwee**  
No. 1116/01/06(J)  
Partner

Kuala Lumpur, Malaysia  
19 August 2005

		GROUP		COMPANY	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	253,702	13,615	–	–
Investment properties	4	1,306,189	–	–	–
Subsidiary companies	5	–	–	977,160	191,667
Jointly controlled entity	6	4,810	–	–	–
Associated company	7	–	–	–	–
Other investments	8	13,566	2,272	1,095	1,272
Long term receivable	9	–	–	250,633	–
Goodwill on consolidation	10	219,975	179,323	–	–
Other intangible asset	11	6,130	6,380	–	–
		1,804,372	201,590	1,228,888	192,939
CURRENT ASSETS					
Inventories	12	322,743	373	–	–
Receivables	13	17,997	1,713	4,884	4,270
Tax recoverable		173	751	86	666
Cash and bank balances	14	32,882	13,325	900	2,175
		373,795	16,162	5,870	7,111
CURRENT LIABILITIES					
Payables	15	154,401	12,963	1,971	891
Borrowings	16	50,000	–	–	–
Finance lease payables	17	16	–	–	–
Tax payable		1,398	1,862	–	–
		205,815	14,825	1,971	891
NET CURRENT ASSETS		167,980	1,337	3,899	6,220
		1,972,352	202,927	1,232,787	199,159
FINANCED BY:					
Share capital	18	905,050	166,005	905,050	166,005
Share premium	19	312,621	17,103	312,621	17,103
Reserves	20	(6,984)	17,066	15,116	16,051
Shareholders' funds		1,210,687	200,174	1,232,787	199,159
Minority interests		1,654	2,027	–	–
Capital funds		1,212,341	202,201	1,232,787	199,159
NON-CURRENT LIABILITIES					
Borrowings	16	643,689	–	–	–
Finance lease payables	17	67	–	–	–
Long term liability	21	98,062	–	–	–
Deferred tax liabilities	22	18,193	726	–	–
		1,972,352	202,927	1,232,787	199,159

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

	Note	GROUP		COMPANY	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	23	218,401	156,660	11,625	12,226
Cost of sales		(165,567)	(132,595)	–	–
Gross profit		52,834	24,065	11,625	12,226
Other operating income		5,212	597	45	52
Distribution and marketing expenses		(4,784)	(2,176)	–	–
Administrative expenses		(39,171)	(5,238)	(1,030)	(573)
Other operating expenses		(260)	(957)	–	–
Profit from operations	24	13,831	16,291	10,640	11,705
Finance costs	27	(19,714)	(1)	–	–
Results arising from investing activities	28	(1,028)	(808)	(177)	(808)
Share of results of a jointly controlled entity		(200)	–	–	–
(Loss) / profit before taxation		(7,111)	15,482	10,463	10,897
Taxation	29	(5,057)	(4,885)	(3,031)	(3,271)
		(12,168)	10,597	7,432	7,626
Minority interests		(3,515)	(3,456)	–	–
Net (loss) / profit for the year		(15,683)	7,141	7,432	7,626
Net dividends per share (sen)	30				
First interim		2.16	2.16	2.16	2.16
Second interim		–	2.88	–	2.88
(Loss) / Earnings per share (sen)					
Basic	31	(4.02)	4.30		

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2005

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			(Accumulated Loss) /	
		Non- distributable	Distributable	
		Share Premium	Retained Profits	
	Note	Share Capital RM'000	RM'000	Total RM'000
<b>At 1 May 2003</b>		166,005	17,103	19,487
Net profit for the year		–	–	7,141
Dividends	30	–	–	(9,562)
<b>At 30 April 2004</b>		166,005	17,103	17,066
<b>At 1 May 2004</b>		166,005	17,103	17,066
Issuance pursuant to the acquisition of Berjaya Times Square Sdn Bhd ("BTSSB")		560,022	224,009	–
Issuance pursuant to the settlement on behalf of BTSSB of liquidated ascertained damages claims due to property purchasers		179,023	71,609	–
Share issue expenses		–	(100)	–
Dividends	30	–	–	(8,367)
Net loss for the year		–	–	(15,683)
<b>At 30 April 2005</b>		905,050	312,621	(6,984)

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2005

	Note	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
<b>At 1 May 2003</b>		166,005	17,103	17,987	201,095
Net profit for the year		–	–	7,626	7,626
Dividends	30	–	–	(9,562)	(9,562)
<b>At 30 April 2004</b>		166,005	17,103	16,051	199,159
<b>At 1 May 2004</b>		166,005	17,103	16,051	199,159
Issuance pursuant to the acquisition of BTSSB		560,022	224,009	–	784,031
Issuance pursuant to the settlement on behalf of BTSSB of liquidated ascertained damages claims due to property purchasers		179,023	71,609	–	250,632
Share issue expenses		–	(100)	–	(100)
Dividends	30	–	–	(8,367)	(8,367)
Net profit for the year		–	–	7,432	7,432
<b>At 30 April 2005</b>		905,050	312,621	15,116	1,232,787

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

# CONSOLIDATED CASH FLOW STATEMENT

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for the year ended 30 April 2005

	Note	2005 RM'000	2004 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		235,454	171,602
Payments to suppliers, prize winners and other operating expenses		(215,085)	(126,062)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(32,908)	(27,860)
Tax refund		628	2
Payment of taxes		(5,751)	(5,782)
Other receipts	(a)	1,823	2,710
Net cash (used in) / generated from operating activities		(15,839)	14,610
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		153	50
Acquisitions of property, plant and equipment	(b)	(1,324)	(465)
Acquisition of investments in subsidiary company		(948)	–
Cash inflow arising from acquisition of subsidiary company	(c)	24,228	–
Sale of other investments		–	76
Interest received		447	271
Other receipts / (payments) arising from investments		514	(514)
Net cash generated from / (used in) investing activities		23,070	(582)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(19,056)	(1)
Dividends paid to shareholders of the Company		(8,367)	(9,562)
Dividends paid to minority shareholders		(3,862)	(5,811)
Advances from a director of subsidiary company		43,392	–
Other receipts		219	–
Net cash generated from / (used in) financing activities		12,326	(15,374)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		19,557	(1,346)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		13,325	14,671
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(d)	32,882	13,325

- (a) Other receipts in operating activities during the financial year comprise mainly the Sarawak State sales tax received on behalf of state government.
- (b) The acquisitions of property, plant and equipment were by way of cash payments.



# CONSOLIDATED CASH FLOW STATEMENT for the year ended 30 April 2005

(c) Analysis of the effects of subsidiary companies acquired during the current financial year:

	<b>Subsidiary Companies acquired 2005 RM'000</b>
Property, plant and equipment	1,856,312
Investment in a jointly controlled entity	5,000
Investment	10,832
Current assets	50,623
Current liabilities	(210,384)
Long term liabilities	(968,393)
Goodwill acquired	41,503
	<hr/>
Net assets acquired	785,493
Less : Cash and cash equivalents of subsidiary company acquired	(24,742)
Incidental costs	(948)
Non-cash purchase consideration	(784,031)
	<hr/>
Cash flow on acquisition of subsidiary company	(24,228)
	<hr/>

The effect on the Group's results from the date of acquisition of BTSSB in this financial year was an additional loss after taxation of RM22,896,000 being consolidated.

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

	<b>2005 RM'000</b>	<b>2004 RM'000</b>
Deposits (Note 14)	24,798	9,345
Cash and bank balances (Note 14)	8,084	3,980
	<hr/>	<hr/>
	32,882	13,325
	<hr/>	<hr/>

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

# CASH FLOW STATEMENT for the year ended 30 April 2005 33

	Note	2005 RM'000	2004 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment for operating expenses		(511)	(325)
Tax refund / (paid)		628	(3)
Net cash generated from / (used in) operating activities		117	(328)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of other investments		–	76
Acquisition of investments in subsidiary company		(948)	–
Interest received		45	52
Dividends received		7,917	8,543
Other payments arising from investments		–	(514)
Net cash generated from investing activities		7,014	8,157
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Inter-company (advances) / repayments		(39)	2,958
Dividends paid to shareholders of the Company		(8,367)	(9,562)
Net cash used in financing activities		(8,406)	(6,604)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		(1,275)	1,225
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		2,175	950
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(a)	900	2,175
(a) The closing cash and cash equivalents comprise the following amounts:			
Deposits (Note 14)		750	2,145
Cash and bank balances (Note 14)		150	30
		900	2,175

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

## 1 CORPORATE INFORMATION

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

The principal activities of the subsidiary companies 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;
- (vii) operation of departmental stores and supermarket; and
- (viii) management of food mall.

There have been no significant changes in the nature of the Group's activities during the financial year other than the additional activities arising from acquisition of subsidiary companies as disclosed in Note 35 to the financial statements.

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

The numbers of employees in the Group and in the Company at the end of the financial year were 774 (2004: 92) and 2 (2004: 1) respectively.

All amounts are stated in Ringgit Malaysia (RM) unless otherwise stated. The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 August 2005.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

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

### (b) Basis of Consolidation

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

Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method, the results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the acquisition cost and the fair value of the Group's share of net assets of the acquired subsidiary company at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising from consolidation as appropriate.

In the preparation of the consolidated financial statements, the financial statements of all 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 costs 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Associated Companies

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

Investments in 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.

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

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

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

### (d) Jointly controlled entity

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other 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.

### (e) Affiliated Companies

The Company 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.

### (f) Investments in Subsidiary Company

The Company's investments in subsidiary company is stated at cost less impairment losses.

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

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(p).



**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Property, Plant and Equipment and Depreciation (cont'd)**

Leasehold land is depreciated over 50 years or the remaining lease period, if shorter.

Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Freehold buildings	2 %
Short term leasehold land and buildings	Over 44 – 50 years
Plant, machinery and equipment	10 – 20 %
Computer equipment	10 % – 33.33%
Renovation and signage	10 % – 33.33%
Furniture, fittings and office equipment	10 % – 33.33%
Motor vehicles	14 % – 20%
First aid, themepark and foodcourt equipment	10 % – 20%
IMAX theatre and equipment	10 % – 20%
Others *	10 % – 20%

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

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

**(h) Investment Properties**

Investment properties consist of investments in land and buildings that are completed and which are not substantially occupied for use by, or in the operations, of the Group. Investment properties are treated as long term investments and are stated at cost less impairment losses.

**(i) 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.

Raw materials and finished goods are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value.

Ticket inventories and gaming equipment are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

**(j) Provisions for Liabilities**

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

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

**(k) Finance Leases**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership.

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 borrowings. 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Finance Leases (cont'd)

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 charged to 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(g).

### (l) Goodwill on Consolidation

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

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

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

### (m) Other Intangible Asset

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

### (n) Income Tax

Tax on profit or loss for the year comprises current and deferred tax. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of the previous year. Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is not recognised on temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of transaction affects neither accounting nor taxable profit.

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

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

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

### (o) Employee Benefits

#### (i) Short term benefits

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

#### (ii) Defined contribution plans

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

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(p) Impairment of Assets**

At each balance sheet date, the Group and the Company review the carrying amounts of their assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset have decreased or no longer exist.

**(q) Foreign Currency Transactions**

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	<b>2005 RM</b>	<b>2004 RM</b>
Great Britain Pound	7.25	6.25
United States Dollar	3.80	3.80

**(r) 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) Investments**

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

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

Other non-current investments are stated at cost less impairment losses.

**(ii) Receivables**

Trade and other receivables are carried at anticipated realisable values. All known bad debts are written off while doubtful debts are provided for, based on estimates of possible losses that may arise from non-collection.

**(iii) Payables**

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

**(iv) Interest-Bearing Borrowings**

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (r) Financial Instruments (cont'd)

#### (iv) Interest-Bearing Borrowings (cont'd)

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

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

#### (v) Equity instruments

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

### (s) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

#### (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.

#### (ii) Interest income

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

#### (iii) Gaming activities

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

#### (iv) Gaming equipment sale

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

#### (v) Management fee income

Management fee income is recognised on an accrual basis.

#### (vi) Rental income

Revenue from rental of investment properties are recognised on an accrual basis except where there exists doubt as to its recoverability.

#### (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 risk 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.



## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (s) Revenue Recognition (cont'd)

#### (ix) Property management

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

#### (x) Income from services

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

#### (xi) Income from drink stall

Revenue from the sale of food and beverages are recognised when obligation to render the services are discharged.

#### (xii) Other income

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

### (t) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise cash in hand, at bank and deposits at call net of outstanding bank overdrafts.

### (u) Segmental Information

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

## 3 PROPERTY, PLANT AND EQUIPMENT

GROUP	Net book value as at 1.5.04 RM'000	Additions RM'000	Write off / Disposals RM'000	Acquisition of subsidiary companies RM'000	Depreciation RM'000	Net book value as at 30.4.05 RM'000
Freehold buildings	—	—	—	165,418	(1,179)	164,239
Short term leasehold land and buildings	4,960	—	—	—	(101)	4,859
Plant, machinery and equipment	5,327	46	—	—	(733)	4,640
Computer equipment	1,755	4	(78)	3,819	(800)	4,700
Renovation and signage	57	71	—	13,920	(1,183)	12,865
Furniture, fittings and office equipment	818	510	(15)	7,253	(527)	8,039
First aid, theme park and food court equipment	—	257	—	33,737	(1,337)	32,657
IMAX theatre and equipment	—	236	—	21,068	(733)	20,571
Motor vehicles	514	200	—	482	(184)	1,012
Others	184	—	(1)	—	(63)	120
	13,615	1,324	(94)	245,697	(6,840)	253,702

### 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
<b>As at 30 April 2005</b>			
Freehold buildings	168,206	3,967	164,239
Short term leasehold land and buildings	5,074	215	4,859
Plant, machinery and equipment	7,540	2,900	4,640
Computer equipment	10,174	5,474	4,700
Renovation and signage	17,809	4,944	12,865
Furniture, fittings and office equipment	11,625	3,586	8,039
First aid, theme park and food court equipment	38,771	6,114	32,657
IMAX theatre and equipment	21,484	913	20,571
Motor vehicles	2,022	1,010	1,012
Others	626	506	120
	<b>283,331</b>	<b>29,629</b>	<b>253,702</b>

#### As at 30 April 2004

Short term leasehold land and buildings	5,074	114	4,960
Plant, machinery and equipment	7,494	2,167	5,327
Computer equipment	5,090	3,335	1,755
Renovation	292	235	57
Furniture, fittings and office equipment	1,623	805	818
Motor vehicles	1,305	791	514
Others	627	443	184
	<b>21,505</b>	<b>7,890</b>	<b>13,615</b>

- (a) During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,324,000 (2004: RM465,000) by way of cash.
- (b) The net book values of property, plant and equipment pledged to banks for bank borrowings granted to the Group, as referred to in Note 16 are as follows:

	Group	
	2005 RM'000	2004 RM'000
Freehold buildings	164,239	–
Short term leasehold land and buildings	4,859	4,960
Plant, machinery and equipment	2,733	3,391
Computer equipment	4,700	–
Renovation and signage	12,475	–
Furniture, fittings and office equipment	6,467	–
Food court equipment	319	–
Motor vehicles	441	–
IMAX theatre and equipment	20,571	–
	<b>216,804</b>	<b>8,351</b>

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

	Group	
	2005 RM'000	2004 RM'000
At cost:		
Motor vehicles	35	–
Furniture, fittings and office equipment	630	–
Computers	522	–
Renovation	38	–

## 4 INVESTMENT PROPERTIES

	Group	
	2005 RM'000	2004 RM'000
At cost :		
Freehold properties	1,306,189	–

Investment properties have been pledged to financial institutions for bank borrowings as referred to in Note 16.

Prior to the acquisition of BTSSB, on 15 October 2004, an independent professional valuer valued the freehold properties on a market value basis at RM1,306 million.

## 5 SUBSIDIARY COMPANIES

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares at cost	977,160	191,667

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

As disclosed in Note 35, the Group completed the acquisition of 100% equity interest in BTSSB during the financial year.

The effects of the acquisition of BTSSB on the financial results of the Group from the date of acquisition to 30 April 2005 are as follows:

	RM'000
Revenue	22,440
Loss before taxation	(22,896)
Taxation	–
Loss for the period	(22,896)

The effect of the acquisition on the financial position of the Group as at 30 April 2005 is as follows:

	RM'000
Net assets acquired	743,990
Goodwill on consolidation (Note 10)	41,503
	785,493

## 6 JOINTLY CONTROLLED ENTITY

	Group	
	2005 RM'000	2004 RM'000
Unquoted shares at cost	5,000	–
Share of post acquisition reserves	(190)	–
	4,810	–

The Group's share of losses after taxation of a jointly controlled entity which have been recognised in the financial statements amounted to RM200,000 (2004: RMNil).

## 6 JOINTLY CONTROLLED ENTITY (CONT'D)

The Group's aggregate share of the assets, liabilities, revenue and expenses of the jointly controlled entity are as follows:

	Group	
	2005 RM'000	2004 RM'000
Property, plant and equipment	7,741	–
Current assets	1,454	–
Current liabilities	(4,385)	–
Net assets	4,810	–
Revenue	680	–
Expenses	(880)	–

Name of Jointly Controlled Entity	Paid-up Capital RM	Effective interest (%)		Principal Activity
		2005 %	2004 %	
Berjaya – GSC Sdn Bhd	10,000,000	50	–	Cinema operations

## 7 ASSOCIATED COMPANY

	Group	
	2005 RM'000	2004 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	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Quoted investments in Malaysia				
– Malaysian Government Securities	1,000	1,000	–	–
– shares	20,382	2,044	2,044	2,044
– loan stocks	2,509	–	–	–
	23,891	3,044	2,044	2,044
Unquoted investment				
– golf clubs corporate memberships	50	–	–	–
	23,941	3,044	2,044	2,044
Less : Accumulated impairment losses				
– shares	(9,258)	(772)	(949)	(772)
– loan stocks	(1,117)	–	–	–
	(10,375)	(772)	(949)	(772)
	13,566	2,272	1,095	1,272



**8 OTHER INVESTMENTS (CONT'D)**

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Market value of:				
– Malaysian Government Securities	1,062	1,089	–	–
– Quoted shares	11,124	1,272	1,095	1,272
– Quoted loan stocks	1,392	–	–	–

The investment in Malaysian Government Securities is pledged to the Malaysian Government as security for the 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 includes investments in an affiliated company, Berjaya Land Berhad with a net book value of RM11,421,000 (2004: RMNil).

**9 LONG TERM RECEIVABLE**

	Company	
	2005 RM'000	2004 RM'000
Amount due from a subsidiary company	250,633	–

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.

The amount due from a subsidiary company arose from the settlement of the liquidated ascertained damages claims as disclosed in Note 35.

**10 GOODWILL ON CONSOLIDATION**

	Group	
	2005 RM'000	2004 RM'000
At beginning of the year	179,323	179,323
Arising from acquisition of BTSSB (Note 5)	41,503	–
Impairment loss (Note 28)	(851)	–
At end of the year	219,975	179,323

**11 OTHER INTANGIBLE ASSET**

	Group	
	2005 RM'000	2004 RM'000
Right to receive Special Cash Sweep Lottery royalty revenue:		
At cost	6,963	6,963
Accumulated amortisation	(833)	(583)
Carrying value	6,130	6,380

## 12 INVENTORIES

	Group	
	2005 RM'000	2004 RM'000
Cost:		
Properties held for sale	311,670	–
Finished goods	9,778	–
Ticket stocks and souvenirs	233	116
Gaming equipment	1,062	257
	<u>322,743</u>	<u>373</u>

The cost of finished goods recognised as an expense during the financial year in the Group amounted to RM8,835,000 (2004: RM148,000).

Properties held for sale is pledged to financial institutions for bank borrowings as referred to in Note 16.

## 13 RECEIVABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	22,703	146	–	–
Other receivables	6,079	368	–	–
Deposits	2,653	87	–	–
Prepayments	3,751	1,112	56	546
Amounts due from affiliated companies	4,409	–	–	–
Amounts due from subsidiary companies	–	–	4,828	3,724
	<u>39,595</u>	<u>1,713</u>	<u>4,884</u>	<u>4,270</u>
Provision for doubtful debts - trade receivables	(21,598)	–	–	–
	<u>17,997</u>	<u>1,713</u>	<u>4,884</u>	<u>4,270</u>

The Group's normal trade credit term ranges from 15 to 60 days. Other credit terms are assessed on a case-by-case basis.

The amounts 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.

## 14 CASH AND BANK BALANCES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits with:				
– Licensed banks	22,998	8,345	750	2,145
– Licensed finance companies	1,800	1,000	–	–
	<u>24,798</u>	<u>9,345</u>	<u>750</u>	<u>2,145</u>
Cash on hand and at banks	8,084	3,980	150	30
	<u>32,882</u>	<u>13,325</u>	<u>900</u>	<u>2,175</u>

Deposits with licensed banks of the Group amounting to RM816,000 (2004 : RM16,000) and cash at banks amounting to RM564,000 (2004: RMNil) are pledged for bank guarantee facilities and syndicated credit facilities granted to the Group.

**14 CASH AND BANK BALANCES (CONT'D)**

The weighted average interest rates of the Group during the financial year and the average maturities of deposits of the Group as at 30 April 2005 were as follows:

	Weighted average interest rates		Average maturities	
	2005 %	2004 %	2005 Days	2004 Days
Licensed banks	2.8	3.1	1 – 139	13
Licensed finance companies	3.0	3.2	10 – 19	21

**15 PAYABLES**

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	77,005	8,578	–	–
Provision for liquidated ascertained damages	4,456	–	–	–
Deposits refundable	22,086	1,535	–	–
Other payables and accruals	34,484	2,725	166	152
Amounts due to affiliated companies	13,481	125	2	81
Amount due to a jointly controlled entity	2,889	–	–	–
Amounts due to subsidiary companies	–	–	1,803	658
	154,401	12,963	1,971	891

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(j).

The normal trade credit terms granted to the Group and the Company range from 15 to 90 days.

The amounts due to affiliated companies are unsecured, interest free and have no fixed terms of repayment, with the exception of a sum amounting to RM12,734,732 (2004: RMNil) at Group level which bears interest at 11% (2004: Nil%) per annum.

The amount due to a jointly controlled entity is unsecured, interest free and has no fixed terms of repayment.

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

**16 BORROWINGS**

	Group	
	2005 RM'000	2004 RM'000
<b>Short term borrowings</b>		
Secured:		
Bridging loan	17,298	–
Syndicated credit facility	32,702	–
	50,000	–
<b>Long term borrowings</b>		
Secured:		
Bridging loan	222,694	–
Syndicated credit facility	420,995	–
	643,689	–

## 16 BORROWINGS (CONT'D)

	Group	
	2005 RM'000	2004 RM'000
<b>Total borrowings</b>		
Bridging loan	239,992	—
Syndicated credit facility	453,697	—
	<hr/> 693,689	<hr/> —
 Maturity of borrowings		
Not later than 1 year	50,000	—
Later than 1 year and not later than 2 years	140,000	—
Later than 2 years and not later than 5 years	503,689	—
	<hr/> 693,689	<hr/> —

The weighted average effective interest rates per annum at the balance sheet date for borrowings were as follows:

	Group	
	2005	2004
Bridging loan	7.99%	—
Syndicated credit facility	7.99%	—

The syndicated credit facility and bridging loan are secured by the following:

- (i) a fixed charge on the Group's investment properties and a debenture over all assets of BTSSB;
- (ii) the assignment of sales proceeds and future rental by BTSSB for the entire development project;
- (iii) a third party debenture over all assets of Cosmo's World Theme Park Sdn Bhd excluding those theme park equipment totalling RM39,000,000 to be financed by the RM34,000,000 loan granted by Bank Pembangunan & Infrastruktur Malaysia Berhad ("BPIMB");
- (iv) a third party assignment over all revenues of Cosmo's World Theme Park Sdn Bhd ranking in priority and security over the BPIMB loan;
- (v) a fixed and floating charge by way of debenture over all assets of BTSSB's subsidiary companies; and
- (vi) a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee YOUN.

## 17 FINANCE LEASE PAYABLES

	Group	
	2005 RM'000	2004 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	23	—
Later than 1 year and not later than 2 years	23	—
Later than 2 years and not later than 5 years	51	—
	<hr/> 97	<hr/> —
Less: Future finance charges	(14)	—
	<hr/> 83	<hr/> —



## 17 FINANCE LEASE PAYABLES (CONT'D)

	Group	
	2005	2004
	RM'000	RM'000
<b>Present value of finance lease liabilities:</b>		
Not later than 1 year	16	–
Later than 1 year and not later than 2 years	20	–
Later than 2 years and not later than 5 years	47	–
	83	–
<b>Analysed as:</b>		
Due within 12 months	16	–
Due after 12 months	67	–
	83	–

The finance lease liabilities bear interest of 3.45% (2004: Nil%) per annum.

## 18 SHARE CAPITAL

	Group and Company			
	Ordinary shares of RM1.00 each			
	2005	2004	2005	2004
	No. of shares		Amount	
	'000	'000	RM'000	RM'000
<b>Authorised:</b>				
At beginning of the year	500,000	500,000	500,000	500,000
Created during the year	4,500,000	–	4,500,000	–
At end of the year	5,000,000	500,000	5,000,000	500,000
<b>Issued and fully paid:</b>				
At beginning of the year	166,005	166,005	166,005	166,005
Issuance pursuant to the acquisition of BTSSB	560,022	–	560,022	–
Issuance pursuant to the settlement on behalf of BTSSB of liquidated ascertained damages claims due to property purchasers	179,023	–	179,023	–
At end of the year	905,050	166,005	905,050	166,005

## 19 SHARE PREMIUM

	Group and Company	
	2005	2004
	RM'000	RM'000
At 1 May 2004/2003	17,103	17,103
Arising from:		
Issuance pursuant to the acquisition of BTSSB	224,009	–
Issuance pursuant to the settlement on behalf of BTSSB of liquidated ascertained damages claims due to property purchasers	71,609	–
Share issue expenses	(100)	–
At 30 April	312,621	17,103

## 20 RESERVES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
(Non-distributable) / Distributable reserve: (Accumulated loss) / Retained profits	(6,984)	17,066	15,116	16,051

As at 30 April 2005, the Company has tax exempt income amounting to RM30,791,000 (2004: RM30,791,000) available for the payment of future tax exempt dividends, subject to the agreement with the Inland Revenue Board.

Based on the estimated Section 108 tax credit and balance in the tax exempt income account, the entire retained profits of the Company are available for distribution by way of dividends without the Company having to incur additional tax liability.

## 21 LONG TERM LIABILITY

	Group	
	2005	2004
	RM'000	RM'000
Amount due to a major shareholder	98,062	–

The amount due to a major shareholder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is non-trade and long term in nature, unsecured, interest free and has no fixed terms of repayment.

## 22 DEFERRED TAX

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	726	826	–	–
Arising from acquisition of subsidiary company	17,718	–	–	–
Transfer to income statement (Note 29)	(251)	(100)	–	–
At end of the financial year	18,193	726	–	–

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	Land and development expenses	Accelerated capital allowances	Total
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	–	–	726	726
Arising from acquisition of subsidiary company	31,739	12,053	40,484	84,276
Recognised in the income statement	–	–	3,068	3,068
At end of the financial year	31,739	12,053	44,278	88,070

**22 DEFERRED TAX (CONT'D)****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 beginning of the year	–	–	–	–
Arising from acquisition of subsidiary company	(64,225)	(2,333)	–	(66,558)
Recognised in the income statement	2,498	(2,173)	(3,644)	(3,319)
At end of the financial year	(61,727)	(4,506)	(3,644)	(69,877)

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

	<b>Group</b>	
	<b>2005 RM'000</b>	<b>2004 RM'000</b>
Unabsorbed tax losses	23,633	1,685
Unabsorbed capital allowances	13,890	–
	<b>37,523</b>	<b>1,685</b>

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiary companies in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiary companies in the Group and it is not probable that future taxable profits will be available against which the assets can be utilised.

**23 REVENUE****Group**

The main categories of revenue are as follows:

	<b>2005 RM'000</b>	<b>2004 RM'000</b>
Sale of properties	(1,860)	–
Sale of goods	11,647	–
Property management	4,812	–
Sale of themepark and IMAX theatre tickets	4,128	–
Sale of foods, beverages and others	313	–
Rental income	17,950	–
Gaming ticket sales less gaming tax	181,411	156,465
Gaming terminal sales	–	195
	<b>218,401</b>	<b>156,660</b>

Sale of properties represents the value received and receivable from the sale of inventories. In the current financial year, a subsidiary company has rescinded a sales and purchase agreement for one unit of property previously sold.

**Company**

	<b>2005 RM'000</b>	<b>2004 RM'000</b>
Gross dividends from subsidiary companies	10,996	11,866
Management fees from subsidiary companies	629	360
	<b>11,625</b>	<b>12,226</b>

## 24 PROFIT FROM OPERATIONS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit from operations is stated after charging / (crediting):				
Gaming royalty	987	854	–	–
Depreciation of property, plant and equipment	6,840	1,661	–	–
Directors' remuneration:				
– fees	190	190	60	60
– other emoluments	285	98	202	17
Auditors' remuneration:				
– statutory audit	81	51	25	17
– under provision in respect of prior year	–	8	–	2
– other services	101	17	5	5
Amortisation of other intangible asset	250	250	–	–
Allowance for doubtful debts	1,183	–	–	–
Bad debts written off	5	–	–	–
Property, plant and equipment written off	–	1	–	–
Rental of land and buildings	64	60	–	–
Staff costs (Note 25)	9,817	2,247	223	13
Interest income	(508)	(274)	(45)	(52)
Gain on disposal of property, plant and equipment	(59)	(49)	–	–

## 25 STAFF COSTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Wages and salaries	7,507	1,620	149	12
Bonus	790	271	39	1
EPF contributions	897	190	23	–
Social security organisation contributions	100	21	–	–
Short term accumulating compensated absences	73	–	12	–
Other staff related expenses	450	145	–	–
	9,817	2,247	223	13

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

## 26 DIRECTORS' REMUNERATION

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<b>Directors of the Company</b>				
Executive:				
Fees	2	–	–	–
Salary and other emoluments	191	–	191	–
	193	–	191	–
Non-Executive:				
Fees	79	80	60	60
Other emoluments	11	17	11	17
	90	97	71	77
<b>Directors of the subsidiary companies</b>				
Fees	109	110	–	–
Other emoluments	83	81	–	–
	192	191	–	–
<b>Total</b>	<b>475</b>	<b>288</b>	<b>262</b>	<b>77</b>

## 27 FINANCE COSTS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Interest expense:				
– borrowings	19,320	1	–	–
– an affiliated company	394	–	–	–
	19,714	1	–	–

## 28 RESULTS ARISING FROM INVESTING ACTIVITIES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of other investment	–	(36)	–	(36)
Impairment in value of quoted investment (Note 33)	(177)	(772)	(177)	(772)
Impairment in value of goodwill (Note 10 and 33)	(851)	–	–	–
	(1,028)	(808)	(177)	(808)

## 29 TAXATION

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Income tax :				
Malaysian income tax	5,307	5,095	3,016	3,303
Under / (over) provision in prior years	1	(110)	15	(32)
	5,308	4,985	3,031	3,271
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	(215)	(158)	–	–
(Over) / under provision in prior years	(36)	58	–	–
	(251)	(100)	–	–
	5,057	4,885	3,031	3,271

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year. 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	28%



## 29 TAXATION (CONT'D)

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(Loss) / profit before taxation	(7,111)	15,482	10,463	10,897
Taxation at Malaysian statutory tax rate of 28%	(1,991)	4,335	2,930	3,051
Effect of income subject to tax rate of 20%	(40)	(40)	–	–
Effect of expenses not deductible for tax purposes	2,118	642	86	252
Effect of income not subject to tax	(264)	–	–	–
Deferred tax asset not recognised during the year	5,269	–	–	–
(Over) / under provision of deferred tax expense in prior years	(36)	58	–	–
Under / (over) provision of tax expense in prior years	1	(110)	15	(32)
Tax expense for the year	5,057	4,885	3,031	3,271

## 30 DIVIDENDS

	Group and Company		Net Dividends Per Share	
	Amount 2005 RM'000	2004 RM'000	2005 Sen	2004 Sen
First interim dividend of 3% (2004: 3%) less 28% income tax, on 166,004,680 ordinary shares, declared on 1 December 2004 (2004: 4 December 2003), and paid on 20 January 2005 (2004: 8 January 2004)	3,586	3,586	2.16	2.16
Second interim dividend of Nil% (2004: 4%) less 28% income tax, on 166,004,680 ordinary shares (2004: declared on 8 June 2004 and paid on 15 July 2004)	–	4,781	–	2.88

In the previous financial year, the Company declared an interim dividend of 4% less 28% income tax after 30 April 2004 which was not recognised as a liability then. This dividend was accounted for in shareholders' equity as appropriation of retained profits in the current financial year.

## 31 (LOSS) / EARNINGS PER SHARE

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

	2005	2004
Net (loss) / profit for the year (RM'000)	(15,683)	7,141
Weighted average number of ordinary shares in issue ('000)	390,416	166,004
Basic (loss) / earnings per share (sen)	(4.02)	4.30

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Management fee receivable from subsidiary companies		–	–	(629)	(360)
Management fee payable to					
– Berjaya Land Berhad	a	240	236	240	236
Interest expense payable to					
– Prime Credit Leasing Sdn Bhd	a	394	–	–	–
Rental income, service charges and other related income receivable from					
– Berjaya Starbucks Coffee Company Sdn Bhd (formerly known as Berjaya Coffee Company (M) Sdn Bhd)	a	(400)	–	–	–
– Berjaya HVN Sdn Bhd	a	(102)	–	–	–
– Berjaya Roasters (M) Sdn Bhd	a	(200)	–	–	–
– Cosway (M) Sdn Bhd	a	(113)	–	–	–
– Quasar Carriage Sdn Bhd	a	(8)	–	–	–
– Berjaya Vacation Club Berhad	a	(6)	–	–	–
– Convenience Shopping Sdn Bhd	b	(115)	–	–	–
– DiGi Telecommunications Sdn Bhd ("DiGi")	c	(196)	–	–	–
– Berjaya Hospitality Services Sdn Bhd	a	(7,500)	–	–	–
– Restoran Rasa Utara Sdn Bhd ("Rasa Utara")	d	(96)	–	–	–
		(8,736)	–	–	–
Service charges and sinking funds receivable from:					
– Ambilan Imej Sdn Bhd	a	(488)	–	–	–
– Berjaya Golf Resort Sdn Bhd	a	(15)	–	–	–
– Dian Kristal Sdn Bhd	a	(461)	–	–	–
– Nada Embun Sdn Bhd	a	(514)	–	–	–
– Lambang Potensi Sdn Bhd ("LPSB")	e	(3)	–	–	–
– Magna Mahsuri Sdn Bhd	f	(509)	–	–	–
		(1,990)	–	–	–
IMAX theatre film sponsorship from					
– DiGi Telecommunications Sdn Bhd	c	(250)	–	–	–
Service charges and maintenance of air-conditioning system payable to:					
– Topgroup M&E Service Sdn Bhd	a	141	–	–	–
Advertisement and promotional material expenses payable to					
Novacomm Integrated Sdn Bhd	a	266	–	–	–
Procurement of betting terminals from					
International Lottery & Totalizator Systems, Inc	f	1,424	–	–	–

### 32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

The nature of the related party relationships are as follows:

- (a) Subsidiary company / member company of Berjaya Group Berhad ("BGB"). 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 BGB. Tan Sri Vincent Tan, TSDT, DRT and RTYS are persons connected with each other.
- (b) Subsidiary company of Intan Utilities Sdn. Bhd. ("Intan"). Deemed a related party by virtue of Tan Sri Vincent Tan's interests in Intan.
- (c) DiGi is a wholly owned subsidiary of DiGi.Com Berhad. Tan Sri Vincent Tan is a substantial shareholder of DiGi by virtue of his 6.77% interest in DiGi.Com Berhad. He resigned as the Chairman and director of DiGi.Com Berhad on 12 January 2005.
- (d) Rasa Utara is a 25% associated company of United Prime Corporation Berhad ("UPC"), Tan Sri Vincent Tan is a major shareholder of Rasa Utara by virtue of his 96.99% interest in B&B Enterprise Sdn Bhd which in turn has 60.73% equity interest in UPC.
- (e) TSDT and Puan Sri Datin Chan Shao Tsiu, the wife of TSDT, are major shareholders of LPSB by virtue of their 10% and 90% interests in LPSB respectively.
- (f) 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.

Fees and emoluments paid to directors of the Company are disclosed in Note 26.

The directors are of the opinion that the above transactions were undertaken at mutually agreed terms between the parties in the normal course of business and are not materially different from that obtainable in transactions with non-related parties.

### 33 SEGMENTAL INFORMATION

#### (a) Business segments:

Revenue	External RM'000	2005 Inter- segment RM'000	Total RM'000	External RM'000	2004 Inter- segment RM'000	Total RM'000
Gaming and related activities	181,411	–	181,411	156,660	–	156,660
Property development and property investment	20,902	–	20,902	–	–	–
Recreation	4,441	–	4,441	–	–	–
Trading and others	11,647	3,451	15,098	–	2,976	2,976
Inter-segment eliminations	–	(3,451)	(3,451)	–	(2,976)	(2,976)
	218,401	–	218,401	156,660	–	156,660

## 33 SEGMENTAL INFORMATION (CONT'D)

## (a) Business segments (cont'd):

Results	2005 RM'000	2004 RM'000
Gaming and related activities	15,132	14,599
Property development and property investment	318	–
Recreation	(4,097)	–
Trading and others	2,793	1,651
	14,146	16,250
Unallocated corporate expenses	(823)	(233)
Interest income	508	274
Profit from operations	13,831	16,291
Interest expense	(19,714)	(1)
Results arising from investing activities	(1,028)	(808)
Share of results of a jointly controlled entity	(200)	–
(Loss) / Profit before taxation	(7,111)	15,482
Taxation	(5,057)	(4,885)
(Loss) / Profit after taxation	(12,168)	10,597
Minority interests	(3,515)	(3,456)
Net (loss) / profit for the year	(15,683)	7,141

Assets and liabilities	2005		2004	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Gaming and related activities	180,267	17,516	178,349	14,903
Property development and property investment	1,697,764	133,906	–	–
Recreation	223,744	14,608	–	–
Trading and others	64,311	7,726	34,642	345
Segment assets/liabilities	2,166,086	173,756	212,991	15,248
Investment in a jointly controlled entity	4,810	–	–	–
Unallocated corporate assets/liabilities	7,271	792,070	4,761	303
Consolidated assets/liabilities	2,178,167	965,826	217,752	15,551

Other information	2005			2004		
	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
Gaming and related activities	366	1,036	–	450	960	1
Property development and property investment	307	498	1,188	–	–	–
Recreation	580	3,293	–	–	–	–
Trading and others	71	2,263	–	15	951	–
	1,324	7,090	1,188	465	1,911	1

### 33 SEGMENTAL INFORMATION (CONT'D)

#### (a) Business segments (cont'd):

	2005 RM'000	2004 RM'000
<b>Impairment losses</b>		
Trading and others (Note 28)	851	–
Unallocated (Note 28)	177	772
	<u>1,028</u>	<u>772</u>

#### (b) Geographical Locations :

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

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

### 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 exchange 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 placement with licensed banks and financial institutions and they are not held for speculative purposes.

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 prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirement. In additions, the Group strives to maintained available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institution and prudently 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.

#### (e) Foreign Exchange Risk

The Group mainly transacts in Ringgit Malaysia and is exposed to rate fluctuation between Ringgit Malaysia and foreign currencies such as United States Dollar and Great Britain Pound. The Group seeks to mitigate foreign exchange risk with close monitoring via making payments when foreign exchange rates are favourable to the Group.

**34 FINANCIAL INSTRUMENTS (CONT'D)****(f) Fair Values**

It is not practical to estimate the fair value of amounts due from/to subsidiary companies, affiliated companies and jointly controlled entity due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at 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 fair value of long term borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles and is not expected to be significantly different from its carrying value.

The carrying values of all other financial assets and liabilities as at 30 April 2005 are not materially different from their fair values due to the relatively short term nature of these financial instruments.

**35 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 23 December 2004, the Company ("Matrix") completed the acquisition of BTSSB at a purchase consideration of RM784,031,171 by the issuance of 560,022,265 new ordinary shares at an issue price of RM1.40 per Matrix share to the vendors of BTSSB ("BTSSB Acquisition"). The vendors of BTSSB were Tan Sri Dato' Seri Vincent Tan Chee Yioun and others.

On 8 March 2005, as an integral part of the BTSSB Acquisition, Matrix settled on behalf of BTSSB the claims which arose from the liquidated ascertained damages ("LAD") due to the late delivery of vacant possession of sold units in Berjaya Times Square ("BTS") ("LAD Settlement") amounting to RM250,632,816 via the issuance of 179,023,440 new ordinary shares at an issue price of RM1.40 per share for the LAD Settlement to LAD creditors on behalf of BTSSB.

**36 SUBSIDIARY AND ASSOCIATED COMPANIES**

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2005 %	2004 %
Subsidiary Companies				
Sublime Cartel Sdn Bhd	Malaysia	Provision of lottery consultancy and related services	100	100
Bumisuci Sdn Bhd	Malaysia	Investment holding	100	100
Dayadil Sdn Bhd	Malaysia	Investment holding	100	100
Ishandal Sdn Bhd	Malaysia	Investment holding	100	100
* Natural Avenue Sdn Bhd	Malaysia	Number forecast lotteries in Sarawak	65	65
Rentas Padu Sdn Bhd	Malaysia	Investment holding	100	100
# Sempurna Bahagia Sdn Bhd	Malaysia	Investment holding	100	100
Berjaya Times Square Sdn Bhd	Malaysia	Property investment, development and investment holding	100	–



## 36 SUBSIDIARY AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2005 %	2004 %
Subsidiary Companies (cont'd)				
Subsidiary of Dayadil Sdn Bhd				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Imej Jasa Sdn Bhd				
Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100	100
Muara Tebas Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Natural Avenue Sdn Bhd				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100	100
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Berjaya Times Square Sdn Bhd				
Berjaya TS Management Sdn Bhd	Malaysia	Property management	100	–
Cosmo's World Theme Park Sdn Bhd	Malaysia	Operation of theme park and IMAX theatre	100	–
TS Service Suites Sdn Bhd	Malaysia	Property management	100	–
BTS Department Store Sdn Bhd	Malaysia	Operation of departmental stores	100	–
Shasta Supermarket Sdn Bhd	Malaysia	Supermarket operations	100	–
10th Avenue Food Mall Sdn Bhd (formerly known as Vibrant Arena Sdn Bhd)	Malaysia	Food mall management	100	–
Associated Company				
Megaquest Sdn Bhd	Malaysia	Investment holding	50	50

\* Effective interest

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

# LIST OF PROPERTIES as at 30 April 2005

Location	Tenure	Size	Description/ Existing Use	Estimated Age of Building	Date of Acquisition	Net Book Value RM'000
No. H.S (D): 99289, PT355, Bandar Kuala Lumpur (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,587 sq meter	Shopping-cum- leisure mall and 178 units of service suites	<2 years	8.7.1994 ) ) ) ) )	1,782,098
No. H.S (D): 99290, PT356, Bandar Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,917 sq meter	Office building	<12 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	17 years	13.7.1996	768
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	11 years	31.8.2002	4,091

## REVALUATION POLICY

The Group does not adopt a policy of regular revaluation.

## MATERIAL CONTRACTS

Other than as disclosed in Notes 13, 15, 16, 26, 27, 32 and 35 of the financial statements for the financial year ended 30 April 2005, neither Matrix International Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

## ADDITIONAL INFORMATION

The amount of non-audit fees incurred by the Group for the financial year ended 30 April 2005 amounted to RM101,000.

# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE for the financial year ended 30 April 2005

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Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transaction	Amount transacted (RM'000)
Berjaya Registration Services Sdn Bhd, a wholly-owned subsidiary of Berjaya Group Berhad ("BGroup")	Matrix	Receipt of share registration services.	14
Inter-Pacific Trading Sdn Bhd, a 70% owned subsidiary of BGroup	Berjaya TS Management Sdn Bhd ("Berjaya TS"), BTS Department Store Sdn Bhd ("BTS Department"), Berjaya Times Square Sdn Bhd ("BTSSB"), Cosmo's World Theme Park Sdn Bhd ("CWTP") and Matrix	Purchase of stationery products.	45
Novacom Integrated Sdn Bhd, a wholly-owned subsidiary of BGroup	Matrix, BTSSB and CWTP	Procurement of promotion, advertising and publishing services.	266
Berjaya Corporation (S) Pte Ltd, a wholly-owned subsidiary of BGroup	BTSSB	Payment of administrative fee.	14
Berjaya Land Berhad ("BLand"), a 64.24%-owned subsidiary of BGroup	Matrix	Management fee payable for services rendered that includes inter-alia, the provision of finance, corporate, secretarial and general administrative services.	240
Berjaya Vacation Club Berhad, a wholly-owned subsidiary of BLand which in turn is a 65.54% owned subsidiary of BGroup	BTSSB	Rental income receivable for renting of event space.	6
Inter-Pacific Securities Sdn Bhd, a wholly-owned subsidiary of Inter-Pacific Capital Sdn Bhd, which in turn is a 89.46%-owned subsidiary of Berjaya Capital Berhad ("BCapital")	Berjaya TS	Magazine advertising charges receivable.	15
	BTSSB	Parking charges receivable.	88
Quasar Carriage Sdn Bhd, of which BGroup has a 19.99% interest	BTSSB	Rental income receivable for renting of event space.	8
Sun Media Corporation Sdn Bhd	Matrix and CWTP	Procurement of promotion, advertising and publishing services.	17
Prime Credit Leasing Sdn Bhd, a wholly-owned subsidiary of BCapital	BTSSB	Parking charges receivable.	3
International Lottery & Totalizator Systems Inc, a 71.43% owned subsidiary of Berjaya Lottery Management (HK) Limited, which in turn is a 83.74%-owned subsidiary of Berjaya Sports Toto (Cayman) Limited, a wholly-owned subsidiary of Berjaya Sports Toto Berhad ("BToto")	Natural Avenue Sdn Bhd	Procurement of computerised lottery system and related services.	1,424
Sports Toto Malaysia Sdn Bhd, a wholly-owned subsidiary of BToto	BTSSB	Parking charges receivable.	32
Berjaya HVN Sdn Bhd	BTS Department	Concession fee receivable based on 10% of Berjaya HVN's products sales in Debenhams, Berjaya Times Square.	1
	BTSSB and Berjaya TS	Rental income and service charges receivable.	102

<b>Matrix International Berhad (“Matrix”) Group with the following Related Parties</b>	<b>Matrix and/or its subsidiary companies</b>	<b>Nature of transaction</b>	<b>Amount transacted (RM'000)</b>
Dunham-Bush Sales & Services Sdn Bhd, a wholly-owned subsidiary of Dunham-Bush (Malaysia) Bhd (“DunBush”)	BTSSB	Purchase of air-conditioning equipment, contract pertaining to maintenance and service of air-conditioning equipment.	124
Topgroup M & E Service Sdn Bhd, a 80%-owned subsidiary of DunBush	Berjaya TS	Purchase of air-conditioning equipment, contract pertaining to maintenance and service of air-conditioning equipment.	141
Qinetics Solution Berhad	BTSSB, CWTP, Shasta Supermarket Sdn Bhd, Berjaya TS and BTS Department	Receipt of IT consultancy, management and maintenance services.	162
DiGi Telecommunications Sdn Bhd	BTSSB and Berjaya TS	Rental income and service charges receivable.	196
	CWTP	Film sponsorship for IMAX Theatre receivable of RM250,000 quarterly.	250
Berjaya Starbucks Coffee Company Sdn Bhd (formerly known as Berjaya Coffee Company (M) Sdn Bhd)	BTSSB and Berjaya TS	Rental income and service charges receivable.	400
Berjaya Roasters (M) Sdn Bhd	BTSSB and Berjaya TS	Rental income and service charges receivable.	200
Cosway (M) Sdn Bhd	BTSSB and Berjaya TS	Rental income and service charges receivable.	113
Convenience Shopping Sdn Bhd	BTSSB and Berjaya TS	Rental income and service charges receivable.	115
Berjaya Hospitality Services Sdn Bhd	BTSSB and TS Suites	Rental income and service charges receivable.	7,500
Restoran Rasa Utara Sdn Bhd	BTSSB and Berjaya TS	Rental income and service charges receivable.	96
Ambilan Imej Sdn Bhd	Berjaya TS	Service charges and sinking funds receivable	488
Berjaya Golf Resort Berhad	Berjaya TS	Service charges and sinking funds receivable	15
Dian Kristal Sdn Bhd	Berjaya TS	Service charges and sinking funds receivable	461
Nada Embun Sdn Bhd	Berjaya TS	Service charges and sinking funds receivable	514
Magna Mahsuri Sdn Bhd	Berjaya TS	Service charges and sinking funds receivable	509
Lambang Potensi Sdn Bhd	Berjaya TS	Service charges and sinking funds receivable	3
<b>Total</b>			<b>13,562</b>

## ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
less than 100	140	3.77	4,598	0.00
100 – 1,000	261	7.02	212,029	0.02
1,001 – 10,000	2,129	57.26	10,494,440	1.16
10,001 – 100,000	825	22.19	30,422,420	3.36
100,001 – 45,252,519	359	9.65	347,960,203	38.45
45,252,520* and above	4	0.11	515,956,695	57.01
<b>Total</b>	<b>3,718</b>	<b>100.00</b>	<b>905,050,385</b>	<b>100.00</b>

### Note:

There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.  
\* denotes 5% of the issued share capital of the Company.

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	%
1. Vincent Tan Chee Yioun	192,931,549	21.317
2. PAB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun (Vista Meranti)</i>	160,000,000	17.679
3. Vincent Tan Chee Yioun	100,000,000	11.049
4. Bakat Rampai Sdn Bhd	63,025,146	6.964
5. Scotia Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Portal Access Sdn Bhd</i>	40,504,700	4.475
6. Southern Finance Berhad <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	25,400,000	2.806
7. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Arsam Bin Damis (AA0023)</i>	21,757,848	2.404
8. Dian Kristal Sdn Bhd	18,423,015	2.036
9. Ambilan Imej Sdn Bhd	13,536,527	1.496
10. ENG Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Private Limited For Mohsein Hyder (TPC)</i>	13,174,500	1.456
11. Nada Embun Sdn Bhd	10,025,235	1.108
12. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Han Kook (AT0062)</i>	9,300,000	1.028
13. Magna Mahsuri Sdn Bhd	8,749,001	0.967
14. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad</i>	8,200,000	0.906
15. Dumez Jaya Sdn Bhd	7,151,078	0.790
16. Berjaya Capital Berhad	6,740,000	0.745
17. Berjaya General Insurance Berhad	6,634,000	0.733
18. Scotia Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad</i>	6,151,300	0.680
19. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (PMB)</i>	6,130,000	0.677
20. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Berjaya Land Berhad (MIMB)</i>	6,130,000	0.677
21. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tengku Adnan Bin Tengku Mansor (AT0066)</i>	5,339,348	0.590
22. Kamarudin Bin Jaffar	5,169,673	0.571
23. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Alliance Merchant Nominees (Tempatan) Sdn Bhd For Portal Access Sdn Bhd</i>	4,900,000	0.541
24. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Portal Access Sdn Bhd (BB)</i>	4,240,000	0.468
25. Portal Access Sdn Bhd	4,000,220	0.442
26. Ryoden (Malaysia) Sdn Bhd	2,888,240	0.319
27. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For SJ Securities Sdn Bhd (1650 Suya)</i>	2,632,000	0.291
28. ENG Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Tan Han Kook</i>	2,632,000	0.291
29. HDM Nominees (Asing) Sdn Bhd <i>DBS Vickers Secs (S) Pte Ltd For Song Poo Hok</i>	2,159,901	0.239
30. AMSEC Nominees (Tempatan) Sdn Bhd <i>AmBank (M) Berhad For Dian Kristal Sdn Bhd</i>	2,000,000	0.221
	<b>759,925,281</b>	<b>83.966</b>

**SUBSTANTIAL SHAREHOLDERS as at 18 August 2005**

Name of Substantial Shareholders	← No. of Ordinary Shares of RM1.00 each →			
	Direct Interest	%	Indirect Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	479,161,549	52.94	153,848,064 (a)	17.00
Portal Access Sdn Bhd	55,482,920	6.13	—	—
Berjaya Land Berhad	26,611,308	2.94	98,892,171 (b)	10.93
Teras Mewah Sdn Bhd	—	—	125,503,479 (c)	13.87
Berjaya Group Berhad	—	—	152,414,006 (d)	16.84
Bakat Rampai Sdn Bhd	63,025,146	6.96	—	—
Dijaya Corporation Berhad	—	—	63,025,146 (e)	6.96
Tan Sri Dato' Tan Chee Sing	—	—	63,025,146 (f)	6.96
Golden Diversity Sdn Bhd	—	—	63,025,146 (g)	6.96

**NOTES:-**

- (a) Deemed interested by virtue of his interest in Berjaya Group Berhad, Vecc-Men Holdings Sdn Bhd and his interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- (b) 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 deemed interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.
- (c) 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.
- (d) Deemed interested by virtue of its 100% interest in Teras Mewah Sdn Bhd and its interests in Berjaya Land Berhad and Berjaya Capital Berhad, the holding company of Berjaya General Insurance Berhad and Ambilan Imej Sdn Bhd as well as its deemed interest in Berjaya Sports Toto Berhad.
- (e) Deemed interested by virtue of its 100% interest in Bakat Rampai Sdn Bhd
- (f) Deemed interested by virtue of his controlling interest in Dijaya Corporation Berhad.
- (g) Deemed interested by virtue of its interest in Dijaya Corporation Berhad.

## STATEMENT OF DIRECTORS' SHAREHOLDINGS as at 18 August 2005

	← No. of Ordinary Shares of RM1.00 each →			
	Direct Interest	%	Indirect Interest	%
Chan Kien Sing	—	—	—	—
Chin Ah Pong	—	—	—	—
Datuk Robert Yong Kuen Loke	—	—	—	—
Lim Meng Kwong	—	—	—	—
Heng Kiah Choong	—	—	—	—
Dato' Mohd Salleh Bin Ahmad	—	—	—	—

None of the above Directors has any interest in the shares of the related corporations as at 18 August 2005.



NOTICE IS HEREBY GIVEN THAT the Forty-Fifth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 14 October 2005 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 2005 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 2005. **RESOLUTION 2**
3. To re-elect the following Directors: -
  - a) Chan Kien Sing **RESOLUTION 3**
  - b) Lim Meng Kwong **RESOLUTION 4**
  - c) Dato' Mohd Salleh Bin Ahmad **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 Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

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

**RESOLUTION 7**
  - b) **Proposed 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 22 September 2005 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:-

    - (a) 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;
    - (b) 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

- (c) 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  
22 September 2005

#### NOTES:

##### (A) APPOINTMENT OF PROXY

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

##### (B) RESOLUTIONS 3, 4 AND 5

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

Directors	Profile of Directors	Directors' Shareholdings
1. Chan Kien Sing	Page 3	Page 64
2. Lim Meng Kwong	Page 4	Page 64
3. Dato' Mohd Salleh Bin Ahmad	Page 5	Page 64

The details of Directors' attendance for Board Meetings are set out on page 17 of the Annual Report.

##### (C) 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 from the unissued share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
2. Resolution 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 22 September 2005 attached to the Annual Report.

# FORM OF PROXY

I/We \_\_\_\_\_  
(Name in full)

I.C. or Company No. \_\_\_\_\_  
(New and Old I.C. Nos. or Company No.)

CDS Account No. \_\_\_\_\_

of \_\_\_\_\_  
(Address)

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

\_\_\_\_\_  
(Name in full) I.C.No. \_\_\_\_\_  
(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-Fifth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 14 October 2005 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 Lim Meng Kwong as Director.		
RESOLUTION 5 – To re-elect Dato' Mohd Salleh Bin Ahmad 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.		

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

No. of Shares Held

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005

## NOTES:

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

Fold this flap for sealing

Affix Stamp

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

2nd fold here

1st fold here

# GROUP ADDRESSES

**Berjaya Times Square Sdn Bhd**

1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2144 9821  
Fax : 03-2143 3055  
www.timessquarekl.com

**Debenhams Department Store**

Lower Ground Floor to 2nd Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3188  
Fax : 03-2141 1377  
www.timessquarekl.com

**Shasta Supermarket**

Lower Ground Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3118  
Fax : 03-214 2380  
www.timessquarekl.com

**Cosmo's World Theme Park**

5th & 7th Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3118  
Fax : 03-2143 2380  
www.timessquarekl.com

**DiGi IMAX Theatre**

10th Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2117 3046/3047  
Fax : 03-2143 2380  
www.imaxkl.com

**10th Avenue Food Mall**

10th Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
Tel: 03-2117 3013  
Fax: 03-2148 4851  
www.timessquarekl.com

**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, 93250 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, Jalan Sim Chieng Kay  
Off North Yu Seng Road  
98000 Miri  
Sarawak  
Tel : 085-415 331  
Fax : 085-415 336

For further information,  
please contact:

**THE COMPANY SECRETARY**

11th Floor, Menara Berjaya  
KL Plaza, 179 Jalan Bukit Bintang  
55100 Kuala Lumpur

Tel : 03-2935 8888  
Fax : 03-2935 8043