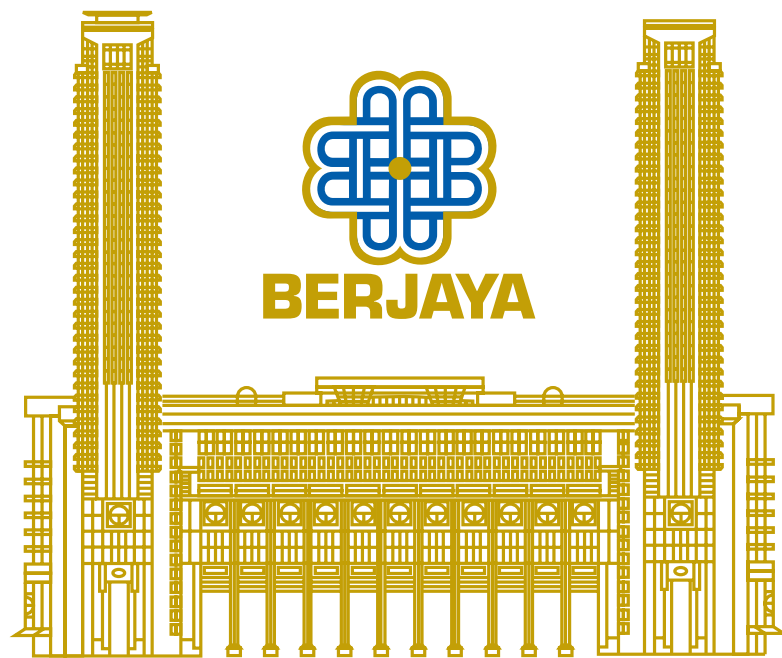


# ANNUAL REPORT 2006



BERJAYA TIMES SQUARE  
KUALA LUMPUR



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*The IMAX theatre in Berjaya Times Square boasts the largest 3D movie screen in South East Asia.*



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Starbucks - a popular hangout spot at Berjaya Times Square.



Berjaya Times Square houses the world's largest Borders' store.



Motivi, an Italian fashion brand outlet at Berjaya Times Square features new items every week.

## 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

## AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

## SECRETARIES

Su Swee Hong  
(MAICSA No. 0776729)

Wan Foong Yee  
(MAICSA No. 7025376)

## SHARE REGISTRAR

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

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

## PRINCIPAL BANKERS

Malayan Banking Berhad  
AmMerchant Bank Berhad  
AmBank (M) Berhad  
Affin Bank Berhad  
Bank Pembangunan & Infrastruktur  
Malaysia 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  
50 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 Corporation Berhad and Berjaya Sports Toto Berhad. He is the Chairman of Berjaya Holdings (HK) Limited, a Director of Berjaya Group Berhad, 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.



### CHIN AH PONG

Executive Director  
60 years of age, Malaysian

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, 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 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  
54 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 Corporation 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 Group Berhad and Berjaya Golf Resort Berhad and several other private limited companies.



## LIM MENG KWONG

Non-Independent/Non-Executive  
53 years of age, Malaysian

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

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

**HENG KIAH CHOONG**

Independent/Non-Executive  
57 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 Audit and Risk Management Committee and Remuneration Committee and a member of the Nomination Committee.

**DATO' MOHD SALLEH BIN AHMAD**

Independent/Non-Executive  
64 years of age, Malaysian

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

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

Save as disclosed, none of the Directors have:-

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



*Hip-Hop Street - a themed retail space located on the 5th floor of Berjaya Times Square.*

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Matrix International Berhad ("Matrix") for the financial year ended 30 April 2006.

### FINANCIAL RESULTS

For the financial year ended 30 April 2006, the Group's revenue grew 78.6% to RM390.1 million from RM218.4 million in the previous year, while pre-tax loss reduced by 49.3% to RM3.6 million from RM7.1 million in the previous year.

The strong growth in revenue and lower pre-tax loss were attributed to the resumption of property sales at Berjaya Times Square Sdn Bhd ("BTSSB") upon completion of the tenant mix rationalisation exercise and the consolidation of the full 12 months' results of BTSSB in this financial year as compared to the previous financial year where the Group consolidated only 4 months' results of BTSSB.

In addition, gaming subsidiary, Natural Avenue Sdn Bhd ("NASB") recorded a revenue growth of 7% from higher sales attained as well as having an additional draw in the financial year reviewed. The higher increase of 25% in NASB's pre-tax profit was mainly attributed to a lower prize payout.

### DIVIDENDS

The Board does not recommend the payment of dividends for the financial year ended 30 April 2006 (2005:3%).







*Kenny Rogers Roasters' menu promotes a healthy eating lifestyle.*



*Spread over 380,000 sq. ft., Cosmo's World Theme Park is said to be the largest indoor, all weather, all ages, entertainment destination in the region.*

## CORPORATE DEVELOPMENTS

There were no significant corporate developments in the Company during the year under review.

## REVIEW OF OPERATIONS

### Property Investment and Development Division

Berjaya Times Square ("BTS") is Malaysia's largest inner-city shopping-cum-leisure mall. Opened almost 3 years ago, it has gone through robust improvements and a milestone of experiences.

Occupying a built-up area of almost 7.5 million square feet on a 10-acre piece of land, the complex comprises a 12-level shopping mall and two towers of 46 storeys each of service suites, making it an architectural masterpiece in its own right.

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

For the financial year under review, the BTSSB group of companies achieved a revenue of RM196.6 million and a pre-tax loss of RM23.4 million compared to RM118.9 million and RM47.3 million respectively in the previous corresponding year. The higher revenue and lower pre-tax loss were mainly attributable to higher sales generated from the sale of property and higher rentals achieved from the tenanted units in BTS. The occupancy rate of the mall increased to 72% as at June 2006, compared to 67% registered as at June 2005.

BTS also registered encouraging improvement in traffic, recording a 36% increase in car park records and a 23.5% increase in footfalls when compared to the previous financial year.

During the financial year, many international brands made their presence in BTS. International brands such as Lorenzo, Melandas, Empire, Liz Claiborne Accessories – the first store outside of America, TBJ – the first store to open outside of Korea, Adidas, Nike, Carlo Rino, Bossini, Elianto, The Bakers Moment, Uncle Lim's, Auntie Anne's and Sushi King opened outlets at BTS, bringing the total number of tenants to 694 as at 15 June 2006.

These new tenants joined the ranks of other notable brands such as MNG, Esprit, Timberland, Motivi, Oxbow, Levis & Dockers, G2000, U2, Mexx, Aldo, Sony VAIO - the largest VAIO outlet in South-East Asia, Sasa Cosmetic - largest cosmetic retail outlet in Malaysia, Samsung Plaza - the first concept store in Klang Valley, Cortina Watch, Tag Heuer, DOME, Secret Recipe, Baskin Robbins, Starbucks, Lazo Diamond and De Gems. In August 2006, Ampang Superbowl opened its largest ever bowling alley comprising 48 lanes here on the 5th floor of Berjaya Times Square.

In December 2005, the right turn from Jalan Hang Tuah to Berjaya Times Square junction was approved and this made it easier for patrons to gain entry to BTS.

The overhead pedestrian bridge linking the East Wing of BTS to the bus stop in front of Amoda Building was completed and opened to the public in June 2006. This marked another move by the management in its efforts to increase ease of access to the mall from the bustling Bukit Bintang shopping district.

BTS was chosen as the venue of choice for some mega events such as The World Cup Trophy Tour by Coca Cola where the original trophy was displayed at the IMAX Theatre. Another was the CIMB KL Malaysian Squash Open Championship where an indoor squash court was constructed at the Concourse enabling the public to watch the international competition.



*The 10th Avenue Food Mall offers an array of local and international flavours.*



*OXBOW boutiques sell a wide range of active wear and accessories for men and women.*



BTS was also the selected venue for several famous celebrities' 'Meet-the-Fan' sessions such as Andy Lau, Fish Leong, Taiwan group S.H.E. and 5566, Aaron Kwok, TVB artists - Eason Chen, Athena Chu, Malaysian Idol Daniel Lee, Superstar Champion Kelvin Tan and many more. Auditions for Star World's reality show 'Rock Star' Asia, 8TV's One in A Million, Malaysian Idol, Project Superstar, AXN Challenges and F1 car and bike display were also held at Berjaya Times Square.

#### Gaming Division

For the financial year ended 30 April 2006, NASB's revenue increased by 6.7% to RM193.6 million, whereas pre-tax profit increased by 25.4% to RM17.8 million, compared to the preceding year's revenue of RM181.4 million and pre-tax profit of RM14.2 million.

The higher increase in pre-tax profit of 25.4%, compared with 1.44% a year earlier, was mainly attributed to a lower prize payout during the year. Continuous promotion, improved customer service, better public relations and additional special draws were also contributing factors toward the company's significantly improved performance.

NASB has continued with its tradition of fulfilling its social responsibilities by continuing to host its year-end and Chinese New Year events of ang-pow and gifts presentation to deserving charitable organisations through-out the State of Sarawak.

*TBJ's first outlet outside of Korea is located in Berjaya Times Square.*



*This Borders' superstore covers approximately 60,000 sq. ft. and carries over 200,000 titles.*



*Berjaya Times Square was chosen to house Liz Claiborne's first ever outlet outside of America.*



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

#### FUTURE OUTLOOK

Economic growth for the current year is expected to remain satisfactory as the Government makes adjustments to absorb risks from high oil prices, inflationary pressures, geo-political tensions and security concerns. Domestic demand is forecasted to be sustained by higher household disposable income arising from firm commodity prices, improvements in the performance of the stock market and a stronger RM currency.

This backdrop is anticipated to lead to higher consumer expenditure that will be further driven by the intensification of promotional activities by both the public and private sector in preparation for Visit Malaysia Year 2007.

Recent shopping patterns of the middle class indicating a refinement in taste attributed to exposure from education and holidays abroad, and coupled with the rising influx of foreign tourist arrivals, has provided the impetus for both foreign and local brands to further seek retail space in BTS as the mall reaffirms its position as the choice shopping centre in Kuala Lumpur.

BTS being an integrated commercial and residential development will continue to focus on improving its customer service and catering to the current demand for shopping and entertainment under one roof as it gears towards providing shoppers with a unique shopping experience.

The gaming industry in Malaysia is highly regulated and growth in this industry is expected to be in tandem with GDP growth and higher purchasing power. The increasing crackdown on illegal number forecast operators by the authorities augurs well for the industry which views the illegal market as its main competitor. We are confident that the increasing popularity of NASB's products in the local market will enable it to achieve further market penetration, thereby tapping into a larger segment of the industry's revenue growth potential.

Barring unforeseen circumstances, the continued expansion of the Malaysian economy remaining broadly on track, business sentiments remaining high and resilient domestic demand, the Group's operating results are expected to show improvement for the forthcoming financial year ending April 2007.

#### 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

23 August 2006

本人谨此代表董事部，欣然提呈美特士国际有限公司（“美特士”）2006年4月30日截止的财政年度的常年报告和财务报告。

## 财务业绩

在2006年4月30日截止的财政年度，集团收益增长78.6%，从上一年的2亿1千8百40万令吉增至3亿9千零10万令吉，而税前亏损则减少49.3%，从上一年的7百10万令吉减至3百60万令吉。

收益强劲的增长和税前亏损降低，是因为成功时代广场有限公司（“成功时代广场”）在完成了租户组合合理化计划后，恢复产业销售，以及成功时代广场12个月业绩完全综合在集团本财政年度的账目。比较之下，成功时代广场去年只有4个月的业绩综合在集团账目里。

此外，博彩子公司 Natural Avenue 有限公司（“NASB”）在检讨中的财政年度里，由于销售额提高以及举行一次额外的开彩，使书收益增加了7%。NASB的税前盈利提高25%，主要是由于派彩金额减少。

## 股息

董事部不推荐对2006年4月30日截止的财政年度派发股息（2005年：3%）。

## 企业发展

在检讨的财政年度，公司没有重大的企业发展。

## 业务检讨

### 产业投资及发展部

成功时代广场（“时代广场”）是马来西亚最大的市区购物兼休闲广场。这个广场在将近3年前开张以来，进行了大幅度的提升和体验了多项重大的经历。

时代广场的建筑面积共约7百50万方呎，占地10亩，由一座12层的购物商场和两幢各46层的服务套房组成，成为自成一格的建筑学杰作。

购物商场面积约3百50万方呎，设有一家百货商场、1,000间零售商店、一座设有14种主要乘坐游戏的室内主题公园、咖啡座、西餐厅、餐馆及快餐店、一幢5层楼高银幕的IMAX电影院及一座9个银幕的电影院中心。

在检讨中的财政年度，成功时代广场集团取得的收益共达1亿9千6百60万令吉，以及蒙受税前亏损2千3百40万令吉，对比上一年的收益共达1亿1千8百90万令吉，税前亏损4千7百30万令吉。收益增加和税

前亏损减少的原因，主要是因为时代广场的产业销售和出租单位租金提高，而取得出更高的销售额。在2006年6月，此广场的租用率从2005年6月的67%增至72%。

成功时代广场的人潮流量增幅也令人鼓舞，停车场车次比上个财政年度提高了36%，而步行人次则增加了23.5%。

在本财政年度，许多国际品牌纷纷进驻成功时代广场。这些国际品牌包括 Lorenzo、Melandas、Empire、Liz Claiborne Accessories（美国以外首家分店）、TBJ（韩国以外首家分店）、Adidas、Nike、Carlo Rino、Bossini、Elianto、The Bakers Moment、Uncle Lim's、Auntie Anne's、以及 Sushi King 等，使到成功时代广场在2006年6月15日截止时的租户总数达到694。

除了以上新租户以外，现有的著名品牌有 MNG、Esprit、Timberland、Motivi、Oxbow、Levi's & Dockers、G2000、U2、Mexx、Aldo、Sony VAIO（东南亚最大的VAIO分店）、Sasa 化妆品（马来西亚最大的化妆品零售店）、三星广场（巴生谷首个概念店）、Cortina Watch、Tag Heuer、DOME、Secret Recipe、Baskin Robbins、Starbucks、Lazo Diamond 以及 De Gems 等。在2006年8月，安邦超级保龄球场在成功时代广场第5楼开设它旗下最大的保龄球场，此保龄球场共有48条球道。

在2005年12月，从汉都亚路右转入成功时代广场的交叉口获准开放，使顾客更方便进入成功时代广场。

连接成功时代广场东翼和 Amoda 大厦前巴士站的人行天桥于2006年6月开放给公众人士使用。这标志着管理层在落力为公众提供通道的另一成功步骤，让公众更容易从热闹的武吉免登购物区往来成功时代广场。

成功时代广场也被选为举行许多大型活动的地点，例如可口可乐世界杯巡回展，在 IMAX 电影院展示原来的足球世界杯。另一项活动是 CIMB KL 主办的马来西亚壁球公开锦标赛。主办单位特地在广场的大厅建了一个室内壁球场，让公众观赏这项国际赛会。



A dedicated children's section at Cosmo's World Theme Park.



A NASB outlet in Sarawak.





成功时代广场也被选为多位著名艺人会见影迷和歌迷的地点，这些娱乐圈红星包括刘德华、梁静茹、台湾组合 S.H.E. 和 5566、郭富城、TVB 艺人陈奕迅、朱茵、马来西亚偶像李吉汉、绝对 Superstar 冠军陈伟联等等。此外，卫视合家欢频道的真人秀 ‘Rock Star’ Asia、八度空间的 “One in A Million”、马来西亚偶像、Project Superstar、AXN Challenges 以及第一方程式跑车及电单车展览等活动也在成功时代广场举行。

#### 博彩部

在 2006 年 4 月 30 日截止的财政年度，NASB 的收益增加了 6.7% 至 1 亿 9 千 3 百 60 万令吉，而税前盈利则提高 25.4% 至 1 千 7 百 80 万令吉，上一年度的收益达 1 亿 8 千 1 百 40 万令吉，税前盈利共计 1 千 4 百 20 万令吉。

税前盈利的增幅从上一年的 1.44% 增至 25.4%，主要是由于在本财政年度里的奖金派彩减少、持续的促销活动、更好的顾客服务、改善的公关以及额外特别开彩等因素，促成公司业绩大幅度改善。

NASB 继续发扬它履行社会责任的传统，而在年终和农历新年举行红包施赠活动，以及捐献礼物给砂拉越州各地的有关慈善团体。

#### 今后展望

由于政府已经采取调整措施，吸收高昂油价、通胀压力、地缘政治的紧张局面以及安全风险的问题，预料本年度的经济成长将会保持在令人满意的水平。根据预测，在原产品价格走高、股市表现好转以及马币强劲的带动下，家庭可支配收入将提高，进而保持国内需求水平。

预料上述情景将导致消费人开销增加。此外，公共及私人界为了筹备2007年马来西亚观光年而加速展开宣传活动，也将进一步推动消费人开销。

中等阶级最近的购物模式显示人们由于教育关系，以及在国外度假所受到的影响，人们对品味极为讲究，加上外国游客的不断涌入，促使国内外品牌进一步寻求在成功时代广场设立零售空间。与此同时，这个商场也再次受证实了它作为吉隆坡首选购物中心的地位。

作为一个综合性的商业及住宅发展，成功时代广场将继续把焦点放在提升客户服务和满足人们对同一个屋檐下购物及娱乐的需求，以致力为购物者打造独一无二的购物体验。

马来西亚的博彩业受到高度的管制，预料这个行业的成长将取决于国民生产总值的增长及国人更高的购买力。当局加紧取缔非法测字经营者，对博彩业是个好预兆，因为非法测字市场是博彩业的主要竞争者。我们深信 NASB 的产品在本地市场日益受欢迎后，将能提高它的市场渗透率，进而发掘市场更大的收益增长潜能。

若无发生不可预视的事件，同时在马来西亚经济大体上持续稳健扩展，商界情绪保持高昂以及国内需求强劲下，预料集团在 2007 年 4 月 30 日截止的财政年度里，营业成绩会有所提升。

#### 申谢

我谨代表董事部，对管理层、员工及代理的勤奋工作和贡献，致由衷的谢意。我也谨向全体顾客、零售商、股东、往来业务伙伴、金融机构及政府部门、衷心感谢他们的合作与支持。

陈健星

主席

2006年8月23日

One of many notable brands  
at Berjaya Times Square.





Description	After change in shareholding*					Before change in shareholding*		
	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000
Revenue	390,132	218,401	156,660	179,445	326,631	1,215,953	1,013,563	912,446
(Loss)/Profit Before Taxation	(3,599)	(7,111)	15,482	17,872	21,211	28,538	15,339	11,028
(Loss)/Profit Attributable To Shareholders	(16,491)	(15,683)	7,141	10,515	14,230	13,276	17,367	4,898
Share Capital	905,050	905,050	166,005	166,005	41,501	41,501	41,501	41,501
Reserves	289,146	305,637	34,169	36,590	162,364	149,919	138,570	133,155
Shareholders' Funds	1,194,196	1,210,687	200,174	202,595	203,865	191,420	180,071	174,656
Minority Interests	1,274	1,654	2,027	2,771	2,553	12,095	11,376	15,918
Deferred Taxation	17,630	18,193	726	826	904	-	68	68
Long Term Liabilities	679,832	741,818	-	-	-	25,449	30,037	33,454
Current Liabilities	249,045	205,815	14,825	15,564	23,933	337,758	298,477	257,086
	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182
Property, Plant And Equipment	238,464	253,702	13,615	14,813	22,355	126,972	134,356	146,308
Investment Properties	1,304,962	1,306,189	-	-	-	-	-	-
Associated Company	-	-	-	-	-	1,773	1,888	1,970
Jointly Controlled Entity	5,438	4,810	-	-	-	-	-	-
Investments	13,178	13,566	2,272	3,156	1,120	-	-	-
Goodwill	219,124	219,975	179,323	179,323	158,043	-	-	-
Other Intangible Assets	5,880	6,130	6,380	6,630	-	-	-	-
Deferred Expenditure	-	-	-	-	-	-	312	1,634
Current Assets	354,931	373,795	16,162	17,834	49,737	437,977	383,473	331,270
Total Assets	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182
Net Tangible Assets Per Share (RM)	1.07	1.09	0.09	0.10	0.28	1.15	1.08	1.05
Net Assets Per Share (RM)	1.32	1.34	1.21	1.22	1.23	1.15	1.08	1.05
(Loss)/Earnings Per Share (Sen)	(1.82)	(4.02)	4.30	6.33	8.57	8.00	10.5	2.95
Gross Dividend Rate (%)	-	3.00	7.00	7.00	3.00	6.45	40.0	48.0

**Notes:**

Figures for 1998 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 2006 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.

\* 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*		
	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000	1998 RM'000
营业额	390,132	218,401	156,660	179,445	326,631	1,215,953	1,013,563	912,446
(亏损) / 税前盈利	(3,599)	(7,111)	15,482	17,872	21,211	28,538	15,339	11,028
(亏损) / 可分配予 股东的盈利	(16,491)	(15,683)	7,141	10,515	14,230	13,276	17,367	4,898
股本	905,050	905,050	166,005	166,005	41,501	41,501	41,501	41,501
储备金	289,146	305,637	34,169	36,590	162,364	149,919	138,570	133,155
股东基金	1,194,196	1,210,687	200,174	202,595	203,865	191,420	180,071	174,656
少数股东权益	1,274	1,654	2,027	2,771	2,553	12,095	11,376	15,918
递延课税	17,630	18,193	726	826	904	-	68	68
长期债务	679,832	741,818	-	-	-	25,449	30,037	33,454
流动债务	249,045	205,815	14,825	15,564	23,933	337,758	298,477	257,086
	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182
固定资产	238,464	253,702	13,615	14,813	22,355	126,972	134,356	146,308
投资产业	1,304,962	1,306,189	-	-	-	-	-	-
联号公司	-	-	-	-	-	1,773	1,888	1,970
联合控制的实体	5,438	4,810	-	-	-	-	-	-
投资	13,178	13,566	2,272	3,156	1,120	-	-	-
商誉	219,124	219,975	179,323	179,323	158,043	-	-	-
其他无形资产	5,880	6,130	6,380	6,630	-	-	-	-
递延开销	-	-	-	-	-	-	312	1,634
流动资产	354,931	373,795	16,162	17,834	49,737	437,977	383,473	331,270
资产总额	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029	481,182
每股净 有形资产 (RM)	1.07	1.09	0.09	0.10	0.28	1.15	1.08	1.05
每股净资产 (RM)	1.32	1.34	1.21	1.22	1.23	1.15	1.08	1.05
(亏损) / 每股收益 (Sen)	(1.82)	(4.02)	4.30	6.33	8.57	8.00	10.5	2.95
毛股息率 (%)	-	3.00	7.00	7.00	3.00	6.45	40.0	48.0

注：

1998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2006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。

\* 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 2006.

### MEMBERS AND MEETING ATTENDANCES

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

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

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

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

The Audit and Risk Management Committee held six (6) meetings during the financial year ended 30 April 2006. The details of attendance of the members are as follows:

Name	Attendance
Heng Kiah Choong	6/6
Chan Kien Sing	5/6
Dato' Salleh Mohd Bin Ahmad	6/6

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 2006 included the following:

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
2. Reviewed the external auditors' scope of work and audit plan for the year prior to commencement of annual audit;
3. Reviewed the management responses and their follow-up actions pertaining to the audit findings in order to ensure that appropriate action was taken by Management on the recommendations of the Internal Auditor;
4. Reviewed Statement of Internal Control, Statement of Corporate Governance and audited financial statements of the Group prior to submission to the Board for their consideration and approval;
5. Reviewed and discussed the external auditors' audit report and management's responses thereof;

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

### INTERNAL AUDIT FUNCTION

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

For the financial year ended 30 April 2006, the Internal Audit has performed regular audits on high risk areas and system of internal controls of the operating units within the Group involved in the gaming operations and property management.

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

### 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 2006:

## A. DIRECTORS

### i) The Board

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

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

The Board currently has six members, comprising three Non-Independent/Non-Executive Directors, two Independent Non-Executive Directors and one Executive Director. The qualifications and experience of each of the Director is set out in the Directors' Profile on pages 2 to 4 of the Annual Report.

During the financial year ended 30 April 2006, four (4) Board Meetings were held and the attendance record of the Directors is set out below:

Name	Number of Meetings Attended
Chan Kien Sing	4/4
Chin Ah Pong	3/4
Datuk Robert Yong Kuen Loke	3/4
Lim Meng Kwong	4/4
Heng Kiah Choong	4/4
Dato' Mohd Salleh Bin Ahmad	4/4

### ii) Nomination Committee

A Nomination Committee currently comprise the following members:

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

Heng Kiah Choong  
*Independent/Non-Executive*

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

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

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

### iii) Directors' Training

All Directors have successfully completed the Mandatory Accreditation Programme and have obtained the requisite points under the Continuing Education Programme ("CEP").

Apart from the training programmes attended to fulfil the CEP points, certain Directors have also attended the following seminars during the financial year ended 30 April 2006:

- (a) Updates of Financial Reporting Standards and Goods & Services Tax;
- (b) New Financial Reporting Standards Awareness;
- (c) Off-Balance Sheet Items, Offshore Accounts and Derivatives; and
- (d) Expanding the Pillars of Corporate Governance.

### 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 of Directors

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

**B. DIRECTORS' REMUNERATION**i) Remuneration Committee

A Remuneration Committee currently comprise the following members:

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

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

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

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

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

ii) Details of the Directors' Remuneration

For the year ended 30 April 2006, the aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components are as follows:

	Fees (RM)	Emoluments (RM)	Total (RM)
Executive	20,000	255,360	275,360
Non-Executive	70,000	12,000	82,000
	90,000	267,360	357,360

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:

	Number of Directors	
	Executive	Non-Executive
RM1 – RM50,000	-	3
RM200,001 – RM260,000	1	-
	1	3

**C. RELATIONS WITH SHAREHOLDERS AND INVESTORS**

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

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

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

**D. ACCOUNTABILITY AND AUDIT**i) Financial Reporting

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

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable 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 18 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**

The Group's main focus is on property development, operated by Berjaya Times Square Sdn Bhd's Group and gaming business operated by Natural Avenue Sdn Bhd.

Whilst the Board maintains full direction over appropriate strategic, financial and compliance issues, it has delegated to 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 then reviewed 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 12 to 14 of the Annual Report.

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



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Notes to the Financial Statements

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 2006.

### 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.

### RESULTS

	GROUP RM'000	COMPANY RM'000
(Loss) / profit before taxation	(3,599)	4,230
Taxation	(8,472)	(1,266)
(Loss) / profit after taxation	(12,071)	2,964
Minority interests	(4,420)	-
Net (loss) / profit for the year	(16,491)	2,964

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

### DIRECTORS

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

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

### 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.

**OTHER STATUTORY INFORMATION**

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that 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.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**AUDITORS**

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

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

**CHAN KIEN SING****CHIN AH PONG**

Kuala Lumpur, Malaysia  
19 July 2006



We, CHAN KIEN SING and CHIN AH PONG, 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 24 to 61 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 2006 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**

Kuala Lumpur, Malaysia  
19 July 2006

**CHIN AH PONG**

## 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 24 to 61 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 July 2006

**TAN THIAM CHAI**

Before me,

**SOH AH KAU (W315)**

Commissioner for Oaths  
Kuala Lumpur

We have audited the financial statements set out on pages 24 to 61. 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 2006 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

Kuala Lumpur, Malaysia  
19 July 2006

**WONG KANG HWEE**  
No. 1116/01/08(J)  
Partner

		GROUP		COMPANY	
	Note	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	238,464	253,702	10	-
Investment properties	4	1,304,962	1,306,189	-	-
Subsidiary companies	5	-	-	977,160	977,160
Jointly controlled entity	6	5,438	4,810	-	-
Associated company	7	-	-	-	-
Other investments	8	13,178	13,566	884	1,095
Long term receivable	9	-	-	250,633	250,633
Goodwill on consolidation	10	219,124	219,975	-	-
Other intangible asset	11	5,880	6,130	-	-
		1,787,046	1,804,372	1,228,687	1,228,888
CURRENT ASSETS					
Inventories	12	284,176	322,743	-	-
Receivables	13	22,968	17,997	1,077	4,884
Tax recoverable		264	173	101	86
Cash and bank balances	14	47,523	32,882	10,386	900
		354,931	373,795	11,564	5,870
CURRENT LIABILITIES					
Payables	15	175,021	154,401	4,498	1,971
Borrowings	16	72,550	50,000	-	-
Finance lease payables	17	50	16	-	-
Tax payable		1,424	1,398	-	-
		249,045	205,815	4,498	1,971
NET CURRENT ASSETS					
		105,886	167,980	7,066	3,899
		1,892,932	1,972,352	1,235,753	1,232,787
FINANCED BY:					
Share capital	18	905,050	905,050	905,050	905,050
Share premium	19	312,621	312,621	312,621	312,621
Reserves	20	(23,475)	(6,984)	18,080	15,116
Shareholders' funds		1,194,196	1,210,687	1,235,751	1,232,787
Minority interests		1,274	1,654	-	-
Capital funds		1,195,470	1,212,341	1,235,751	1,232,787
NON-CURRENT LIABILITIES					
Borrowings	16	590,015	643,689	-	-
Finance lease payables	17	91	67	-	-
Long term liability	21	89,726	98,062	-	-
Deferred tax liabilities	22	17,630	18,193	2	-
		1,892,932	1,972,352	1,235,753	1,232,787

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



# INCOME STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2006

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MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

		GROUP		COMPANY	
	Note	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	23	390,132	218,401	5,294	11,625
Cost of sales		(235,655)	(165,567)	-	-
Gross profit		154,477	52,834	5,294	11,625
Other operating income		3,197	5,212	162	45
Distribution and marketing expenses		(7,066)	(4,784)	-	-
Administrative expenses		(99,884)	(39,171)	(1,018)	(1,030)
Other operating expenses		(473)	(260)	-	-
Profit from operations	24	50,251	13,831	4,438	10,640
Finance costs	27	(56,293)	(19,714)	-	-
Results arising from investing activities	28	1,423	(1,028)	(208)	(177)
Share of results of a jointly controlled entity		1,020	(200)	-	-
(Loss) / profit before taxation		(3,599)	(7,111)	4,230	10,463
Taxation	29	(8,472)	(5,057)	(1,266)	(3,031)
		(12,071)	(12,168)	2,964	7,432
Minority interests		(4,420)	(3,515)	-	-
Net (loss) / profit for the year		(16,491)	(15,683)	2,964	7,432
Net dividends per share (sen)					
First interim	30	-	2.16	-	2.16
Loss per share (sen)					
Basic	31	(1.82)	(4.02)		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2006

MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

	Note	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits / (Accumulated Loss) RM'000	Total RM'000
<b>At 1 May 2004</b>		166,005	17,103	17,066	200,174
Issuance pursuant to the acquisition of Berjaya Times Square Sdn Bhd ("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 loss for the year		-	-	(15,683)	(15,683)
<b>At 30 April 2005</b>		905,050	312,621	(6,984)	1,210,687
<b>At 1 May 2005</b>		905,050	312,621	(6,984)	1,210,687
Net loss for the year		-	-	(16,491)	(16,491)
<b>At 30 April 2006</b>		905,050	312,621	(23,475)	1,194,196

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2006

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MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

	Note	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
<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
<b>At 1 May 2005</b>		905,050	312,621	15,116	1,232,787
Net profit for the year		-	-	2,964	2,964
<b>At 30 April 2006</b>		905,050	312,621	18,080	1,235,751

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



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2006

MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

	Note	2006 RM'000	2005 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		399,355	235,454
Payments to suppliers, prize winners and other operating expenses		(248,060)	(215,085)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(33,392)	(32,908)
Tax refund		40	628
Payment of taxes		(6,499)	(5,751)
Other (payment) / receipts	(a)	(110)	1,823
Net cash generated from / (used in) operating activities		111,334	(15,839)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		8	153
Acquisitions of property, plant and equipment	(b)	(2,043)	(1,324)
Acquisition of investments in subsidiary company		-	(948)
Cash inflow arising from acquisition of subsidiary company		-	24,228
Sale of other investments		188	-
Acquisition of other investment		(185)	-
Interest received		1,076	447
Dividends received		413	-
Other receipts arising from investments		-	514
Net cash (used in) / generated from investing activities		(543)	23,070
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of bank borrowings and loans		18,877	-
Repayment of borrowings and loan		(50,000)	-
Interest paid		(52,547)	(19,056)
Payment of hire purchase / lease liabilities		(42)	-
Dividends paid to shareholders of the Company		-	(8,367)
Dividends paid to minority shareholders		(4,102)	(3,862)
Advances from a director of subsidiary company		9,551	43,392
Repayment of advances from a director		(17,887)	-
Other receipts		-	219
Net cash (used in) / generated from financing activities		(96,150)	12,326
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		14,641	19,557
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		32,882	13,325
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(c)	47,523	32,882

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2006

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MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

- (a) In the previous financial year, other receipts in operating activities comprise mainly the Sarawak State sales tax received on behalf of Sarawak State Government and was subsequently paid.
- (b) The additions in property, plant and equipment were acquired by way of:

	2006 RM'000	2005 RM'000
Cash	2,043	1,324
Hire purchase	100	-
	2,143	1,324

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

	2006 RM'000	2005 RM'000
Deposits (Note 14)	38,141	24,798
Cash and bank balances (Note 14)	9,382	8,084
	47,523	32,882

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

Note	2006 RM'000	2005 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment for operating expenses	(320)	(511)
Tax refund	-	628
Net cash (used in) / generated from operating activities	(320)	117
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of other investments	188	-
Acquisition of plant and equipment	(12)	-
Acquisition of investments in subsidiary company	(185)	(948)
Interest received	162	45
Dividends received	3,290	7,917
Net cash generated from investing activities	3,443	7,014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Inter-company repayments / (advances)	6,363	(39)
Dividends paid to shareholders of the Company	-	(8,367)
Net cash generated from / (used in) financing activities	6,363	(8,406)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,486	(1,275)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	900	2,175
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	(a) 10,386	900

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

Deposits (Note 14)	10,277	750
Cash and bank balances (Note 14)	109	150
	10,386	900



## 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.

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 Level 13 - 01A (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.

The numbers of employees in the Group and in the Company at the end of the financial year were 709 (2005: 774) and 2 (2005: 2) 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 July 2006.

## 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 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 (CONTD.)****(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 Subsidiaries, Associates and Jointly controlled entity**

The Company's investments in subsidiaries, associates and jointly controlled entity are 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).

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%

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

First aid, themepark and foodcourt equipment	10 % - 20%
IMAX theatre and equipment	10 % - 20%
Motor vehicles	14 % - 20%
Others *	10 % - 20%

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

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.

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).

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****(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.

**(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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (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:

	2006 RM	2005 RM
Great Britain Pound	6.53	7.25
United States Dollar	3.63	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

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

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.

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.



**2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****(r) Financial Instruments (contd.)****(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.

**(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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (s) Revenue Recognition (contd.)

- (xi) Sale of food and beverages

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 1.5.05 RM'000	Additions RM'000	Write off / Disposals RM'000	Reclassification / Adjustments RM'000	Depreciation RM'000	Net book value as at 30.4.06 RM'000
Freehold buildings	164,239	-	-	-	(3,364)	160,875
Short term leasehold land and buildings	4,859	-	-	-	(101)	4,758
Plant, machinery and equipment	4,640	-	-	-	(729)	3,911
Computer equipment	4,700	852	(3)	(189)	(1,373)	3,987
Renovation and signage	12,865	162	-	(376)	(3,524)	9,127
Furniture, fittings and office equipment	8,039	577	(3)	401	(1,389)	7,625
First aid, theme park and food court equipment	32,657	32	-	(320)	(3,852)	28,517
IMAX theatre and equipment	20,571	137	-	-	(2,220)	18,488
Motor vehicles	1,012	383	-	-	(304)	1,091
Others	120	-	-	-	(35)	85
	253,702	2,143	(6)	(484)	(16,891)	238,464

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

<b>As at 30 April 2006</b>	<b>Cost RM'000</b>	<b>Accumulated Depreciation RM'000</b>	<b>Net book value RM'000</b>
Freehold buildings	168,206	7,331	160,875
Short term leasehold land and buildings	5,074	316	4,758
Plant, machinery and equipment	7,540	3,629	3,911
Computer equipment	10,834	6,847	3,987
Renovation and signage	17,595	8,468	9,127
Furniture, fittings and office equipment	12,600	4,975	7,625
First aid, theme park and food court equipment	38,483	9,966	28,517
IMAX theatre and equipment	21,621	3,133	18,488
Motor vehicles	2,405	1,314	1,091
Others	626	541	85
	<b>284,984</b>	<b>46,520</b>	<b>238,464</b>

**As at 30 April 2005**

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>

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

	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Cash	2,043	1,324
Hire purchase and leasing	100	-
	<b>2,143</b>	<b>1,324</b>

(b) Included in reclassification/adjustments for the current financial year is a cost adjustment amounting to RM484,000 (2005: RMNil) due to over accrual of acquisition cost in prior year.

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

- (c) 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	
	2006 RM'000	2005 RM'000
Freehold buildings	160,875	164,239
Short term leasehold land and buildings	4,758	4,859
Plant, machinery and equipment	61	2,042
Computer equipment	3,966	4,700
Renovation and signage	9,127	12,475
Furniture, fittings and office equipment	7,625	6,467
Food court equipment	-	319
Motor vehicles	848	1,012
IMAX theatre and equipment	18,488	20,571
Others	85	120
	<u>205,833</u>	<u>216,804</u>

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

	GROUP	
	2006 RM'000	2005 RM'000
At cost:		
Motor vehicles	40	35
Furniture, fittings and office equipment	1,096	630
Computers	556	522
Renovation	38	38

COMPANY	Net book value as at 1.5.05 RM'000	Additions RM'000	Write off / Disposals RM'000	Depreciation RM'000	Net book value as at 30.4.06 RM'000
Computer equipment	-	12	-	(2)	10
	<u>-</u>	<u>12</u>	<u>-</u>	<u>(2)</u>	<u>10</u>

As at 30 April 2006	Cost RM'000	Accumulated Depreciation RM'000	Net book value RM'000
Computer equipment	12	2	10
	<u>12</u>	<u>2</u>	<u>10</u>

### As at 30 April 2005

Computer equipment	-	-	-
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**4 INVESTMENT PROPERTIES**

	<b>GROUP</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
At cost :		
Freehold properties	1,304,962	1,306,189

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

**5 SUBSIDIARY COMPANIES**

	<b>COMPANY</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Unquoted shares at cost	977,160	977,160

The Group's effective equity interest in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 35 to the financial statements.

**6 JOINTLY CONTROLLED ENTITY**

	<b>GROUP</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Unquoted shares at cost	5,000	5,000
Share of post acquisition reserves	438	(190)
	5,438	4,810

The Group's share of profit after taxation of a jointly controlled entity which have been recognised in the financial statements amounted to RM628,000. In the previous year, the Group's share of losses after taxation of the jointly controlled entity which have been recognised in the financial statements amounted to RM200,000.

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

	<b>GROUP</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Property, plant and equipment	7,003	7,741
Current assets	661	1,454
Current liabilities	(2,226)	(4,385)
Net assets	5,438	4,810
Revenue	4,050	680
Expenses	(3,030)	(880)
Taxation	(392)	-



## 6 JOINTLY CONTROLLED ENTITY (CONTD.)

Name of Jointly Controlled Entity	Paid-up Capital RM	Effective interest (%)		Principal Activity
		2006 %	2005 %	
Berjaya - GSC Sdn Bhd	10,000,000	50	50	Cinema Operations

## 7 ASSOCIATED COMPANY

	GROUP	
	2006 RM'000	2005 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 35.

## 8 OTHER INVESTMENTS

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Quoted investments in Malaysia				
- Malaysian Government Securities	1,000	1,000	-	-
- shares	17,177	20,382	1,634	2,044
- loan stocks	10,852	2,509	185	-
	29,029	23,891	1,819	2,044
Unquoted investment				
- golf clubs corporate memberships	50	50	-	-
	29,079	23,941	1,819	2,044
Less : Accumulated impairment losses				
- shares	(10,254)	(9,258)	(900)	(949)
- loan stocks	(5,647)	(1,117)	(35)	-
	(15,901)	(10,375)	(935)	(949)
	13,178	13,566	884	1,095
Market value of:				
- Malaysian Government Securities	1,020	1,062	-	-
- Quoted shares	6,923	11,124	734	1,095
- Quoted loan stocks	5,205	1,392	150	-

**8 OTHER INVESTMENTS (CONTD.)**

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 affiliated companies, Berjaya Land Berhad ("BLB") and Berjaya Corporation Berhad ("BCorp") with a net book value of RM7,632,000 and RM3,762,000 respectively (2005: RM11,421,000 and RMNil).

Berjaya Land Berhad 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 ("BLB ICULS") at nominal value of RM1.00 each are constituted by a Trust Deed dated 21 December 1999 between BLB and the Trustee for the holders of BLB ICULS. The main features of the BLB ICULS are as follows:-

- (a) The BLB ICULS shall be convertible into ordinary shares of BLB during the period from 31 December 1999 to the maturity date on 30 December 2009 at the rate of RM1.00 nominal value of BLB ICULS or at the rate of RM1.00 nominal value of BLB ICULS for every one new ordinary share of RM1.00 each.
- (b) Upon conversion of the BLB ICULS into new BLB ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of BLB in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BLB ICULS are converted or any interim dividend declared prior to the date of conversion of the BLB ICULS.
- (c) Interest on BLB ICULS is receivable semi-annually in arrears until the maturity date.

Berjaya Corporation Berhad 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 ("BCorp ICULS") at nominal value of RM0.50 each are constituted by a Trust Deed dated 28 October 2005 between BCorp and the Trustee for the holders of BCorp ICULS. The main features of the BCorp ICULS are as follows:-

- (a) The BCorp ICULS shall be convertible into ordinary shares of BCorp during the period from 31 October 2005 to the maturity date on 30 October 2015 at the rate of two RM0.50 nominal value of BCorp ICULS or at the rate of RM0.50 nominal value of BCorp ICULS plus RM0.50 in cash for every one new ordinary share of RM1.00 each.
- (b) Upon the conversion of the BCorp ICULS into new BCorp ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of BCorp in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BCorp ICULS are converted or any interim dividend declared prior to the date of conversion of the BCorp ICULS.

**9 LONG TERM RECEIVABLE**

	COMPANY	
	2006 RM'000	2005 RM'000
Amount due from a subsidiary company	250,633	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.

## 10 GOODWILL ON CONSOLIDATION

	GROUP	
	2006 RM'000	2005 RM'000
At beginning of the year	219,975	179,323
Arising from acquisition of BTSSB	-	41,503
Impairment loss (Note 28)	(851)	(851)
At end of the year	219,124	219,975

## 11 OTHER INTANGIBLE ASSET

	GROUP	
	2006 RM'000	2005 RM'000
Right to receive Special Cash Sweep Lottery royalty revenue:		
At cost	6,963	6,963
Accumulated amortisation	(1,083)	(833)
Carrying value	5,880	6,130

## 12 INVENTORIES

	GROUP	
	2006 RM'000	2005 RM'000
At cost:		
Properties held for sale	280,199	311,670
Finished goods	2,755	9,778
Ticket stocks and souvenirs	195	233
Gaming equipment	1,027	1,062
	284,176	322,743

The properties held for sale and cost of finished goods recognised as an expense during the financial year in the Group amounted to RM42,969,000 (2005: RM8,835,000).

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

**13 RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Trade receivables	28,759	22,703	-	-
Other receivables	4,332	6,079	-	-
Deposits	2,605	2,653	-	-
Prepayments	4,062	3,751	95	56
Amounts due from affiliated companies	9,340	4,409	-	-
Amounts due from subsidiary companies	-	-	982	4,828
	49,098	39,595	1,077	4,884
Provision for doubtful debts - trade receivables	(26,130)	(21,598)	-	-
	22,968	17,997	1,077	4,884

The Group's normal trade credit term ranges from 7 to 30 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**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Deposits with:				
- Licensed banks	38,141	22,998	10,277	750
- Licensed finance companies	-	1,800	-	-
	38,141	24,798	10,277	750
Cash on hand and at banks	9,382	8,084	109	150
	47,523	32,882	10,386	900

Deposits with licensed banks of the Group and the Company amounting to RM1,433,000 and RM1,417,000 respectively (2005 : RM816,000 and RMNil) and cash at banks of the Group amounting to RM362,000 (2005: RM564,000) are pledged for bank guarantee facilities and syndicated credit facilities granted to the Group.

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 2006 were as follows:

	<b>Weighted average interest rates</b>		<b>Average maturities</b>	
	<b>2006 %</b>	<b>2005 %</b>	<b>2006 Days</b>	<b>2005 Days</b>
Licensed banks	2.8	2.8	1 - 184	1 - 139
Licensed finance companies	-	3.0	-	10 - 19

## 15 PAYABLES

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade payables	76,520	77,005	-	-
Provision for liquidated ascertained damages	4,456	4,456	-	-
Deposits refundable	25,042	22,086	-	-
Other payables and accruals	54,753	34,484	176	166
Amounts due to affiliated companies	14,250	13,481	-	2
Amount due to a jointly controlled entity	-	2,889	-	-
Amounts due to subsidiary companies	-	-	4,322	1,803
	175,021	154,401	4,498	1,971

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 RM13,984,000 (2005: RM12,735,000) at Group level which bears interest at 11% (2005: 11%) 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	
	2006 RM'000	2005 RM'000
<b>Short term borrowings</b>		
Secured:		
Term loan	2,550	-
Bridging loan	24,218	17,298
Syndicated credit facility	45,782	32,702
	72,550	50,000
<b>Long term borrowings</b>		
Secured:		
Term loan	16,327	-
Bridging loan	198,476	222,694
Syndicated credit facility	375,212	420,995
	590,015	643,689



## 16 BORROWINGS (CONTD.)

	GROUP	
	2006 RM'000	2005 RM'000
<b>Total borrowings</b>		
Term loan	18,877	-
Bridging loan	222,694	239,992
Syndicated credit facility	420,994	453,697
	<u>662,565</u>	<u>693,689</u>
 Maturity of borrowings		
Not later than 1 year	72,550	50,000
Later than 1 year and not later than 2 years	146,800	140,000
Later than 2 years and not later than 5 years	443,215	503,689
	<u>662,565</u>	<u>693,689</u>

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

	GROUP	
	2006	2005
Term loan	3.75%	-
Bridging loan	8.44%	7.99%
Syndicated credit facility	8.44%	7.99%

The borrowings are secured by the following:

- (i) investment properties and a debenture over assets of certain subsidiary companies of the Group;
- (ii) the assignment of sales proceeds and future rental by BTSSB for the entire development project;
- (iii) a third party first fixed and floating charge over a parcel of land valued at not less than RM32 million; and
- (iv) certain quoted shares owned by and a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun.

## 17 FINANCE LEASE PAYABLES

	GROUP	
	2006 RM'000	2005 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	61	23
Later than 1 year and not later than 2 years	61	23
Later than 2 years and not later than 5 years	37	51
	159	97
Less: Future finance charges	(18)	(14)
Present value of finance lease liabilities	141	83
<b>Present value of finance lease liabilities:</b>		
Not later than 1 year	50	16
Later than 1 year and not later than 2 years	56	20
Later than 2 years and not later than 5 years	35	47
	141	83
<b>Analysed as:</b>		
Due within 12 months	50	16
Due after 12 months	91	67
	141	83

The finance lease liabilities bear interest at rates ranging from 3.45% to 3.91% (2005: 3.45%) per annum.

## 18 SHARE CAPITAL

	GROUP AND COMPANY Ordinary shares of RM1.00 each			
	2006 No. of shares '000	2005 No. of shares '000	2006 Amount RM'000	2005 Amount RM'000
<b>Authorised:</b>				
At beginning of the year	5,000,000	500,000	5,000,000	500,000
Created during the year	-	4,500,000	-	4,500,000
At end of the year	5,000,000	5,000,000	5,000,000	5,000,000

**18 SHARE CAPITAL (CONTD.)**

	GROUP AND COMPANY Ordinary shares of RM1.00 each			
	2006	2005	2006	2005
	No. of shares		Amount	
	'000	'000	RM'000	RM'000
<b>Issued and fully paid:</b>				
At beginning of the year	905,050	166,005	905,050	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	905,050	905,050	905,050

**19 SHARE PREMIUM**

	GROUP AND COMPANY	
	2006 RM'000	2005 RM'000
At beginning of the year	312,621	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 end of the year	312,621	312,621

**20 RESERVES**

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
(Non-distributable) / Distributable reserve:				
(Accumulated loss) / Retained profits	(23,475)	(6,984)	18,080	15,116

## 20 RESERVES (CONTD.)

As at 30 April 2006, the Company has tax exempt income amounting to RM30,791,000 (2005: 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

	<b>GROUP</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Amount due to a major shareholder	89,726	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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>	<b>2006 RM'000</b>	<b>2005 RM'000</b>
At beginning of the year	18,193	726	-	-
Arising from acquisition of subsidiary company	-	17,718	-	-
Transfer to income statement (Note 29)	(563)	(251)	2	-
At end of the financial year	17,630	18,193	2	-

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

### Deferred Tax Liabilities of the Group

	<b>Property, plant and equipment and investment properties RM'000</b>	<b>Land and development expenses RM'000</b>	<b>Accelerated capital allowances RM'000</b>	<b>Total RM'000</b>
At beginning of the year	31,739	12,053	44,278	88,070
Recognised in the income statement	(194)	(577)	9,771	9,000
At end of the financial year	31,545	11,476	54,049	97,070

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

	<b>Tax losses and unabsorbed capital allowances RM'000</b>	<b>Unutilised investment tax allowance RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
At beginning of the year	(61,727)	(4,506)	(3,644)	(69,877)
Recognised in the income statement	(408)	1,735	(10,890)	(9,563)
At end of the financial year	(62,135)	(2,771)	(14,534)	(79,440)

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

	<b>GROUP</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Unabsorbed tax losses	37,989	23,633
Unabsorbed capital allowances	17,119	13,890
	55,108	37,523

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 subject to there being no substantial changes in shareholdings of the subsidiary companies under Section 44(5A) and (5B) of the Income Tax Act, 1967. 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>2006 RM'000</b>	<b>2005 RM'000</b>
Sale of properties	61,683	(1,860)
Sale of goods	37,508	11,647
Property management	15,832	4,812
Sale of themepark and IMAX theatre tickets	16,146	4,128
Sale of food, beverages and others	1,183	313
Rental income	64,229	17,950
Gaming ticket sales less gaming tax	193,335	181,411
Gaming terminal sales	216	-
	390,132	218,401

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



## 23 REVENUE (CONTD.)

### Company

	2006 RM'000	2005 RM'000
Gross dividends from subsidiary companies	4,569	10,996
Management fees from subsidiary companies	629	629
Management fees from associated company	96	-
	<u>5,294</u>	<u>11,625</u>

## 24 PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Profit from operations is stated after charging / (crediting):				
Gaming royalty	1,052	987	-	-
Depreciation of property, plant and equipment	16,891	6,840	2	-
Directors' remuneration:				
- fees	190	190	60	60
- other emoluments	340	285	267	202
Auditors' remuneration:				
- statutory audit	177	81	25	25
- other services	46	101	5	5
Amortisation of other intangible asset	250	250	-	-
Allowance for doubtful debts	4,532	1,183	-	-
Provision for slow moving inventories	2,500	-	-	-
Inventories written off	84	1,020	-	-
Bad debts written off	-	5	-	-
Hire of plant and machinery	13	-	-	-
Rental of land and buildings	316	64	-	-
Staff costs (Note 25)	21,394	9,817	218	223
Interest income	(1,076)	(508)	(162)	(45)
Gain on disposal of property, plant and equipment	(1)	(59)	-	-

**25 STAFF COSTS**

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Wages and salaries	17,028	7,507	160	149
Bonus	799	790	33	39
EPF contributions	1,926	897	23	23
Social security organisation contributions	260	100	1	-
Short term accumulating compensated absences	(43)	73	1	12
Other staff related expenses	1,424	450	-	-
	21,394	9,817	218	223

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Directors of the Company</b>				
Executive:				
Fees	20	2	-	-
Salary and other emoluments	255	191	255	191
	275	193	255	191
Non-Executive:				
Fees	70	79	60	60
Other emoluments	12	11	12	11
	82	90	72	71
<b>Directors of the subsidiary companies</b>				
Fees	100	109	-	-
Other emoluments	73	83	-	-
	173	192	-	-
Total	530	475	327	262

## 27 FINANCE COSTS

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Interest expense:				
- borrowings	55,044	19,320	-	-
- an affiliated company	1,249	394	-	-
	56,293	19,714	-	-

## 28 RESULTS ARISING FROM INVESTING ACTIVITIES

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Dividend income	8,023	-	-	-
Loss on disposal of other investment	(31)	-	(31)	-
Impairment in value of quoted investment (Note 33)	(5,718)	(177)	(177)	(177)
Impairment in value of goodwill (Notes 10 and 33)	(851)	(851)	-	-
	1,423	(1,028)	(208)	(177)

Included in impairment in value of quoted investment is an amount of RM192,000 relating to certain shares that were disposed during the financial year.

## 29 TAXATION

	GROUP		COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Income tax :				
Malaysian income tax	8,629	5,307	1,264	3,016
Under provision in prior years	14	1	-	15
	8,643	5,308	1,264	3,031
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	(563)	(215)	2	-
Over provision in prior years	-	(36)	-	-
	(563)	(251)	2	-
Share of taxation of a jointly controlled entity	392	-	-	-
	8,472	5,057	1,266	3,031

**29 TAXATION (CONTD.)**

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2005: 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%

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
(Loss) / profit before taxation	(3,599)	(7,111)	4,230	10,463
Taxation at Malaysian statutory tax rate of 28%	(1,008)	(1,991)	1,184	2,930
Effect of income subject to tax rate of 20%	(40)	(40)	-	-
Effect of expenses not deductible for tax purposes	2,840	2,118	82	86
Effect of income not subject to tax	-	(264)	-	-
Deferred tax asset not recognised during the year	6,494	5,269	-	-
Under /(Over) provision of deferred tax expense in prior years	172	(36)	-	-
Under provision of tax expense in prior years	14	1	-	15
Tax expense for the year	8,472	5,057	1,266	3,031

**30 DIVIDENDS**

	GROUP AND COMPANY			
	Amount		Net Dividends Per Share	
	2006 RM'000	2005 RM'000	2006 Sen	2005 Sen
Interim dividend of 3% less 28% income tax, on 166,004,680 ordinary shares, declared on 1 December 2004 and paid on 20 January 2005	-	3,586	-	2.16

The Directors do not recommend any dividend in respect of the current financial year. In the previous financial year, the Company accounted for an interim dividend of 4% less 28% income tax in respect of financial year ended 30 April 2004 amounting to RM4,781,000 as appropriation of its retained profits.

## 31 LOSS PER SHARE

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

	2006	2005
Net loss for the year (RM'000)	(16,491)	(15,683)
Weighted average number of ordinary shares in issue ('000)	905,050	390,416
Basic loss per share (sen)	(1.82)	(4.02)

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	GROUP		COMPANY	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Management fee receivable from subsidiary companies		-	-	(629)	(629)
Management fee receivable from associated company		(96)	-	(96)	-
Management fee payable to					
- Berjaya Land Berhad	a	240	240	240	240
Interest expense payable to					
- Prime Credit Leasing Sdn Bhd	a	1,249	394	-	-
Rental income, service charges and other related income receivable from					
- Berjaya Starbucks Coffee Company Sdn Bhd	a	(960)	(400)	-	-
- Berjaya HVN Sdn Bhd	a	(166)	(102)	-	-
- Berjaya Roasters (M) Sdn Bhd	a	(600)	(200)	-	-
- Cosway (M) Sdn Bhd	a	(338)	(113)	-	-
- Quasar Carriage Sdn Bhd	a	-	(8)	-	-
- Berjaya Vacation Club Berhad	a	(32)	(6)	-	-
- Convenience Shopping Sdn Bhd	b	(166)	(115)	-	-
- DiGi Telecommunications Sdn Bhd ("DiGi")	c	(700)	(196)	-	-
- Berjaya Hospitality Services Sdn Bhd	a	(10,409)	(7,500)	-	-
- MiTV Corporation Sdn Bhd ("MiTV")	g	(30)	-	-	-
- Berjaya Retail Sdn Bhd	a	(617)	-	-	-
- Berjaya Books Sdn Bhd	a	(3,195)	-	-	-
- Restoran Rasa Utara Sdn Bhd ("Rasa Utara")	d	(296)	(96)	-	-
		(17,509)	(8,736)	-	-

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	GROUP		COMPANY	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Service charges and sinking funds receivable from:					
- Ambilan Imej Sdn Bhd	a	(1,464)	(488)	-	-
- Berjaya Golf Resort Berhad	a	(46)	(15)	-	-
- Dian Kristal Sdn Bhd	a	(3,055)	(461)	-	-
- Nada Embun Sdn Bhd	a	(1,542)	(514)	-	-
- Lambang Potensi Sdn Bhd ("LPSB")	e	-	(3)	-	-
- Magna Mahsuri Sdn Bhd	f	(1,526)	(509)	-	-
		(7,633)	(1,990)	-	-
Parking charges receivable from:					
- Berjaya Land Berhad	a	(4)	-	-	-
- Berjaya Resort Management Services Sdn Bhd	a	(2)	-	-	-
- Inter-Pacific Securities Sdn Bhd	a	(102)	-	-	-
- Prime Credit Leasing Sdn Bhd	a	(11)	-	-	-
- Sports Toto Malaysia Sdn Bhd	f	(89)	-	-	-
		(208)	-	-	-
Service charges and maintenance of air-conditioning system payable to Topgroup M&E Services Sdn Bhd	a	795	141	-	-
Purchase of air-conditioning equipment, contract pertaining to maintenance and services of air-conditioning equipment payable to Dunham-Bush Sales & Services Sdn Bhd	a	250	-	-	-
Advertisement and promotional material expenses payable to Novacomm Integrated Sdn Bhd	a	1,309	266	-	-
Hotel management fee payable to Berjaya Hospitality Services Sdn Bhd	a	270	-	-	-
Promotion, advertisement and publishing expenses payable to Sun Media Corporation Sdn Bhd	i	122	-	-	-
Receipt of share registration services and related expenses payable to Berjaya Registration Services Sdn Bhd	a	26	-	-	-



## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	GROUP		COMPANY	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
IT consultancy, management and maintenance services payable to Qinetics Solutions Berhad	h	857	-	-	-
Procurement of betting terminals from International Lottery & Totalizator Systems, Inc	f	1,101	1,424	-	-

The nature of the related party relationships are as follows:

- (a) Subsidiary company / member company of Berjaya Corporation Berhad ("BCorp"). Deemed a related party by virtue of the interests of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan"), Tan Sri Dato' Tan Chee Sing ("TSDT"), Dato' Robin Tan Yeong Ching ("DRT") and Rayvin Tan Yeong Sheik ("RTYS") in BCorp. Tan Sri Vincent Tan, TSDT, DRT and RTYS are persons connected with each other.
- (b) Subsidiary company of Intan Utilities Berhad ("Intan"). Deemed a related party by virtue of Tan Sri Vincent Tan's interests in Intan.
- (c) DiGi is a wholly owned subsidiary of DiGi.Com Berhad. Tan Sri Vincent Tan is deemed interested by virtue of his interests in DiGi.Com Berhad. He ceased to be a major shareholder of DiGi.Com Berhad in October 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 38.34% interest in UPC and his 96.99% interest in B&B Enterprise Sdn Bhd which in turn has 61.17% 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% interest 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.
- (g) Tan Sri Vincent Tan is a major shareholder of Vecc-Men Holdings Sdn Bhd which holds 1.64% equity interest in MiTV. He owns a direct interest of 40.88% in MiTV.
- (h) Tan Sri Vincent Tan and BCorp are major shareholders of Qinetics Solutions Berhad ("Qinetics") by virtue of their interests in MOL.com Berhad which in turn has 98.36% interest in Qinetics. DRT, a son of Tan Sri Vincent Tan is the Chairman of MOL.com Berhad. He has 2,100 ordinary shares of RM1.00 each in MOL.com Berhad.
- (i) Sun Media Corporation Sdn Bhd ("Sun Media") is a wholly owned subsidiary of Nexnews Berhad. Tan Sri Vincent Tan is the Chairman of Nexnews Berhad and a director of Sun Media. Tan Sri Vincent Tan, Berjaya Capital Berhad and BCorp are major shareholders of Nexnews Berhad.

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	2006 Inter- segment RM'000	Total RM'000	External RM'000	2005 Inter- segment RM'000	Total RM'000
Gaming and related activities	193,551	-	193,551	181,411	-	181,411
Property development and property investment	141,556	-	141,556	20,902	-	20,902
Recreation	17,517	-	17,517	4,441	-	4,441
Trading and others	37,508	3,678	41,186	11,647	3,451	15,098
Inter-segment eliminations	-	(3,678)	(3,678)	-	(3,451)	(3,451)
	390,132	-	390,132	218,401	-	218,401

Results	2006 RM'000	2005 RM'000
Gaming and related activities	22,319	15,132
Property development and property investment	34,160	318
Recreation	(3,042)	(4,097)
Trading and others	(3,375)	2,793
	50,062	14,146
Unallocated corporate expenses	(887)	(823)
Interest income	1,076	508
Profit from operations	50,251	13,831
Interest expense	(56,293)	(19,714)
Results arising from investing activities	1,423	(1,028)
Share of results of a jointly controlled entity	1,020	(200)
Loss before taxation	(3,599)	(7,111)
Taxation	(8,472)	(5,057)
Loss after taxation	(12,071)	(12,168)
Minority interests	(4,420)	(3,515)
Net loss for the year	(16,491)	(15,683)

## 33 SEGMENTAL INFORMATION (CONTD.)

### (a) Business segments (contd.):

Assets and liabilities	2006		2005	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Gaming and related activities	182,214	18,809	180,267	17,516
Property development and property investment	1,677,755	138,389	1,697,764	133,906
Recreation	212,174	15,491	223,744	14,608
Trading and others	51,255	4,053	64,311	7,726
Segment assets/liabilities	2,123,398	176,742	2,166,086	173,756
Investment in a jointly controlled entity	5,438	-	4,810	-
Unallocated corporate assets/liabilities	13,141	769,765	7,271	792,070
Consolidated assets/liabilities	2,141,977	946,507	2,178,167	965,826

Other information	2006			2005		
	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	805	987	-	366	1,036	-
Property development and property investment	752	1,523	4,532	307	498	1,188
Recreation	295	9,739	-	580	3,293	-
Trading and others	279	4,890	2,584	71	2,263	1,020
Unallocated	12	2	-	-	-	-
	2,143	17,141	7,116	1,324	7,090	2,208

Impairment losses	2006 RM'000	2005 RM'000
Property development and property investment (Note 28)	5,541	-
Trading and others (Note 28)	851	851
Unallocated (Note 28)	177	177
	6,569	1,028

### (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 requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and 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.

**(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 2006 are not materially different from their fair values due to the relatively short term nature of these financial instruments.

## 35 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2006 %	2005 %
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	100
Subsidiary of Dayadil Sdn Bhd				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Imej Jasa Sdn Bhd				
Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100	100
Muara Tebas Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Natural Avenue Sdn Bhd				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100	100
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Berjaya Times Square Sdn Bhd				
Berjaya TS Management Sdn Bhd	Malaysia	Property management	100	100
Cosmo's World Theme Park Sdn Bhd	Malaysia	Operation of theme park and IMAX theatre	100	100
TS Service Suites Sdn Bhd	Malaysia	Property management	100	100
BTS Department Store Sdn Bhd	Malaysia	Operation of departmental stores	100	100
Shasta Supermarket Sdn Bhd	Malaysia	Supermarket operations	100	100
10th Avenue Food Mall Sdn Bhd	Malaysia	Food mall management	100	100
Associated Company				
Megaquest Sdn Bhd	Malaysia	Investment holding	50	50

\* Effective interest

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

The Group does not adopt a policy of regular revaluation.

Other than as disclosed in Notes 13, 15, 16, 26, 27 and 32 of the audited financial statements for the financial year ended 30 April 2006, neither Matrix International Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

The amount of non-audit fees incurred by the Group for the financial year ended 30 April 2006 amounted to RM46,000.



# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2006

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MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Berjaya Registration Services Sdn Bhd, a wholly owned subsidiary of Berjaya Group Berhad ("BGroup") which in turn is a wholly owned subsidiary of Berjaya Corporation Berhad ("BCorp")	Matrix	Receipt of share registration services.	26
Inter-Pacific Trading Sdn Bhd, a 70% owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	Berjaya TS Management ("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.	96
Berjaya Books Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB	Rental income receivable for renting of shoplots at 01-66, 02-49, 02-52, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	2,301
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	894
Berjaya Roasters (M) Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB	Rental income receivable for renting of a shoplot at 03-98, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	558
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	42
Berjaya Retail Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB	Rental income receivable for renting of a shoplot at G-01, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	574
	Berjaya TS	Rental income receivable for renting of shoplots at G-35,36,37, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.  Receipt of service charges and advertising fund for abovementioned premises.	43
Berjaya Starbucks Coffee Company Sdn Bhd, a 50.09% owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB	Rental income receivable for renting of a shoplot at G-11, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	899
	Berjaya TS	Rental income receivable for renting of a shoplot at 03-90, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.  Receipt of service charges and advertising fund for abovementioned premises.	61
Novacomm Integrated Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	Matrix, BTSSB and CWTP	Procurement of promotion, advertising and publishing services.	1,309
Berjaya Land Berhad ("BLand")	Matrix	Management fee payable for services rendered that includes inter-alia, the provision of finance, corporate, secretarial and general administrative services.	240

# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2006

MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Dian Kristal Sdn Bhd, a wholly owned subsidiary of Berjaya Vacation Club Berhad ("BVC"), which in turn is a wholly owned subsidiary of BLand  Nada Embun Sdn Bhd, a wholly owned subsidiary of BLand  Berjaya Golf Resort Berhad, a wholly owned subsidiary of BVC, which in turn is a wholly owned subsidiary of BLand	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises.	4,643
Berjaya Hospitality Services Sdn Bhd, a wholly owned subsidiary of BVC, which in turn is a wholly owned subsidiary of BLand	TS Suites and BTSSB	Rental income receivable for renting of service suites at Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	10,409
BVC, a wholly owned subsidiary of BLand	BTSSB	Rental income receivable for renting of event space.	32
Inter-Pacific Securities Sdn Bhd ("IPS"), a wholly owned subsidiary of Inter-Pacific Capital Sdn Bhd ("IPC"), which in turn is a 89.46% owned subsidiary of Berjaya Capital Berhad ("BCapital")	Berjaya TS	Magazine advertising charges receivable.	2
Ambilan Imej Sdn Bhd ("AISB"), a 99.99% subsidiary of IPC, which in turn is a 89.46% owned subsidiary of BCapital	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises.	1,464
Prime Credit Leasing Sdn Bhd, a wholly owned subsidiary of BCapital  IPS	BTSSB	Parking charges receivable.	11
Magna Mahsuri Sdn Bhd, a wholly owned subsidiary of Berjaya Sports Toto Berhad ("BToto")	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises.	1,526
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 BToto	Natural Avenue Sdn Bhd	Procurement of computerised lottery system and related services.	1,101
Sports Toto Malaysia Sdn Bhd, a wholly owned subsidiary of BToto	BTSSB	Parking charges receivable.	89
Cosway (M) Sdn Bhd ("CMSB"), a wholly owned subsidiary of Cosway Corporation Berhad ("Cosway Corp")	BTSSB	Rental income receivable for renting of shoplots at 06-18, 06- 19, 06-20, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	300
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	38
Berjaya HVN Sdn Bhd, a 63.72% owned subsidiary of Cosway Corp	BTSSB	Rental income receivable for renting of a shoplot at 01-55, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	145
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise.	13

# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2006

65

MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Berjaya HVN Sdn Bhd, a 63.72% owned subsidiary of Cosway Corp	BTS Department	Concession fee receivable based on 10% of Berjaya HVN's products sales in Debenhams, Berjaya Times Square.	8
Kimia Suchi Marketing Sdn Bhd, a wholly owned subsidiary of Kimia Suchi Sdn Bhd, which in turn is a 82% owned subsidiary of CMSB, a wholly owned subsidiary of Cosway Corp	BTSSB	Purchase of cleaning chemical products.	1
DunBush Sales & Services Sdn Bhd, a wholly owned subsidiary of Dunham-Bush (Malaysia) Bhd ("DunBush")  Dunham-Bush Industries Sdn Bhd, a wholly owned subsidiary of DunBush  Topaire Sales & Services Sdn Bhd, 60% owned subsidiary of DunBush  Topgroup M & E Service Sdn Bhd, a 80% owned subsidiary of DunBush	BTSSB and Berjaya TS	Purchase of air-conditioning equipment, contract pertaining to maintenance and service of air conditioning equipment.	1,045
Qinetics Solutions Berhad ("Qinetics") (a)	BTSSB, CWTP, Shasta Supermarket Sdn Bhd, 10th Avenue Food Mall Sdn Bhd, Berjaya TS and BTS Department	Receipt of IT consultancy, management and maintenance services.	857
Convenience Shopping Sdn Bhd ("CSSB") (b)	BTSSB  Berjaya TS	Rental income receivable for renting of a shoplot at G-18A, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.  Receipt of service charges and advertising fund for abovementioned premise.	150  16
Restoran Rasa Utara Sdn Bhd ("Rasa Utara") (c)	BTSSB  Berjaya TS	Rental income receivable for renting of a shoplot at 03-90, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.  Receipt of service charges and advertising fund for abovementioned premise.	248  48
Quasar Carriage Sdn Bhd ("Quasar") (d)	Matrix and BTSSB	Purchase of motor vehicles, component parts and other related products and services.	125
MiTV Corporation Sdn Bhd ("MiTV") (e)	BTSSB	Rental income receivable for renting of display area.	30
Sun Media Corporation Sdn Bhd ("Sun Media") (f)	Matrix and CWTP	Procurement of promotion, advertising and publishing services from Sun Media.	122
DiGi Telecommunications Sdn Bhd ("DiGi") (g)	BTSSB	Rental income receivable for renting of shoplots at 15-03, 16-03, B1-01, TB-ROOF-01, 01-35, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. Rental is payable on a monthly basis. Tenure of the rental agreement is for a period of 3 years and renewable thereafter.	192

# RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2006

MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
DiGi Telecommunications Sdn Bhd ("DiGi") (g)	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises.	8
	CWTP	Film sponsorship for IMAX Theatre receivable at RM250,000 quarterly.	500
<b>Total</b>			<b>30,166</b>

## Notes:

- Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") and BCorp are major shareholders of Qinetix by virtue of their shareholding in MOL.com Berhad which in turn has 98.36% in Qinetix. Dato' Robin Tan Yeong Ching, a son of TSVT is the Chairman of MOL.com Berhad. He has 2,100 ordinary shares of RM1.00 each in MOL.com Berhad.
- Subsidiary company of Intan Utilities Berhad ("Intan"). Deemed a related party by virtue of TSVT's interests in Intan.
- Rasa Utara is a 25% associated company of United Prime Corporation Berhad ("UPC"). TSVT is a major shareholder of Rasa Utara by virtue of his 38.34% interest in UPC and his 96.99% interest in B&B Enterprise Sdn Bhd which in turn has 61.17% equity interest in UPC.
- BCorp is a major shareholder of Quasar by virtue of its interest in BGroup, which in turn has 19.99% interest in Quasar. TSVT is deemed a major shareholder of Quasar by virtue of his interest in BCorp.
- TSVT is a major shareholder of Vecc-Men Holdings Sdn Bhd which holds 1.64% equity interest in MiTV. He owns a direct interest of 40.88% in MiTV.
- Sun Media is a wholly owned corporation of Nexnews Berhad. TSVT is the Chairman of Nexnews Berhad and a director of Sun Media. TSVT, BCapital and BCorp are major shareholders of Nexnews Berhad.
- DiGi is a wholly owned subsidiary of DiGi.Com Berhad. TSVT is deemed interested by virtue of his interests in DiGi.Com Berhad. He ceased to be a major shareholder in DiGi.Com Berhad in October 2005.

## ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of shares	%
less than 100	198	5.66	7,126	0.00
100 - 1,000	241	6.89	186,660	0.02
1,001 - 10,000	1,897	54.22	9,511,879	1.05
10,001 - 100,000	845	24.15	31,819,590	3.52
100,001 - 45,252,518	314	8.97	363,825,435	40.20
45,252,519* and above	4	0.11	499,699,695	55.21
<b>Total</b>	<b>3,499</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 share 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	176,674,549	19.521
2. ABB 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. Cimsec Nominees (Tempatan) Sdn Bhd <i>BCB For Portal Access Sdn Bhd (Banking)</i>	25,000,000	2.762
6. Portal Access Sdn Bhd	21,342,920	2.358
7. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>UOB Kay Hian Private Limited For Mohsein Hyder (TPC)</i>	20,239,000	2.236
8. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Arsam Bin Damis (AA0023)</i>	20,236,548	2.236
9. Southern Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	16,900,000	1.867
10. Ambilan Imej Sdn Bhd	13,536,527	1.496
11. AMMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tengku Rethwan Bin Tengku Mansor (DTR002)</i>	13,000,000	1.436
12. Southern Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dian Kristal Sdn Bhd (GBSB)</i>	12,000,000	1.326
13. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Han Kook (AT0062)</i>	11,932,000	1.318
14. Southern Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Nada Embun Sdn Bhd (GBSB)</i>	10,000,000	1.105
15. Cimsec Nominees (Tempatan) Sdn Bhd <i>BCB For Berjaya Land Bhd (Banking 30)</i>	10,000,000	1.105
16. Magna Mahsuri Sdn Bhd	8,749,001	0.967
17. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Bhd</i>	8,200,000	0.906
18. Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Kok Ping (07246AP2828)</i>	7,200,000	0.796
19. Dumez Jaya Sdn Bhd	7,151,078	0.790
20. Berjaya Capital Berhad	6,740,000	0.745
21. Berjaya General Insurance Berhad	6,634,000	0.733
22. Dian Kristal Sdn Bhd	6,423,015	0.710
23. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Berjaya Land Berhad (BBB)</i>	6,130,000	0.677
24. Affin Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Pte Ltd For Mohsein Hyder (TPC)</i>	5,224,500	0.577
25. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Alliance Merchant Nominees ( Tempatan ) Sdn Bhd For Portal Access Sdn Bhd</i>	4,900,000	0.541
26. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Pantai Cemerlang Sdn Bhd</i>	4,815,048	0.532
27. Kamarudin Bin Jaffar	4,578,173	0.506
28. Maju Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	4,557,000	0.504
29. HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FC For Legg Mason Southeast Asia Special Situations Trust (201061)</i>	4,378,500	0.484
30. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Portal Access Sdn Bhd (BB)</i>	4,240,000	0.468
	<b>763,807,005</b>	<b>84.394</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 8 AUGUST 2006

Name of Substantial Shareholder	No. of Ordinary Shares of RM1.00 each				
	Direct Interest	%	Indirect Interest	%	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	458,961,549	50.71	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
Berjaya Corporation Berhad	-	-	152,414,006	(e)	16.84
Hotel Resort Enterprise Sdn Bhd	-	-	152,414,006	(f)	16.84
Bakat Rampai Sdn Bhd	63,025,146	6.96	-		-
Dijaya Corporation Berhad	-	-	63,025,146	(g)	6.96
Tan Sri Dato' Tan Chee Sing	-	-	63,025,146	(h)	6.96
Golden Diversity Sdn Bhd	-	-	63,025,146	(i)	6.96

## NOTES:-

- (a) Deemed interested by virtue of his interest in Berjaya Corporation 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 Berjaya Group Berhad.
- (f) Deemed interested by virtue of its interest in Berjaya Corporation Berhad.
- (g) Deemed interested by virtue of its 100% interest in Bakat Rampai Sdn Bhd.
- (h) Deemed interested by virtue of his controlling interest in Dijaya Corporation Berhad.
- (i) Deemed interested by virtue of its interest in Dijaya Corporation Berhad.

## STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 8 AUGUST 2006

	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	-	-	-	-	-

Save as disclosed, none of the above Directors in office has any interest in the shares of the Company or its related corporations as at 8 August 2006.



NOTICE IS HEREBY GIVEN THAT the Forty-Sixth Annual General Meeting of the Company will be held at Bronx V, Level 14, West Tower, Berjaya Times Square Hotel & Convention Center, No.1 Jalan Imbi, 55100 Kuala Lumpur on Monday, 9 October 2006 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 2006 and the Directors' and Auditors' Reports thereon. | <b>RESOLUTION 1</b>                        |
| 2.. | To approve the payment of Directors' fees amounting to RM60,000 for the year ended 30 April 2006.   | <b>RESOLUTION 2</b>                        |
| 3.  | To re-elect the following Directors:<br>a) Datuk Robert Yong Kuen Loke<br>b) Heng Kiah Choong   | <b>RESOLUTION 3</b><br><b>RESOLUTION 4</b> |
| 4.  | To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.  | <b>RESOLUTION 5</b>                        |
| 5.  | As special business:  |  |

To consider and, if thought fit, pass the following Ordinary Resolutions:

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

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

**RESOLUTION 6**

**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 15 September 2006 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 7

By Order of the Board

SU SWEE HONG  
Secretary

Kuala Lumpur  
15 September 2006

#### NOTES:-

##### (A) APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) 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, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

##### (B) SPECIAL BUSINESS

1. Resolution 6 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will give the Directors of the Company, from the date of the above annual general meeting, authority to issue and allot shares not exceeding 10% of the existing issued and paid-up share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
2. Resolution 7 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 7 is set out in the Circular to Shareholders dated 15 September 2006 attached to the Annual Report.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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MATRIX INTERNATIONAL BERHAD (COMPANY NO. 3907-W)

1. The Directors standing for re-election at the Forty-Sixth Annual General Meeting of the Company to be held at the Bronx V, Level 14, West Tower, Berjaya Times Square Hotel & Convention Center, No.1 Jalan Imbi, 55100 Kuala Lumpur on Monday, 9 October 2006 at 10.00 a.m. are as follows:

Pursuant to Article 102 of the Company's Articles of Association on retirement by rotation:

- a) Datuk Robert Yong Kuen Loke
- b) Heng Kiah Choong

The Directors' Profile of the above two Directors are set out on pages 3 and 4 of the Annual Report. The information relating to the Directors' shareholdings in the Company and its related corporations is set out on page 68 of the Annual Report.

2. Details of Attendance of Directors at Board Meetings held during the financial year ended 30 April 2006 are set out on page 15 of the Annual Report.

**Berjaya Times Square Sdn Bhd**

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

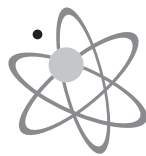
**Miri Regional Office**

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**

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



## 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-Sixth Annual General Meeting of the Company to be held at Bronx V, Berjaya Times Square Hotel & Convention Center, No.1 Jalan Imbi, 55100 Kuala Lumpur on Monday, 9 October 2006 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 Datuk Robert Yong Kuen Loke as Director.		
RESOLUTION 4 – To re-elect Heng Kiah Choong as Director.		
RESOLUTION 5 – To re-appoint Auditors.		
RESOLUTION 6 – To approve authority to allot and issue shares.		
RESOLUTION 7 – To approve mandate on Recurrent Related Party Transactions.		

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

No. of Shares Held

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006

### NOTES:

- A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his 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.
- 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.
- 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.
- The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

FOLD THIS FLAP SEALING

AFFIX STAMP

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

2ND FOLD HERE

1ST FOLD HERE





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