



Matrix International Berhad

Incorporated in Malaysia (Company No. 3907-W)

ANNUAL REPORT 2007



BERJAYA TIMES SQUARE
KUALA LUMPUR





Contents

1 Corporate Information	21 Financial Statements	87 Notice of Annual General Meeting
2 Profile of Board of Directors	78 List of Properties	89 Statement Accompanying Notice of Annual General Meeting
5 Chairman's Statement	78 Material Contracts	90 Group Addresses
12 Group Financial Highlights	78 Additional Information	Form of Proxy
14 Audit and Risk Management Committee Report	79 Recurrent Related Party Transactions of Revenue Nature	
17 Statement on Corporate Governance	85 Statistics on Shareholdings	
20 Statement on Internal Control	86 Statement of Directors' Shareholdings	



Corporate Information

BOARD OF DIRECTORS

Chan Kien Sing (Chairman)
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
AmInvestment Bank Berhad
AmBank (M) Berhad
Affin Bank Berhad
Bank Pembangunan Malaysia Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad

STOCK SHORT NAME

MATRIX (3239)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



1. Borders bookstore provides customers with books, music and films in a relaxing, enjoyable atmosphere.
2. IMAX theatre boasts a towering 5-storey high 3D movie screen, the largest in South East Asia.
3. Kids' corner at Cosmo's World Theme Park.

Profile of Board of Directors

CHAN KIEN SING

Chairman

Non-Independent Non-Executive

51 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.

DATUK ROBERT YONG KUEN LOKE

Non-Independent Non-Executive

55 years of age, Malaysian



He was appointed to the Board on 9 April 2001. He is a Fellow member of The Institute of Chartered Accountants (England and Wales) and The Association of Chartered Certified Accountants (United Kingdom) and a member of The Institute of Certified Public Accountants of Singapore. He is also a Council Member of Malaysian Institute of Certified Public Accountants. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked for more than five years in chartered accounting firms in London, including two years with Moore Stephens & Co. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. Prior to joining 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 also an Executive Director of Berjaya Corporation Berhad, Berjaya Land Berhad and Berjaya Sports Toto Berhad. He is also a Director of Berjaya Capital Berhad, Cosway Corporation Berhad, Berjaya Group Berhad, Berjaya Golf Resort Berhad and several other private limited companies.

LIM MENG KWONG

Non-Independent Non-Executive
54 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
58 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, a Member of the World Tenpin Bowling Association Marketing Committee and Marketing Committee of Olympic Council of Malaysia. His company is the marketing representative of the International Sepak Takraw Federation responsible in the marketing and promotion of sepak takraw and distribution of sepak takraw equipment.

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

Profile of Board of Directors

DATO' MOHD SALLEH BIN AHMAD

Independent Non-Executive
65 years of age, Malaysian



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

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

Save as disclosed, none of the Directors have:

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



Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Matrix International Berhad for the financial year ended 30 April 2007.

Chairman's Statement



FINANCIAL RESULTS

For the financial year ended 30 April 2007, the Group recorded a higher revenue of RM400.1 million as compared to RM390.1 million in the previous year mainly attributed to higher property sales arising from the completion of the sale of 175 units of fully furnished service suites and 6 units of penthouse service suites by Berjaya Times Square Sdn Bhd ("BTSSB"). The gaming business operated through Natural Avenue Sdn Bhd ("NASB") registered a higher revenue growth of 1.7% compared to the previous year in spite of having three draws less in the financial year under review. NASB achieved an increase of 4.86% in pre-tax profit during the financial year.



Despite a higher revenue, the Group incurred a higher pre-tax loss of RM54.07 million compared to a pre-tax loss of RM4.0 million in the previous financial year mainly due to the impairment of goodwill in certain subsidiaries of RM58.9 million. The loss was partly mitigated by the write-back of impairment in value of certain quoted investments of RM11.2 million arising from the improved stock market conditions in the financial year under review.

DIVIDENDS

The Board does not recommend the payment of dividends for the financial year ended 30 April 2007 (2006:Nil).

CORPORATE DEVELOPMENTS



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

REVIEW OF OPERATIONS

Property Investment and Development Division

Berjaya Times Square ("BTS"), Malaysia's largest inner-city shopping-cum-leisure mall is into its fourth year of operation and has since evolved into a favourite shopping destination amongst a spectrum of shoppers and visitors, ranging from families and young adults to tourists.

Occupying a built-up area of approximately 7.5 million square feet (0.7 million square metres) on a 10-acre land, the complex comprises a 12-level shopping mall and two 46-storey towers of service suites.

1. Cold Storage, the fresh food people supermarket offers a wide range of quality, good value and international merchandise.
2. Ampang Superbowl's largest ever bowling alley comprising 48 lanes is located in Berjaya Times Square.
3. 7-11 Express located along the overhead pedestrian bridge.
4. One of the main attractions at the Cosmo's World Theme Park is the 800-metre long roller coaster.

Chairman's Statement

The shopping mall area which measures approximately 3.5 million square feet houses one departmental store, 700 retail outlets, an indoor theme park with 14 major rides, cafes, bistros, restaurants and quick service restaurants, a 5-storey high screen IMAX Theatre, a 9-screen Cineplex and a 48-lane bowling alley. The tenant mix at the mall is middle to upper with international, regional and local brands.

For the financial year under review, the BTSSB group of companies registered a revenue of RM203.3 million and a pre-tax loss of RM16.2 million compared to RM196.6 million and RM23.8 million respectively in the previous year. The higher revenue and lower pre-tax loss were mainly attributed to the higher sales generated from the sale of property and write-back of impairment in value of certain quoted investments. The occupancy rate of the mall was 70% as at June 2007.

Two wholly-owned subsidiaries of BTSSB, namely BTS Department Store Sdn Bhd ("BTS Department Store") and Shasta Supermarket Sdn Bhd ("Shasta") ceased operations in August 2006. The space vacated by BTS Department Store and Shasta have now been tenanted by major local retailers, Metrojaya Department Store and Cold Storage respectively who are anchor tenants at BTS.

Some of the other new retail brands that opened their outlets at BTS during the financial year are Nichii Fashion City, Best Denki, Dickies, Blush, Pony, Arrow, Giordano, Vees, Guardian Pharmacy and Arabian Oud. In addition, Terimee Beauty Slimming Academy's flagship outlet which previously occupied 1,200 square feet was relocated to a much larger space on the 6th floor occupying a total area of approximately 13,000 square feet.

Under the food and beverage segment, new tenants that opened their outlets in BTS included Uncle Duck (HK), Marrybrown Family Restaurant, KFC, Bread Story, Food & Tea Hong Kong Restaurants, Rock Delight and Mr Ramen. New tenants from the leisure and fun segment are the 48-lane Ampang Superbowl which is also the largest bowling centre within the city centre area, Sin Sin Bookstore and BB Beyond catering to the likes of toys and games for children.



The fully air-conditioned overhead pedestrian bridge linking the East Wing of BTS to the bus stop in front of Amoda Building which was completed in June 2006 now has a number of kiosks along the bridge selling a variety of products such as fashion accessories, candy, sweets, gifts and souvenirs and even a 7-Eleven Express.

BTS was the venue of choice for several significant events such as the 2006 Kuala Lumpur Fashion Week, AXN Challenge, appointment of Anita Sarawak by Empire Classic Furniture as their 2007/2008 ambassador, F1 GP Road Show and GP Midnight Sale, the CIMB KL Malaysian Open Squash Championships 2007, AND1 Streetball Challenge and the KL Batik Festival.



1. Many significant events such as the 2006 Kuala Lumpur Fashion Week were held at Berjaya Times Square.
2. Kenny Rogers Roasters' outlet located on the 3rd floor in Berjaya Times Square.
3. Metrojaya – a household name in Malaysia is one of the anchor tenants in Berjaya Times Square.
4. Terimee Beauty Slimming Academy's flagship store is located on the 6th floor in Berjaya Times Square.

Chairman's Statement

BTS was also the selected venue for several famous celebrities' meet-the-fan sessions for artistes such as Jackie Chan, Yang Xiao Ping, Sweety Group, Taiwanese artiste Chen Wei Min and Nan Quan Mama, Kenji Wu, as well as local celebrities Lee Cheng Ming and Akademi Fantasia's students.

Gaming Division

For the financial year ended 30 April 2007, NASB registered a higher revenue of RM196.8 million and pre-tax profit of RM18.7 million, compared to RM193.6 million and pre-tax profit of RM17.8 million in the previous year. The increased revenue was achieved in spite of having three draws less in the financial year under review.

The average sales per normal draw increased by 5% which resulted from the continuous promotion, improved customer service and better public relation activities. Operating costs reduced by 4% during the financial year under review.

The annual tradition of hosting the year-end and Chinese New Year events of ang-pow and gifts presentation to deserving social and welfare organizations throughout the State of Sarawak were carried out successfully in fulfilling NASB's social responsibilities.



FUTURE OUTLOOK

The country's economy is expected to grow at a moderate pace mainly due to a lower inflation rate, good progress in the 9th Malaysia Plan projects and higher investment approvals.

The public sector pay rise is expected to boost domestic demand, thus increasing consumer spending. Furthermore, continued buoyancy in the equity markets would help instill a 'feel good factor' which could be translated into further spending by customers.

In addition, Visit Malaysia Year 2007 will feature 50 major events throughout the year, with the keynote event being the 50th Merdeka Day celebration on August 31, 2007 which makes our country very attractive for tourists to visit and to satiate their shopping desires. These promotional efforts are expected to attract 20.1 million tourists to Malaysia in 2007 drawing tourists from the Asian region, India and Gulf region as well as from Europe and North America.



1. NASB fulfilling its social responsibilities in Sarawak.
2. 10th Avenue Food Mall offers a variety of local delights and international cuisines.
3. A NASB outlet in Sarawak.
4. GSC at Berjaya Times Square – The state-of-the-art cinema with the first Premier Class in Klang Valley.

Chairman's Statement

The gaming industry is highly regulated in this country with minimal changes throughout the year. Growth in the industry is expected to be in tandem with the GDP growth and higher purchasing power. The stringent measures undertaken by the Government to regulate this industry has resulted in keen competition among the three main players in the State of Sarawak as they depend solely on limited promotional activities and strategic marketing plans to attract punters.

NASB is however confident that the continuous promotion and better customer service coupled with the increasing popularity of their product, will continue to generate more sales and increase profit for the company.

With the cessation of business of loss-making subsidiaries, BTS Department Store and Shasta during the financial year as well as the impairment of goodwill in certain subsidiaries which is non-recurring, the Board of Directors envisage that for the forthcoming financial year ending 30 April 2008, the overall performance of the Group will show improvement as it continues its marketing efforts to improve the occupancy rate of BTS and further divest its property stocks.

APPRECIATION

On behalf of the Board, I would like to record 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 throughout the year.

I would also like to record my thanks to Mr Chin Ah Pong, who has resigned from the Board with effect from 30 June 2007, for his active participation in the Board's deliberations and his counsel and guidance in the past three years.

CHAN KIEN SING

Chairman

22 August 2007



1. Hip Hop Street – a themed retail space dedicated to the young and trendy located on the 5th floor in Berjaya Times Square.
2. Borders bookstore in Berjaya Times Square is the flagship store in Malaysia and offers over 200,000 books as well as music and movie titles.

主席报告

本人谨代表董事部，欣然提呈万利国际有限公司2007年4月30日截止年度的常年报告与财务报告。

业绩

在2007年4月30日截止年度，本集团取得4亿零10万令吉的更高收益，上一年度对比收益为3亿9千零10万令吉，主要原因是成功时代广场有限公司（“成功时代广场”）的175单位全面装备服务公寓和6间阁楼服务公寓，已全部完成销售。通过Natural Avenue有限公司（“NASB”）经营的博彩业务，虽然在检讨中的财政年度少了3次抽签开彩，仍取得比上一年度高出1.7%的成长收益。NASB在本财政年度的税前盈利，增加了4.86%。

尽管收益较高，本集团却蒙受5千4百零7万令吉的税前亏损，上一年对比的亏损是4百万令吉，主要原因是某些子公司商誉减值损失5千8百90万令吉。由於检讨中财政年度股市情况改善，以及某些挂牌股票取得1千1百20万令吉的增值而回注损失，得以部分缓和损失的程度。

股息

董事部不推荐对2007年4月30日截止年度派发股息。

企业发展

在检讨的财政年度里，本公司并无重大的企业发展。

营业检讨

产业投资及发展部

成功时代广场（“时代广场”）是马来西亚最大的室内购物兼休闲广场，迄今已进入第4年的营运，并演变成各形各色购物人士与访客偏爱的购物目的地，这包括家庭人士、年轻人和旅客。

建筑面积大约7百50万方尺（70万方公尺），占地10英亩，这个商场包括一座12层的购物广场和两栋46层高的服务公寓。

购物广场的面积，大约为3百50万方尺，内有一家百货商场、700间零售商店、一座设有14种主要骑乘游乐的主题公园、咖啡座、西餐厅、餐馆与快餐店、一栋5层高银幕的IMAX电影院、一间银幕电影院、以及一个48球道保龄球场。广场内租户，混合中上级的国际、区域和本地品牌经营者。

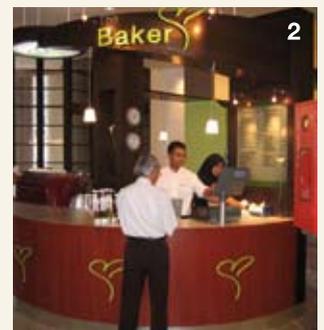
在检讨的财政年度中，成功时代广场集团公司取得2亿零33万令吉的收益和1千6百20万的税前亏损，上一年度的对比分别为1亿9千6百60万令吉和2千3百80万令吉。更高的收益和较低的税前亏损，主要是由于产业销售量更高和某些挂牌股票价值回注损失所致。时代广场的占租率，在2007年6月时为70%。

成功时代广场内两家独资子公司，即时时代广场百货商场有限公司（“时代百货商场”）与SHASTA超级市场有限公司（“SHASTA”），这两家公司，於2006年8月停业。时代百货商场与SHASTA搬出的空位，如今已由主要本地零售商美罗百货公司与冷藏公司承租，成为时代广场的主要租户。

本财政年度内在时代广场开设商店的其他新零售品牌，计有Nichii Fashion City、Best Denki、Dickies、Blush、Pony、Arrow、Giordano、Vees、Guardian Pharmacy和Arabian Oud。除此以外，过去占租1千2百方尺的Terimee Beauty Slimming Academy旗舰商店，亦已重迁至六楼较大的空间，占租总面积大约为1万3千方尺。

在饮食领域，进驻时代广场的其他商店包括Uncle Duck (HK)、Marrybrown Family Restaurant、KFC、Bread Story、Food & Tea Hong Kong Restaurants、Rock Delight 和 Mr Ramen。消闲和游乐行业的新租户则有48球道的保龄球场，这也是市中心内最大的保龄球中心，以及新欣书店和迎合儿童玩具与游戏之需的BB Beyond。

衔接时代广场东翼至AMODA大厦前巴士车站的全冷气行人天桥於2006年6月完成，如今桥上有一些摊子，零售各种产品，如时装饰饰品、糖果、礼品与纪念品，其中甚至还有一间7-Eleven Express商店。



1. Some of the notable brands at Berjaya Times Square.

2. The Bakery Moments offers healthy and palatable Norwegian breads and sandwiches.

主席报告



博彩部

在2007年4月30日截至财政年度，NASB取得1亿9千6百80万令吉的更高收益和1千8百70万令吉的税前盈利。尽管受检讨的财政年度少了三次开彩，公司的收益还是提高了。

每期平常开彩的平均销售额，提高了5%。这是不断促销、改善顾客服务和更良好的公关活动所促成。在受检讨的财政年度，营运成本减低了4%。

为履行社会责任，NASB继续依据传统，每年年终与农历新年时期，在全砂劳越各地举行红包施赠及赠送礼物给州内社会福利机构。

今后展望

我国的经济，预料将会中速成长，原因是在第9个马来西亚计划与更高的投资批准之下，国内的通货膨胀将会相应减低，成长更良好。

公共领域的增薪，预料将会刺激国家的需求，提高消费人的开销。再者，股票市场的继续浮涨，也将有助激发“感觉良好因素”，带动消费人进一步开销。

除此以外，2007年马来西亚旅游年里我国全年将会举行50项主要活动，主要盛典是2007年8月31日的独立50周年国庆。这将会使旅客对我国大感兴趣，吸引他们届时前来观光和满足他们的购物心愿。这些促销努力，预料将会吸引2千零10万旅客於2007年来我国。旅客来自东协地区、中东海湾区、以及欧洲与美洲。

这将给予时代广场的外国和本地零售商很好的商机，以举办盛大的促销和嘉年华会，吸引旅客与本地人前来广场。随着广场继续改善租户混合及保持作为吉隆坡市区精选购物中心的竞赛之下，许多本地与外国品牌都纷纷要在时代广场物色零售空间。

博彩业在本国高度受管制，一年到头极少改变。博彩业的成长，预料将取决于国民生产总值的增长和国人的购买能力。政府管制这一行业所采取的严格措施，已导致砂劳越州内三大业者剧烈竞争。因为他们都只靠有限的促销活动和策略行销计划来吸引投注者。

不过，NASB深信，配合不断的促销和更良好的顾客服务，再加上其产品的日益受欢迎，公司将会继续提高营业额，增加盈利。

在财政年内因亏损而停止子公司，即时时代百货商场与SHASTA的营业，同时一次过注减某些子公司的商誉之下，董事部预料在2008年4月30日截至的下一个财政年度，在公司继续致力改善时代广场的占租率和进一步脱售产业股之下，本集团的整体业绩将有所增长。

申谢

我谨代表董事部对管理层、员工和代理的勤奋工作以及贡献，致予由衷的谢意。同时也对所有顾客、零售商、股东、来往业务伙伴、金融机构和政府部门这一年来的合作与支持，一并致谢。

我也要向于2007年6月30日辞去董事职位的Chin Ah Pong先生，衷心感谢他参与董事部的各项讨论以及他过去3年来所提供的意见和指导。

陈健星

主席

2007年8月22日

时代广场曾经是几个大型活动的专选地点，如2006年吉隆坡时装周、AXN大挑战、Anita Sarawak受Expire Classic Furniture委任为该公司2007/2008年亲善大使盛会、F1 GP巡回展与GP午夜大减价、2007年土著联昌银行吉隆坡马来西亚壁球公开锦标赛、ANDI街球大挑战、以及吉隆坡峇迪节。

成功时代广场也是多位著名人物会见仰慕者的选择场地，其中包括著名国际影星成龙、杨小萍、Sweety Group、台湾艺人陈伟明、南拳妈妈、吴克群、以及本地艺人黎升铭与Akademi Fantasia的学生。



1. NASB staff presenting gifts to a Lucky Draw winner.
2. Starbucks is a favourite hangout spot at Berjaya Times Square.
3. Cosmo's World Theme Park — The largest indoor theme park in Malaysia is spread over 380,000 sq.ft.

Group Financial Highlights

Description	After change in shareholding*						Before change in shareholding*	
	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000
Revenue	400,120	390,132	218,401	156,660	179,445	326,631	1,215,953	1,013,563
(Loss)/Profit Before Tax	(54,070)	(3,991)	(7,111)	15,482	17,872	21,211	28,538	15,339
(Loss)/Profit Attributable To Shareholders	(59,629)	(16,491)	(15,683)	7,141	10,515	14,230	13,276	17,367
Share Capital	905,050	905,050	905,050	166,005	166,005	41,501	41,501	41,501
Reserves	176,331	289,146	305,637	34,169	36,590	162,364	149,919	138,570
Shareholders' Funds	1,081,381	1,194,196	1,210,687	200,174	202,595	203,865	191,420	180,071
Minority Interests	440	1,274	1,654	2,027	2,771	2,553	12,095	11,376
Deferred Taxation	66,527	17,630	18,193	726	826	904	-	68
Long Term Liabilities	622,877	679,832	741,818	-	-	-	25,449	30,037
Current Liabilities	212,591	249,045	205,815	14,825	15,564	23,933	337,758	298,477
Total Equity And Liabilities	1,983,816	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029
Property, Plant And Equipment	214,942	238,464	253,702	13,615	14,813	22,355	126,972	134,356
Investment Properties	1,305,915	1,304,962	1,306,189	-	-	-	-	-
Associated Company Jointly Controlled Entity	-	-	-	-	-	-	1,773	1,888
Investments	6,581	5,438	4,810	-	-	-	-	-
Goodwill	32,337	13,178	13,566	2,272	3,156	1,120	-	-
Other Intangible Assets	140,609	199,546	199,546	158,043	158,043	158,043	-	-
Current Assets	24,357	25,458	26,559	27,660	27,910	-	-	312
Total Assets	259,075	354,931	373,795	16,162	17,834	49,737	437,977	383,473
Total Assets	1,983,816	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029
Net Tangible Assets Per Share (RM)	1.01	1.07	1.09	0.09	0.10	0.28	1.15	1.08
Net Assets Per Share (RM)	1.19	1.32	1.34	1.21	1.22	1.23	1.15	1.08
(Loss)/Earnings Per Share (Sen)	(6.59)	(1.82)	(4.02)	4.30	6.33	8.57	8.00	10.5
Gross Dividend Rate (%)	-	-	3.00	7.00	7.00	3.00	6.45	40.0

Notes:

Figures for 1999 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 2007 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.

集团财政简报

摘要	改变股份主权后*						改变股份主权前*	
	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2000 RM'000	1999 RM'000
营业额	400,120	390,132	218,401	156,660	179,445	326,631	1,215,953	1,013,563
(亏损)/税前盈利	(54,070)	(3,991)	(7,111)	15,482	17,872	21,211	28,538	15,339
(亏损)/可分配予 股东的盈利	(59,629)	(16,491)	(15,683)	7,141	10,515	14,230	13,276	17,367
股本	905,050	905,050	905,050	166,005	166,005	41,501	41,501	41,501
储备金	176,331	289,146	305,637	34,169	36,590	162,364	149,919	138,570
股东基金	1,081,381	1,194,196	1,210,687	200,174	202,595	203,865	191,420	180,071
少数股东权益	440	1,274	1,654	2,027	2,771	2,553	12,095	11,376
递延课税	66,527	17,630	18,193	726	826	904	-	68
长期债务	622,877	679,832	741,818	-	-	-	25,449	30,037
流动债务	212,591	249,045	205,815	14,825	15,564	23,933	337,758	298,477
股东及经济债务	1,983,816	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029
固定资产	214,942	238,464	253,702	13,615	14,813	22,355	126,972	134,356
投资产业	1,305,915	1,304,962	1,306,189	-	-	-	-	-
联号公司	-	-	-	-	-	-	1,773	1,888
联合控制的实体	6,581	5,438	4,810	-	-	-	-	-
投资	32,337	13,178	13,566	2,272	3,156	1,120	-	-
商誉	140,609	199,546	199,546	158,043	158,043	158,043	-	-
其他无形资产	24,357	25,458	26,559	27,660	27,910	-	-	312
流动资产	259,075	354,931	373,795	16,162	17,834	49,737	437,977	383,473
资产总额	1,983,816	2,141,977	2,178,167	217,752	221,756	231,255	566,722	520,029
每股净有形资产 (RM)	1.01	1.07	1.09	0.09	0.10	0.28	1.15	1.08
每股净资产 (RM)	1.19	1.32	1.34	1.21	1.22	1.23	1.15	1.08
(亏损)/每股收益 (Sen)	(6.59)	(1.82)	(4.02)	4.30	6.33	8.57	8.00	10.5
毛股息率 (%)	-	-	3.00	7.00	7.00	3.00	6.45	40.0

注:

1999至2000年的数字, 是以12月31日为止截止年度; 2002年的数字, 是以截止4月30的16个月时期为准; 2003与2007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。

Audit and Risk Management Committee Report

The Board of Directors of Matrix International Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2007.

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 2007. The details of attendance of the members are as follows:

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

The Senior General Manager of Group Accounts and Budgets Division, the General Manager and Chief Marketing Officer of Berjaya Times Square Sdn Bhd were also invited to attend the Audit and Risk Management Committee meetings. The external auditors were also invited to attend two of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities undertaken by the Audit and Risk Management Committee during the financial year ended 30 April 2007 included the following:

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
2. Reviewed the external auditors' scope of work and audit plan for the year prior to commencement of annual audit;
3. Reviewed the management responses and their follow-up actions pertaining to the audit findings in order to ensure that appropriate action was taken by Management on the recommendations of the Internal Auditor;

4. Reviewed Statement of Internal Control, Statement of Corporate Governance and audited financial statements of the Group prior to submission to the Board for their consideration and approval;
5. Reviewed the operational risk management readiness of its subsidiary company, Berjaya Times Square Sdn Bhd.
6. Reviewed and discussed the external auditors' audit report and management's responses thereof;
7. Reported to the Board on its activities and significant findings and results.

INTERNAL AUDIT FUNCTION

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

For the financial year ended 30 April 2007, the Internal Audit has performed regular audits on high risk areas and the system of internal controls of operating units within the Group involved in gaming operations and property management.

The Internal Audit also conducted workshop and briefings with the management for the formulation of the risk management process of its subsidiary company, Berjaya Times Square Sdn Bhd.

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 applicable financial reporting standards and regulatory requirements
 - any changes in accounting policies and practices
 - significant issues arising from the audit
 - major judgemental areas
- (d) To prepare Audit Committee Report at the end of each financial year;
- (e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditors' management letter and management's response;
- (g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (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;

Audit and Risk Management Committee Report

- review any appraisal or assessment of the performance of the staff of the internal audit function;
 - approve any appointment or termination of senior staff member of the internal audit function;
 - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;
 - to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
 - to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;
- (i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board of Directors from time to time;
- (j) In compliance with Paragraph 15.17 of the Bursa Securities Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.
- (k) To undertake the following risk management activities:
- *Establishing Strategic Context* – Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.
 - *Establishing Risk Management Processes* – Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.
 - *Establishing Risk Management Structure* – Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.
 - *Embedding Risk Management Capability* – Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.
 - *Establishing Reporting Mechanism* – Providing a consolidated risk and assurance report to the Board and Audit Committee to support the statement relating to internal control in the company's annual report.
 - *Integrating & coordinating assurance activity* – Ensuring alignment and coordination of assurance activity across the organisation.
 - *Establishing Business Benefits* – Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.
 - *Establishing Effectiveness of Risk Management Processes* – Simplifying and improving the effectiveness of existing risk management structures.
 - *Managing the Group Wide Risk Management Programme* – Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme (GWRM).

Statement on Corporate Governance

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

Set out below is a description of how the Corporate Governance framework is applied by the Company for the financial year ended 30 April 2007:

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

During the financial year ended 30 April 2007, four (4) Board Meetings were held and the attendance record of the Directors is set out below:

<u>Name of Directors</u>	<u>Number of Meetings Attended</u>
Chan Kien Sing	4/4
Datuk Robert Yong Kuen Loke	3/4
Lim Meng Kwong	3/4
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.

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

From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

iv) Supply of Information

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

Statement on Corporate Governance

v) Re-election of Directors

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

B. Directors' Remuneration

i) Remuneration Committee

A Remuneration Committee currently comprise the following members:

Heng Kiah Choong
Chairman/Independent/Non-Executive

Chan Kien Sing
Non-Independent/Non-Executive

Dato' Mohd Salleh Bin Ahmad
Independent/Non-Executive

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

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

ii) Details of the Directors' Remuneration

For the year ended 30 April 2007, the aggregate Directors' remuneration paid or payable to all Directors of the Company by the Group and categorised into appropriate components are as follows:

	Fees (RM)	Other Emoluments (RM)	Total (RM)
Executive	20,000	297,920	317,920
Non-Executive	70,000	12,000	82,000
	90,000	309,920	399,920

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
RM300,001 – RM350,000	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

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

D. Accountability and Audit

i) Financial Reporting

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

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

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

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

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

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

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

iii) Internal Controls

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

iv) Relationship with the External Auditors

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

Statement on Internal Control

RESPONSIBILITY

The Board of Directors of Matrix International Berhad recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group.

The system of internal control of the Group is designed to manage rather than eliminate the risk of failure to achieve business objectives and thus only provide reasonable but not absolute assurance against material misstatement or loss.

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

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

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

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

Whilst the Board maintains full direction over appropriate strategic, financial and compliance issues, it has delegated to 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 businesses formulate their business plans, which include the strategies and goals and an assessment of its current position and future prospects for the Board's review. The Board also receives regular updates on the Group's performance from management at Board meetings.

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

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

ASSURANCE MECHANISM

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

During the financial year, the Audit and Risk Management Committee conducted a review of the operational risk management readiness of its subsidiary company, Berjaya Times Square Sdn Bhd ("BTS"). This review had resulted the management of BTS to undertake an exercise to formalise and update its risk management policy, identifying all business risk exposure and to ensure the risk management processes are integrated into all core business processes. The management of BTS is expected to furnish its report on the aforesaid exercise for review and approval by Audit and Risk Management Committee in the forthcoming meeting scheduled in the third quarter of calendar year 2007.

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



Financial Statements

- | | |
|----------------------------------|---|
| 22 Directors' Report | 29 Consolidated Statement of Changes in Equity |
| 25 Statement by Directors | 30 Statement of Changes in Equity |
| 25 Statutory Declaration | 31 Consolidated Cash Flow Statement |
| 26 Report of the Auditors | 32 Cash Flow Statement |
| 27 Balance Sheets | 33 Notes to the Financial Statements |
| 28 Income Statements | |



Directors' Report

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2007.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

There have been no significant changes in the nature of the Group's activities during the financial year except for the cessation of departmental store and supermarket operations by two wholly owned subsidiary companies, BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd as disclosed in Note 29 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss after tax from continuing operations	(50,846)	(79,700)
Loss for the year from discontinued operation	(4,076)	-
Loss for the year	<u>(54,922)</u>	<u>(79,700)</u>
Attributable to:		
Equity holders of the Company	(59,629)	(79,700)
Minority interests	4,707	-
	<u>(54,922)</u>	<u>(79,700)</u>

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

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
Lim Meng Kwong
Heng Kiah Choong
Dato' Mohd Salleh Bin Ahmad
Chin Ah Pong

(Resigned on 30 June 2007)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 25 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

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

THE COMPANY

	No. of Ordinary Shares of RM1.00 Each			At 30.4.07
	At 1.5.06	Bought	Sold	
Matrix International Berhad				
Datuk Robert Yong Kuen Loke	-	722,000	-	722,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D.)

- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 August 2007.

CHAN KIEN SING

DATUK ROBERT YONG KUEN LOKE

Statement by Directors

pursuant to Section 169(15) of The Companies Act, 1965

We, CHAN KIEN SING and DATUK ROBERT YONG KUEN LOKE, being two of the directors of MATRIX INTERNATIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 77 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 August 2007.

CHAN KIEN SING

DATUK ROBERT YONG KUEN LOKE

Statutory Declaration

pursuant to Section 169(16) of The Companies Act, 1965

I, TAN THIAM CHAI, being the person primarily responsible for the financial management of MATRIX INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 77 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 8 August 2007

TAN THIAM CHAI

Before me,

SOH AH KAU (W315)
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors

to the Members of Matrix International Berhad

We have audited the financial statements set out on pages 27 to 77. 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 Financial Reporting 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 2007 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
8 August 2007

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

Balance Sheets

as at 30 April 2007

	Note	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	214,942	238,464	8	10
Investment properties	4	1,305,915	1,304,962	-	-
Subsidiary companies	5	-	-	879,572	977,160
Jointly controlled entity	6	6,581	5,438	-	-
Associated company	7	-	-	-	-
Other investments	8	32,337	13,178	1,244	884
Long term receivable	9	-	-	260,077	250,633
Intangible assets	10	164,966	225,004	-	-
		<u>1,724,741</u>	<u>1,787,046</u>	<u>1,140,901</u>	<u>1,228,687</u>
CURRENT ASSETS					
Inventories	11	196,230	284,176	-	-
Receivables	12	19,481	22,968	7,969	1,077
Tax recoverable		1,353	264	81	101
Cash and bank balances	13	42,011	47,523	12,743	10,386
		<u>259,075</u>	<u>354,931</u>	<u>20,793</u>	<u>11,564</u>
TOTAL ASSETS		<u>1,983,816</u>	<u>2,141,977</u>	<u>1,161,694</u>	<u>1,240,251</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	14	905,050	905,050	905,050	905,050
Share premium	15	312,621	312,621	312,621	312,621
Reserves	16	(136,290)	(23,475)	(61,620)	18,080
Shareholders' funds		<u>1,081,381</u>	<u>1,194,196</u>	<u>1,156,051</u>	<u>1,235,751</u>
Minority interests		440	1,274	-	-
Total equity		<u>1,081,821</u>	<u>1,195,470</u>	<u>1,156,051</u>	<u>1,235,751</u>
NON-CURRENT LIABILITIES					
Borrowings	17	533,139	590,015	-	-
Hire purchase liabilities	18	12	91	-	-
Long term liability	19	89,726	89,726	-	-
Deferred tax liabilities	20	66,527	17,630	2	2
		<u>689,404</u>	<u>697,462</u>	<u>2</u>	<u>2</u>
CURRENT LIABILITIES					
Payables	21	158,833	175,021	5,641	4,498
Borrowings	17	52,502	72,550	-	-
Hire purchase liabilities	18	35	50	-	-
Tax payable		1,221	1,424	-	-
		<u>212,591</u>	<u>249,045</u>	<u>5,641</u>	<u>4,498</u>
Total liabilities		<u>901,995</u>	<u>946,507</u>	<u>5,643</u>	<u>4,500</u>
TOTAL EQUITY AND LIABILITIES		<u>1,983,816</u>	<u>2,141,977</u>	<u>1,161,694</u>	<u>1,240,251</u>

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

Income Statements

for the year ended 30 April 2007

	Note	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(Restated)					
Continuing Operations					
Revenue	22	388,901	352,555	25,013	5,294
Cost of sales		(252,804)	(207,705)	-	-
Gross profit		136,097	144,850	25,013	5,294
Other income	23	15,066	11,148	626	162
Distribution and marketing expenses		(4,107)	(6,138)	-	-
Administrative expenses		(77,934)	(89,894)	(1,190)	(1,018)
Other expenses		(64,099)	(5,931)	(97,588)	(208)
Operating profit/(loss)		5,023	54,035	(73,139)	4,230
Finance costs	26	(56,160)	(56,309)	-	-
Share of profit of a jointly controlled entity		1,143	628	-	-
(Loss)/profit before tax	27	(49,994)	(1,646)	(73,139)	4,230
Income tax expense	28	(852)	(8,080)	(6,561)	(1,266)
(Loss)/profit for the year from continuing operations		(50,846)	(9,726)	(79,700)	2,964
Discontinued Operation					
Loss for the year from discontinued operation	29	(4,076)	(2,345)	-	-
(Loss)/profit for the year		(54,922)	(12,071)	(79,700)	2,964
Attributable to:					
Equity holders of the Company		(59,629)	(16,491)	(79,700)	2,964
Minority interests		4,707	4,420	-	-
		(54,922)	(12,071)	(79,700)	2,964
Loss per share attributable to equity holders of the Company (sen)					
Basic, for loss from continuing operations	30	(6.14)	(1.56)		
Basic, for loss from discontinued operation	30	(0.45)	(0.26)		
Basic, for loss for the year	30	(6.59)	(1.82)		

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

Consolidated Statement of Changes in Equity

for the year ended 30 April 2007

	←Attributable to the equity holders of the Parent→					
	Share Capital RM'000	Non- distributable Share Premium RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 May 2005	905,050	312,621	(6,984)	1,210,687	1,654	1,212,341
Loss for the year, representing total recognised income and expense for the year	-	-	(16,491)	(16,491)	4,420	(12,071)
Dividends paid to minority shareholders	-	-	-	-	(4,800)	(4,800)
At 30 April 2006	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
At 1 May 2006	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
Effects of adopting FRS 140	-	-	(53,186)	(53,186)	-	(53,186)
Loss for the year, representing total recognised income and expense for the year	-	-	(59,629)	(59,629)	4,707	(54,922)
Dividends paid to minority shareholders	-	-	-	-	(5,541)	(5,541)
At 30 April 2007	905,050	312,621	(136,290)	1,081,381	440	1,081,821

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

Statement of Changes in Equity

for the year ended 30 April 2007

	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000
At 1 May 2005	905,050	312,621	15,116	1,232,787
Profit for the year, representing total recognised income and expense for the year	-	-	2,964	2,964
At 30 April 2006	905,050	312,621	18,080	1,235,751
At 1 May 2006	905,050	312,621	18,080	1,235,751
Loss for the year, representing total recognised income and expense for the year	-	-	(79,700)	(79,700)
At 30 April 2007	905,050	312,621	(61,620)	1,156,051

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

Consolidated Cash Flow Statement

for the year ended 30 April 2007

	Note	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		366,797	399,355
Payments to suppliers, prize winners and other operating expenses		(194,621)	(248,060)
Payment for pool betting duties, gaming tax, royalties and other government contributions		(34,374)	(33,392)
Tax refund		201	40
Payment of taxes		(6,470)	(6,499)
Other payments		(156)	(110)
Net cash generated from operating activities		131,377	111,334
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		5,857	8
Acquisitions of property, plant and equipment	(a)	(1,132)	(2,043)
Sale of other investments		25	188
Acquisition of other investments		(5,638)	(185)
Interest received		1,420	1,076
Dividends received		413	413
Net cash generated from/(used in) investing activities		945	(543)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of bank borrowings and loans		15,123	18,877
Repayment of borrowings and loans		(101,492)	(50,000)
Interest paid		(43,663)	(52,547)
Payment of hire purchase liabilities		(112)	(42)
Dividends paid to minority shareholders		(7,690)	(4,102)
Advances from a director of a subsidiary company		-	9,551
Repayment of advances from a director		-	(17,887)
Net cash used in financing activities		(137,834)	(96,150)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,512)	14,641
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		47,523	32,882
CASH AND CASH EQUIVALENTS AT END OF YEAR	(b)	42,011	47,523

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

	2007 RM'000	2006 RM'000
Cash	1,132	2,043
Hire purchase arrangements	-	100
	1,132	2,143

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

	2007 RM'000	2006 RM'000
Deposits with licensed banks (Note 13)	37,468	38,141
Cash on hand and at banks (Note 13)	4,543	9,382
	42,011	47,523

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

Cash Flow Statement

for the year ended 30 April 2007

	Note	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment for operating expenses		(456)	(320)
Tax refund		23	-
Payment of taxes		(4)	-
Net cash used in operating activities		(437)	(320)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of other investments		-	188
Acquisition of plant and equipment		-	(12)
Acquisition of investments in subsidiary company		-	(185)
Interest received		266	162
Dividends received		17,730	3,290
Net cash generated from investing activities		17,996	3,443
CASH FLOWS FROM FINANCING ACTIVITY			
Inter-company (advances to)/repayments from, representing net cash (used in)/generated from financing activity		(15,202)	6,363
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,357	9,486
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		10,386	900
CASH AND CASH EQUIVALENTS AT END OF YEAR	(a)	12,743	10,386
(a) The closing cash and cash equivalents comprise of the followings:			
Deposits with licensed banks (Note 13)		12,644	10,277
Cash on hand and at banks (Note 13)		99	109
		12,743	10,386

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

Notes to the Financial Statements

30 April 2007

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; and
- (vii) management of food mall.

There have been no significant changes in the nature of the Group's activities during the financial year except for the cessation of departmental store and supermarket operations by two wholly owned subsidiary companies, BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd as disclosed in Note 29 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 13-01A (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 August 2007.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiary Companies and Basis of Consolidation

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

Subsidiary companies are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated income statement from the effective date of acquisition. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(a) Subsidiary Companies and Basis of Consolidation (cont'd.)

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

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

In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup transactions, balances and unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

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

(b) Associated Companies

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

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

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

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

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

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

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

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(c) Jointly Controlled Entity

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

Investment in jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting based on the audited financial statements of the jointly controlled entity. Under the equity method of accounting, the Group's share of profits less losses of the jointly controlled entity during the period is included in the consolidated income statement. The Group's interest in the jointly controlled entity is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

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

(d) Affiliated Companies

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

(e) Investments in Subsidiaries

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

(f) Property, Plant and Equipment, and Depreciation

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

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

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

Freehold building	2%
Short term leasehold land and buildings	Over 44 - 50 years
Plant, machinery and equipment	10% - 20%
Computer equipment	10% - 20%
Renovation and signage	10% - 20%
Furniture, fittings and office equipment	10% - 50%
First aid, theme park and food court 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(f) Property, Plant and Equipment, and Depreciation (cont'd.)

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

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

(g) Investment Properties

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

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

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

(h) Inventories

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

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

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

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

(i) Provisions

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(j) Leases

(i) Finance Leases - the Group as Lessee

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental 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 liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(f).

(ii) Operating Leases - the Group as Lessee

Operating leases are leases other than finance leases. Lease rental under operating lease is charged to the income statement on a straight line basis over the term of the relevant lease.

(iii) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(q)(vi)).

(k) Intangible Assets

(i) Goodwill

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

(ii) Other Intangible Asset

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(k) Intangible Assets (cont'd.)

(ii) Other Intangible Asset (cont'd.)

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

(l) Income Tax

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

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

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

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

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

(m) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(n) Impairment of Assets

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

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

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

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

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

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

(o) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(o) Foreign Currencies (cont'd.)

(ii) Foreign Currency Transactions (cont'd.)

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

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

(p) Financial Instruments

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

(i) Cash and Cash Equivalents

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

(ii) Investments

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

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

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

(iii) Receivables

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

(iv) Payables

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(p) Financial Instruments (cont'd.)

(v) Interest Bearing Borrowings

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

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

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

(vi) Equity Instruments

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

(q) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group 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. Dividend income from other investments is recognised on receipt basis.

(ii) Interest Income

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

(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.

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(q) Revenue Recognition (cont'd.)

(v) Management Fee Income

Management fee income is recognised on an accrual basis.

(vi) Rental Income

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

(vii) Sale of Goods and Properties

Revenue relating to sale of goods and properties are recognised net of discounts and sales taxes upon the transfer of 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 when the services are performed.

(x) Income from Services

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

(xi) Sale of Fruits and Beverages

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

(xii) Other Income

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

(r) Discontinued Operation

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

(s) Segment Information

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

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(s) Segment Information (cont'd.)

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

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

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

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

On 1 May 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition, the Group and the Company have early adopted FRS 112 - Income Taxes which is mandatory for financial periods beginning on or after 1 July 2007.

The Group and the Company have not early adopted the following new and revised FRSs, Amendment to FRS and Interpretations that are:

Effective for financial periods beginning on or after 1 October 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Cont'd.)

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

FRS 6 Exploration for and Evaluation of Mineral Resources

Amendment to FRS 119₂₀₀₄: Employee Benefits

- Actuarial Gains and Losses, Group Plans and Disclosures

IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5: Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6: Liabilities arising from Participation in a Specific Market

- Waste Electrical and Electronic Equipment

IC Interpretation 7: Applying the Restatement Approach under FRS 129₂₀₀₄

- Financial Reporting in Hyperinflationary Economies

IC Interpretation 8: Scope of FRS 2

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

FRS 107 Cash Flow Statements

FRS 111 Construction Contracts

FRS 118 Revenue

FRS 119 Employee Benefits

FRS 120 Accounting for Government Grants and Disclosure of Government Assistance

FRS 126 Accounting and Reporting by Retirement Benefit Plans

FRS 129 Financial Reporting in Hyperinflationary Economies

FRS 134 Interim Financial Reporting

FRS 137 Provisions, Contingent Liabilities and Contingent Assets

Effective date deferred indefinitely:

FRS 139 Financial Instruments: Recognition and Measurement

The adoption of revised FRSs, other than those highlighted below, does not result in significant changes in accounting policies of the Group and of the Company.

The effects on the adoption of FRSs 117, 124 and 139 have been exempted from disclosure.

Other than the revised FRS 112, the adoption of Amendment, revised FRSs and IC Interpretations on them becoming effective are not expected to have any significant effects on the financial statements of the Group and of the Company upon their initial application. Upon initial application of FRS 112, unutilised investment tax allowance ("ITA") will be allowed to be recognised as deferred tax asset to the extent that it is probable that future taxable profit will be available against which the unused ITA can be utilised.

The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are explained below:

(a) FRS 5: Non-current Assets Held for Sale and Discontinued Operation

The adoption of new FRS 5 has no financial impact on the Group's income statement but requires the presentation of post-tax results of discontinued operation arising from cessation of business by BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd, two wholly owned subsidiaries of the Group to be shown as a separate component in the income statement. This is in accordance with additional disclosures required by FRS 5.

The Group has applied FRS 5 prospectively in accordance with the transitional provisions. However, as required by FRS 5, certain comparatives of the Group have been re-presented due to the current financial year's discontinued operation. The effects on the consolidated income statement for the financial year ended 30 April 2007 are set out in Note 2.3(d). This change has no impact on the Company's financial statements for the financial year ended 30 April 2007.

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Cont'd.)

(b) FRS 101: Presentation of Financial Statements

Prior to 1 May 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, each item of income and expense for the year that is recognised directly in equity, and the net result of the total of recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 May 2006, the Group's share of taxation of associates and jointly controlled entities accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates and jointly controlled entities accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated income statement for the financial year ended 30 April 2007 are set out in Note 2.3(d). These changes in presentation have no impact on the Company's financial statements for the financial year ended 30 April 2007.

(c) FRS 140: Investment Property

Prior to 1 May 2006, investment properties were stated at valuation. Upon the adoption of FRS 140, gains and losses arising from changes in fair values are recognised in profit or loss in the year in which they arise.

The change in accounting policy has had no impact on amounts reported for 2006 or prior periods. Instead, the changes have been accounted for by restating the following opening balances of the Group as at 1 May 2006:

	As at 1.5.2006 RM'000
Increase in accumulated losses	53,186
Increase in deferred tax liabilities (Note 20)	53,186

The effects on the consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(d). There were no effects on the consolidated income statement and the Company's financial statements for the financial year ended 30 April 2007.

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Cont'd.)

(d) Summary of Effects of Adopting New and Revised FRSs on the Current Year's Financial Statements

The following tables provide estimates of the extent to which each of the line items in the income statement for the financial year ended 30 April 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

Effects on income statement for the financial year ended 30 April 2007:

Description of Changes

Group	Increase/(Decrease)	
	FRS 5 Note 2.3(a) RM'000	FRS 101 Note 2.3(b) RM'000
Revenue	(11,219)	-
Cost of sales	(10,294)	-
Other income	(2,540)	-
Distribution and marketing expenses	(43)	-
Administrative expenses	(7,463)	-
Other expenses	(21)	-
Operating profit	4,062	-
Finance costs	(14)	-
Share of results of a jointly controlled entity	-	(507)
Loss before tax	(4,076)	507
Income tax expense	-	(507)
Loss for the year from continuing operations	(4 076)	-

Effects on balance sheets as at 30 April 2007:

Group	Increase FRS 140 Note 2.3(c) RM'000
Accumulated losses	(53,186)
Deferred tax liabilities	53,186

Notes to the Financial Statements

30 April 2007

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Cont'd.)

(e) Restatement of Comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

Effects on income statement for the financial year ended 30 April 2006:

Description of Changes

Description of Changes	Previously Stated RM'000	Increase/(Decrease)		Restated RM'000
		FRS 5 Note 2.3(a) RM'000	FRS 101 Note 2.3(b) RM'000	
Group				
Revenue	390,132	(37,577)	-	352,555
Cost of sales	235,655	(27,950)	-	207,705
Other income	11,270	(122)	-	11,148
Distribution and marketing expenses	7,066	(928)	-	6,138
Administrative expenses	100,735	(10,841)	-	89,894
Other expenses	6,272	(341)	-	5,931
Operating profit	51,674	2,361	-	54,035
Finance costs	56,293	16	-	56,309
Share of results of a jointly controlled entity	1,020	-	(392)	628
Loss before tax	3,599	(2,345)	392	1,646
Income tax expense	8,472	-	(392)	8,080
Loss for the year from continuing operations	12,071	(2,345)	-	9,726

2.4 Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the residual value of motor vehicle with effect from 1 May 2006. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges for the current financial year have been reduced by RM17,000.

2.5 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

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

(i) Classification Between Investment Properties and Property, Plant and Equipment

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant Accounting Estimates and Judgements (Cont'd.)

(a) Critical Judgements Made in Applying Accounting Policies (cont'd.)

(i) Classification Between Investment Properties and Property, Plant and Equipment (cont'd.)

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

(ii) Operating Lease Commitments – the Group as Lessor

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

(b) Key Sources of Estimation Uncertainty

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

(i) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units (“CGU”) to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 30 April 2007 were RM140,609,000 (2006: RM199,546,000). Further details are disclosed in Note 10(b).

(ii) Depreciation of Plant and Equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets’ useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 10 years. These are common life expectancies applied in the industry.

(iii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements

30 April 2007

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

As at 30 April 2007	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Freehold building	168,206	10,695	157,511
Short term leasehold land and buildings	5,074	418	4,656
Plant, machinery and equipment	7,540	4,352	3,188
Computer equipment	8,722	6,547	2,175
Renovation and signage	3,716	2,062	1,654
Furniture, fittings and office equipment	8,539	4,833	3,706
First aid, theme park and food court equipment	38,484	13,819	24,665
IMAX theatre and equipment	21,776	5,387	16,389
Motor vehicles	2,172	1,253	919
Others	552	473	79
	264,781	49,839	214,942

As at 30 April 2006

Freehold building	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
	284,984	46,520	238,464

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

	GROUP	
	2007 RM'000	2006 RM'000
Cash	1,132	2,043
Hire purchase arrangements	-	100
	1,132	2,143

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

	GROUP	
	2007 RM'000	2006 RM'000
Motor vehicles	243	432

(c) Included in adjustments for the current financial year is a cost adjustment amounting to RM54,000 (2006: RM484,000) due to over accrual of acquisition cost in prior year.

Notes to the Financial Statements

30 April 2007

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

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

	GROUP	
	2007	2006
	RM'000	RM'000
Freehold building	157,511	160,875
Short term leasehold land and buildings	4,656	4,758
Plant, machinery and equipment	38	61
Computer equipment	2,162	3,966
Renovation and signage	1,654	9,127
Furniture, fittings and office equipment	3,706	7,625
Motor vehicles	711	848
IMAX theatre and equipment	16,389	18,488
Others	79	85
	186,906	205,833

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

	GROUP	
	2007	2006
	RM'000	RM'000
At cost:		
Motor vehicles	40	40
Furniture, fittings and office equipment	1,803	1,096
Computers	560	556
Renovation	38	38
	2,441	1,730

COMPANY	Net carrying amount as at beginning of the year		Depre- ciation	Net carrying amount as at end of the year	
	RM'000	Additions		RM'000	RM'000
30 April 2007					
Computer equipment	10	-	(2)	8	
30 April 2006					
Computer equipment	-	12	(2)	10	

Notes to the Financial Statements

30 April 2007

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

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As at 30 April 2007			
Computer equipment	12	4	8
As at 30 April 2006			
Computer equipment	12	2	10

4 INVESTMENT PROPERTIES

	GROUP	
	2007 RM'000	2006 RM'000
At fair value:		
At 1 May 2006/2005	1,304,962	1,306,189
Additions from subsequent expenditure	953	7,269
Transfer to inventories	-	(8,496)
At 30 April	1,305,915	1,304,962

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

The fair value of the investment properties is measured on 30 April 2007 by an independent professional valuer by reference to open market value by using Comparison Method.

5 SUBSIDIARY COMPANIES

	COMPANY	
	2007 RM'000	2006 RM'000
Unquoted shares at cost	977,160	977,160
Less: Impairment losses of unquoted shares	(97,588)	-
	879,572	977,160

The Group's effective equity interest in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 34 to the financial statements.

6 JOINTLY CONTROLLED ENTITY

	GROUP	
	2007 RM'000	2006 RM'000
Unquoted shares at cost	5,000	5,000
Share of post acquisition reserves	1,581	438
	6,581	5,438

Notes to the Financial Statements

30 April 2007

6 JOINTLY CONTROLLED ENTITY (CONT'D.)

The Group's share of profit after tax of a jointly controlled entity which have been recognised in the financial statements amounted to RM1,143,000. In the previous financial year, the Group's share of profit after tax of the jointly controlled entity which have been recognised in the financial statements amounted to RM628,000.

Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Paid-up Capital RM	Effective interest		Principal Activity
		2007 %	2006 %	
Berjaya - GSC Sdn Bhd	10,000,000	50	50	Cinema operations

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

	GROUP	
	2007 RM'000	2006 RM'000
Assets and Liabilities		
Current assets	2,760	661
Non-current assets	6,151	7,003
Total assets	8,911	7,664
Current liabilities	(2,004)	(1,928)
Non-current liability	(326)	(298)
Total liabilities	(2,330)	(2,226)
Results		
Revenue	4,801	4,050
Expenses, including finance costs and income tax expense	(3,658)	(3,422)

7 ASSOCIATED COMPANY

	GROUP	
	2007 RM'000	2006 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 34 to the financial statements.

Notes to the Financial Statements

30 April 2007

8 OTHER INVESTMENTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Quoted investments in Malaysia				
- Malaysian Government Securities	1,000	1,000	-	-
- shares	25,398	17,177	1,819	1,634
- loan stocks	10,667	10,852	-	185
	37,065	29,029	1,819	1,819
Unquoted investment				
- golf club corporate memberships	-	50	-	-
	37,065	29,079	1,819	1,819
Less: Accumulated impairment losses				
- shares	(4,728)	(10,254)	(575)	(900)
- loan stocks	-	(5,647)	-	(35)
	(4,728)	(15,901)	(575)	(935)
	32,337	13,178	1,244	884
Market value of:				
- Malaysian Government Securities	1,107	1,020	-	-
- Quoted shares	21,380	6,923	1,565	734
- Quoted loan stocks	14,851	5,205	-	150

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 include investments in affiliated companies, Berjaya Land Berhad ("BLB") and Berjaya Corporation Berhad ("BCorp") with a net book value of RM13,982,000 and RM14,637,000 respectively (2006: RM7,632,000 and RM3,762,000).

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:-

- 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.
- 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.
- 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:-

- 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.

Notes to the Financial Statements

30 April 2007

8 OTHER INVESTMENTS (CONT'D.)

- 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	
	2007 RM'000	2006 RM'000
Amount due from a subsidiary company	260,077	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 INTANGIBLE ASSETS

Group	Goodwill on consolidation RM'000	Rights * RM'000	Total RM'000
Cost			
At 1 May 2005	221,208	6,963	228,171
Reclassification	(21,280)	21,280	-
At 30 April 2006 / 2007	199,928	28,243	228,171
Accumulated amortisation and impairment losses			
At 1 May 2005	1,233	833	2,066
Reclassification	(851)	851	-
Amortisation (Note 27)	-	1,101	1,101
At 30 April 2006	382	2,785	3,167
Impairment losses (Note 27)	58,937	-	58,937
Amortisation (Note 27)	-	1,101	1,101
At 30 April 2007	59,319	3,886	63,205
Net carrying value			
At 30 April 2007	140,609	24,357	164,966
At 30 April 2006	199,546	25,458	225,004

* Rights to receive Special Cash Sweep Lottery royalty revenue

(a) Impairment Loss Recognised

The Company carried out a review of the recoverable amount of its investment in subsidiaries during the current financial year due to the continuing losses incurred. The review led to the recognition of an impairment loss on goodwill of RM58,937,000 (included in "Other Expenses" of the Group's income statement). The recoverable amount was based on value-in-use and was determined at the CGU which consists of the assets of the subsidiaries. In determining the value-in-use for the CGU, the cash flows were discounted at a rate of 3.3% on a pre-tax basis.

Notes to the Financial Statements

30 April 2007

10 INTANGIBLE ASSETS (CONT'D.)

(b) Impairment Test for Goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segment as follows:

At 30 April 2007	RM'000
Gaming and related activities	140,609
At 30 April 2006	
Property development and property investment	41,503
Gaming and related activities	158,043
	199,546

Key assumptions used in value-in-use calculations

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

(i) Budgeted Gross Margin and Growth Rate

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

(ii) Discount Rate

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

11 INVENTORIES

	GROUP	
	2007 RM'000	2006 RM'000
Cost:		
Properties held for sale	194,970	280,199
Finished goods	122	2,755
Ticket stocks and souvenirs	189	195
Gaming equipment	949	1,027
	196,230	284,176

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

Notes to the Financial Statements

30 April 2007

12 RECEIVABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	29,993	28,759	-	-
Other receivables	4,285	4,332	-	-
Deposits	2,730	2,605	-	-
Prepayments	1,754	4,062	89	95
Amount due from affiliated companies	8,741	9,340	-	-
Amount due from subsidiary companies	-	-	7,880	982
	47,503	49,098	7,969	1,077
Provision for doubtful debts - trade receivables	(28,022)	(26,130)	-	-
	19,481	22,968	7,969	1,077

The Group's normal trade credit term ranges from 7 to 30 days (2006: 7 to 30 days). Other credit terms are assessed on a case-by-case basis.

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

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

13 CASH AND BANK BALANCES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with licensed banks	37,468	38,141	12,644	10,277
Cash on hand and at banks	4,543	9,382	99	109
	42,011	47,523	12,743	10,386

Deposits with licensed banks of the Group and of the Company amounting to RM1,480,000 and RM1,464,000 respectively (2006: RM1,433,000 and RM1,417,000) and cash at banks of the Group amounting to RM894,000 (2006: RM779,000) are pledged for bank guarantee facilities and syndicated credit facilities granted to the Group.

The weighted average interest rate of the Group during the financial year and the average maturities of deposits of the Group as at 30 April 2007 were as follows:

	Weighted average interest rate		Average maturities	
	2007 %	2006 %	2007 Days	2006 Days
Licensed banks	3.1	2.8	1 - 31	1 - 184

Notes to the Financial Statements

30 April 2007

14 SHARE CAPITAL

	GROUP and COMPANY			
	Ordinary Shares of RM1.00 Each			
	2007	2006	2007	2006
	No. of Shares '000	No. of Shares '000	Amount RM'000	Amount RM'000
Authorised:				
At beginning/end of the year	5,000,000	5,000,000	5,000,000	5,000,000
Issued and fully paid:				
At beginning/end of the year	905,050	905,050	905,050	905,050

15 SHARE PREMIUM

	GROUP and COMPANY	
	2007 RM'000	2006 RM'000
At beginning/end of the year	312,621	312,621

16 RESERVES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(Non-distributable)/Distributable reserve:				
(Accumulated losses)/Retained earnings	(136,290)	(23,475)	(61,620)	18,080

As at 30 April 2007, the Company has tax exempt income amounting to RM30,791,000 (2006: RM30,791,000) available for the payment of future tax exempt dividends, subject to the agreement with the Inland Revenue Board and the availability of profits.

17 BORROWINGS

	GROUP	
	2007 RM'000	2006 RM'000
Short term borrowings		
Secured:		
Term loan	3,050	2,550
Bridging loan	17,109	24,218
Syndicated credit facility	32,343	45,782
	52,502	72,550
Long term borrowings		
Secured:		
Term loan	29,450	16,327
Bridging loan	174,259	198,476
Syndicated credit facility	329,430	375,212
	533,139	590,015

Notes to the Financial Statements

30 April 2007

17 BORROWINGS (CONT'D.)

	GROUP	
	2007 RM'000	2006 RM'000
Total borrowings		
Secured:		
Term loan	32,500	18,877
Bridging loan	191,368	222,694
Syndicated credit facility	361,773	420,994
	585,641	662,565
Maturity of borrowings		
Not later than 1 year	52,502	72,550
Later than 1 year and not later than 2 years	73,400	146,800
Later than 2 years and not later than 5 years	443,889	440,488
More than 5 years	15,850	2,727
	585,641	662,565

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

	GROUP	
	2007	2006
Term loan	3.75%	3.75%
Bridging loan	8.44%	8.44%
Syndicated credit facility	8.44%	8.44%

The borrowings are secured by the followings:

- (i) investment properties and a debenture over assets of certain subsidiary companies of the Group;
- (ii) the assignment of sales proceeds and future rental by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;
- (iii) a third party first fixed and floating charge over a parcel of land 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.

Notes to the Financial Statements

30 April 2007

18 HIRE PURCHASE LIABILITIES

	GROUP	
	2007 RM'000	2006 RM'000
Minimum lease payments:		
Not later than 1 year	37	61
Later than 1 year and not later than 2 years	12	61
Later than 2 years and not later than 5 years	-	37
	49	159
Less: Future finance charges	(2)	(18)
Present value of hire purchase liabilities	47	141
Present value of hire purchase liabilities:		
Not later than 1 year	35	50
Later than 1 year and not later than 2 years	12	56
Later than 2 years and not later than 5 years	-	35
	47	141
Analysed as:		
Due within 12 months	35	50
Due after 12 months	12	91
	47	141

The hire purchase liabilities bear interest rates ranging from 3.45% to 3.91% (2006: 3.45% to 3.91%) per annum.

19 LONG TERM LIABILITY

	GROUP	
	2007 RM'000	2006 RM'000
Amount due to a major shareholder	89,726	89,726

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.

20 DEFERRED TAX

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At beginning of the year	17,630	18,193	2	-
Effects of adopting FRS 140 (Note 2.3 (c))	53,186	-	-	-
Recognised in income statement (Note 28)	(4,289)	(563)	-	2
At end of the financial year	66,527	17,630	2	2

Notes to the Financial Statements

30 April 2007

20 DEFERRED TAX (CONT'D.)

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

Deferred Tax Liabilities of the Group

	Property, plant and equipment and investment properties RM'000	Land and development expenses RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 May 2006	31,545	11,476	54,003	97,024
Effects of adopting FRS 140	101,433	-	-	101,433
Recognised in income statement	(9,754)	(11,476)	24,806	3,576
At 30 April 2007	123,224	-	78,809	202,033
At 1 May 2005	31,739	12,053	44,278	88,070
Recognised in income statement	(194)	(577)	9,725	8,954
At 30 April 2006	31,545	11,476	54,003	97,024

Deferred Tax Assets of the Group

	Tax losses and unabsorbed capital allowances RM'000	Unutilised investment tax allowance RM'000	Others RM'000	Total RM'000
At 1 May 2006	(62,135)	(2,771)	(14,488)	(79,394)
Consequential effects arising from adoption of FRS 140 to now recognise deferred tax assets previously unrecognised	(48,247)	-	-	(48,247)
Recognised in income statement	(17,290)	-	9,425	(7,865)
At 30 April 2007	(127,672)	(2,771)	(5,063)	(135,506)
At 1 May 2005	(61,727)	(4,506)	(3,644)	(69,877)
Recognised in income statement	(408)	1,735	(10,844)	(9,517)
At 30 April 2006	(62,135)	(2,771)	(14,488)	(79,394)

Notes to the Financial Statements

30 April 2007

20 DEFERRED TAX (CONT'D.)

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

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

	GROUP	
	2007 RM'000	2006 RM'000
Unused tax losses	52,375	36,838
Unabsorbed capital allowances	6,426	4,797
Other deductible temporary differences	123,655	119,142
	<u>182,456</u>	<u>160,777</u>

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

21 PAYABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	69,992	76,520	-	-
Provision for liquidated ascertained damages	4,456	4,456	-	-
Deposits refundable	24,286	25,042	-	-
Other payables and accruals	53,117	54,753	179	176
Amount due to affiliated companies	6,982	14,250	1	-
Amount due to subsidiary companies	-	-	5,461	4,322
	<u>158,833</u>	<u>175,021</u>	<u>5,641</u>	<u>4,498</u>

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

The normal trade credit term granted to the Group and to the Company ranges from 15 to 90 days (2006: 15 to 90 days).

The amount due to affiliated companies are unsecured, interest free and have no fixed terms of repayment, with the exception of a sum amounting to RM5,186,000 (2006: RM13,984,000) at Group level which bears interest at 11% (2006: 11%) per annum.

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

Notes to the Financial Statements

30 April 2007

22 REVENUE

GROUP

The main categories of revenue are as follows:

	2007 RM'000	2006 RM'000
Sale of properties	106,459	61,683
Property management	17,849	15,832
Sale of theme park and IMAX theatre tickets	12,419	16,146
Sale of fruits and beverages	1,351	1,183
Rental income from investment properties	54,022	64,160
Gaming ticket sales less gaming tax	196,712	193,335
Gaming terminal sales	89	216
	388,901	352,555

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

COMPANY

	2007 RM'000	2006 RM'000
Gross dividends from subsidiary companies	24,288	4,569
Management fees from subsidiary companies	629	629
Management fees from associated company	96	96
	25,013	5,294

23 OTHER INCOME

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Dividend income	573	8,023	-	-
Interest income	1,346	1,020	266	162
Write-back of impairment in value of quoted investments	11,245	50	360	-
Miscellaneous	1,902	2,055	-	-
	15,066	11,148	626	162

24 STAFF COSTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Wages and salaries	13,504	14,453	172	160
Bonus	830	838	42	33
EPF contributions	1,540	1,622	26	23
Social security organisation contributions	212	220	1	1
Short term accumulating compensated absences	6	1	6	1
Other staff related expenses	973	1,203	-	-
	17,065	18,337	247	218

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

Notes to the Financial Statements

30 April 2007

25 DIRECTORS' REMUNERATION

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

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Directors of the Company				
Executive:				
Fees	20	20	-	-
Salary and other emoluments	298	255	298	255
	318	275	298	255
Non-Executive:				
Fees	70	70	60	60
Other emoluments	12	12	12	12
	82	82	72	72
Directors of the subsidiary companies				
Fees	100	100	-	-
Other emoluments	120	73	-	-
	220	173	-	-
Total	620	530	370	327

26 FINANCE COSTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Interest expense:				
- borrowings	55,511	55,057	-	-
- hire purchase liabilities	7	3	-	-
- an affiliated company	642	1,249	-	-
	56,160	56,309	-	-

Notes to the Financial Statements

30 April 2007

27 (LOSS)/PROFIT BEFORE TAX

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(Loss)/profit before tax is stated after charging/(crediting):				
Direct operating expenses of investment properties:				
- revenue generating during the year	4,187	5,305	-	-
- non-revenue generating during the year	2,302	3,130	-	-
Gaming royalty	1,070	1,052	-	-
Depreciation of property, plant and equipment (Note 3)	12,653	12,994	2	2
Directors' remuneration (Note 25):				
- fees	190	190	60	60
- other emoluments	430	340	310	267
Auditors' remuneration:				
- statutory audit	102	149	19	19
- (over)/under provision in prior years	(42)	-	1	-
- other services	43	46	4	-
- under provision in prior years for other services	141	-	-	-
Amortisation of other intangible asset (Note 10)	1,101	1,101	-	-
Provision for doubtful debts	1,892	4,532	-	-
Hire of plant and machinery	-	13	-	-
Operating leases:				
- lease payments for buildings	68	66	-	-
Staff costs (Note 24)	17,065	18,337	247	218
Gain on disposal of property, plant and equipment	(75)	(1)	-	-
Loss on disposal of other investment	25	31	-	31
Impairment in value of quoted investments (Note 32)	72	5,768	-	177
Impairment in value of goodwill (Notes 10 and 32)	58,937	-	-	-
Impairment in value of investment in a subsidiary company	-	-	97,588	-

Notes to the Financial Statements

30 April 2007

28 INCOME TAX EXPENSE

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Continuing Operations				
Current income tax:				
Malaysian income tax	6,198	8,629	6,562	1,264
(Over)/Under provision in prior years	(1,057)	14	(1)	-
	5,141	8,643	6,561	1,264
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	588	(735)	-	2
Relating to changes in tax rates	(5,108)	-	-	-
Under provision in prior years	231	172	-	-
	(4,289)	(563)	-	2
Total income tax expense from continuing operations	852	8,080	6,561	1,266
Discontinued Operation				
Current income tax:				
Malaysian income tax (Note 29)	-	-	-	-
Total income tax expense	852	8,080	6,561	1,266

Domestic income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 30 April 2007 has reflected these changes.

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

Chargeable Income	Rate
First RM500,000	20%
Amount exceeding RM500,000	27%

Notes to the Financial Statements

30 April 2007

28 INCOME TAX EXPENSE (CONT'D.)

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

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(Loss)/profit before tax	(49,994)	(1,646)	(73,139)	4,230
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	(13,498)	(461)	(19,748)	1,184
Effect of income subject to tax rate of 20%	(35)	(40)	-	-
Effect of changes in tax rate on opening balance of deferred tax	(5,059)	-	-	-
Deferred tax recognised at different tax rate	(49)	-	-	-
Effect of expenses not deductible for tax purposes	19,054	2,184	26,407	82
Effect of income not subject to tax	(406)	(283)	(97)	-
Effect of utilisation of previously unrecognised unutilised investment allowances and unabsorbed capital allowances	213	-	-	-
Deferred tax assets not recognised during the year	1,458	6,494	-	-
Under provision of deferred tax expense in prior years	231	172	-	-
(Over)/Under provision of tax expense in prior years	(1,057)	14	(1)	-
Income tax expense for the year	852	8,080	6,561	1,266

29 DISCONTINUED OPERATION

On 27 August 2006 and on 20 October 2006 respectively, two wholly owned subsidiaries of the Group, Shasta Supermarket Sdn. Bhd. and BTS Department Store Sdn. Bhd. have ceased their operations and subsequently became dormant. Therefore, the results of these subsidiaries were presented separately on the consolidated income statement as discontinued operation.

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

	GROUP	
	2007 RM'000	2006 RM'000
Revenue	11,219	37,577
Expenses	(15,295)	(39,922)
Loss before tax of discontinued operation	(4,076)	(2,345)
Income tax expense	-	-
Loss for the year from discontinued operation	(4,076)	(2,345)

Notes to the Financial Statements

30 April 2007

29 DISCONTINUED OPERATION (CONT'D.)

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

	GROUP	
	2007 RM'000	2006 RM'000
Depreciation of property, plant and equipment	1,030	3,897
Auditors' remuneration:		
- statutory audit	31	28
- other services	8	-
Provision for slow moving inventories	-	2,500
Reversal of provision for slow moving inventories	(2,500)	-
Inventories written off	-	84
Bad debts written off	27	-
Plant and equipment written off	151	-
Foreign exchange losses/(gains)	7	(6)
Loss on disposal of property, plant and equipment	4,854	-

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

	GROUP	
	2007 RM'000	2006 RM'000
Operating cash flows	(8,515)	279
Investing cash flows	5,820	37
Financing cash flows	(63)	(20)
Total cash flows	(2,758)	296

30 LOSS PER SHARE

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

	2007 RM'000	2006 RM'000
Loss from continuing operations attributable to ordinary equity holders of the Company	(55,553)	(14,146)
Loss from discontinued operation attributable to ordinary equity holders of the Company	(4,076)	(2,345)
Loss attributable to ordinary equity holders of the Company	(59,629)	(16,491)
Weighted average number of ordinary shares in issue ('000)	905,050	905,050
Basic loss per share for:	Sen	Sen
Loss from continuing operations	(6.14)	(1.56)
Loss from discontinued operation	(0.45)	(0.26)
Loss for the year	(6.59)	(1.82)

Notes to the Financial Statements

30 April 2007

31 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Management fees charged to subsidiary companies		-	-	(629)	(629)
Management fees charged to an associated company		(96)	(96)	(96)	(96)
Management fees charged by:					
- Berjaya Land Berhad	a	240	240	240	240
Interest expense charged by:					
- Prime Credit Leasing Sdn Bhd	a	642	1,249	-	-
Rental income, service charges and other related income charged to:					
- Berjaya Starbucks					
Coffee Company Sdn Bhd	a	(278)	(960)	-	-
- Berjaya HVN Sdn Bhd	a	(146)	(166)	-	-
- Berjaya Roasters (M) Sdn Bhd	a	(345)	(600)	-	-
- Cosway (M) Sdn Bhd	a	(385)	(338)	-	-
- Berjaya Vacation Club Berhad	a	(27)	(32)	-	-
- Convenience Shopping Sdn Bhd	b	(108)	(166)	-	-
- Berjaya Hospitality Services Sdn Bhd	a	(6,324)	(10,409)	-	-
- MiTV Corporation Sdn Bhd ("MiTV")	e	(29)	(30)	-	-
- Berjaya Retail Sdn Bhd	a	(45)	(617)	-	-
- Berjaya Books Sdn Bhd	a	(3,002)	(3,195)	-	-
- Restoran Rasa Utara Sdn Bhd ("Rasa Utara")	c	(322)	(296)	-	-
		(11,011)	(16,809)	-	-
Service charges and sinking funds charged to:					
- Ambilan Imej Sdn Bhd	a	(1,464)	(1,464)	-	-
- Berjaya Golf Resort Berhad	a	(45)	(46)	-	-
- Dian Kristal Sdn Bhd	a	(3,289)	(3,055)	-	-
- Nada Embun Sdn Bhd	a	(1,541)	(1,542)	-	-
- Berjaya Land Berhad	a	(299)	-	-	-
- Magna Mahsuri Sdn Bhd	d	(1,527)	(1,526)	-	-
		(8,165)	(7,633)	-	-
Sale of service suites to Dian Kristal Sdn Bhd	a	(90,000)	-	-	-
Parking charges charged to:					
- Berjaya Land Berhad	a	(67)	(4)	-	-
- Berjaya Resort					
Management Services Sdn Bhd	a	(15)	(2)	-	-
- Inter-Pacific Securities Sdn Bhd	a	(112)	(102)	-	-
- Prime Credit Leasing Sdn Bhd	a	(11)	(11)	-	-
- Sports Toto Malaysia Sdn Bhd	d	(182)	(89)	-	-
- MiTV	e	(51)	-	-	-
		(438)	(208)	-	-

Notes to the Financial Statements

30 April 2007

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

	Note	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Service charges and maintenance of air-conditioning system charged by Topgroup M&E Services Sdn Bhd *	a	794	795	-	-
Purchase of air-conditioning equipment, contract pertaining to maintenance and services of air-conditioning equipment charged by Dunham-Bush Sales & Services Sdn Bhd *	a	235	250	-	-
Advertisement and promotional material expenses charged by Novacomm Integrated Sdn Bhd	a	181	1,309	-	-
Hotel management fee charged by Berjaya Hospitality Services Sdn Bhd	a	8	270	-	-
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	g	6	122	-	-
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	27	26	-	-
IT consultancy, management and maintenance services charged by Qinetics Solutions Berhad	f	888	857	-	-
Procurement of betting terminals from International Lottery & Totalizator Systems, Inc	d	194	1,101	-	-

Notes to the Financial Statements

30 April 2007

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

The nature of the related party relationships are as follows:

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

* Ceased to be subsidiaries of BCorp Group with effect from 30 April 2007.

Fees and emoluments paid to directors of the Company are disclosed in Note 25.

The directors are of the opinion that all the transactions above 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.

32 SEGMENT INFORMATION

The Group is organised into the following business segments:

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

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

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.

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

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

Notes to the Financial Statements

30 April 2007

32 SEGMENT INFORMATION (CONT'D.)

Business Segments:

Revenue	2007			2006		
	External RM'000	Inter- segment RM'000	Total RM'000	External RM'000	Inter- segment RM'000	Total RM'000
Revenue from continuing operations:						
Gaming and related activities	196,801	-	196,801	193,551	-	193,551
Property development and property investment	178,129	-	178,129	141,487	-	141,487
Recreation	13,971	-	13,971	17,517	-	17,517
Trading and others	-	3,742	3,742	-	3,678	3,678
Inter-segment eliminations	-	(3,742)	(3,742)	-	(3,678)	(3,678)
Total revenue from continuing operations	388,901	-	388,901	352,555	-	352,555
Revenue from discontinued operation:						
Trading and others	11,219	-	11,219	37,577	-	37,577
	400,120	-	400,120	390,132	-	390,132

30 April 2007

Results	Results from		Total RM'000
	continuing operations RM'000	discontinued operation RM'000	
Gaming and related activities	5,754	-	5,754
Property development and property investment	6,106	-	6,106
Recreation	(5,467)	-	(5,467)
Trading and others	(1,943)	(4,107)	(6,050)
	4,450	(4,107)	343
Unallocated corporate expenses	(773)	-	(773)
Interest income	1,346	45	1,391
Interest expense	(56,160)	(14)	(56,174)
Share of results of a jointly controlled entity	1,143	-	1,143
Loss before tax	(49,994)	(4,076)	(54,070)
Income tax expense	(852)	-	(852)
Loss for the year	(50,846)	(4,076)	(54,922)
Minority interests	(4,707)	-	(4,707)
Loss attributable to equity holders of the Company	(55,553)	(4,076)	(59,629)

Notes to the Financial Statements

30 April 2007

32 SEGMENT INFORMATION (CONT'D.)

Business Segments (Cont'd.):

30 April 2006

Results	Results from	Results from	Total
	continuing	discontinued	
	operations	operation	RM'000
	RM'000	RM'000	RM'000
Gaming and related activities	22,319	-	22,319
Property development and property investment	36,642	-	36,642
Recreation	(3,042)	-	(3,042)
Trading and others	(1,809)	(2,417)	(4,226)
	54,110	(2,417)	51,693
Unallocated corporate expenses	(1,095)	-	(1,095)
Interest income	1,020	56	1,076
Interest expense	(56,309)	16	(56,293)
Share of results of a jointly controlled entity	628	-	628
Loss before tax	(1,646)	(2,345)	(3,991)
Income tax expense	(8,080)	-	(8,080)
Loss for the year	(9,726)	(2,345)	(12,071)
Minority interests	(4,420)	-	(4,420)
Loss attributable to equity holders of the Company	(14,146)	(2,345)	(16,491)

Assets and liabilities	2007		2006	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Gaming and related activities	157,366	16,773	182,214	18,809
Property development and property investment	1,560,539	133,684	1,677,755	138,389
Recreation	203,328	6,703	212,174	15,491
Trading and others	38,136	3,143	51,255	4,053
Segment assets/liabilities	1,959,369	160,303	2,123,398	176,742
Investment in a jointly controlled entity	6,581	-	5,438	-
Unallocated corporate assets/liabilities	17,866	741,692	13,141	769,765
Consolidated assets/liabilities	1,983,816	901,995	2,141,977	946,507

Notes to the Financial Statements

30 April 2007

32 SEGMENT INFORMATION (CONT'D.)

Business Segments (Cont'd.):

Other information	2007			2006		
	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non cash items RM'000	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non cash items RM'000
From continuing operations:						
Gaming and related activities	278	683	-	805	987	-
Property development and property investment	673	1,472	1,892	752	1,523	4,532
Recreation	181	9,758	-	295	9,762	-
Trading and others	-	1,839	-	259	1,821	-
Unallocated	-	2	-	12	2	-
	1,132	13,754	1,892	2,123	14,095	4,532
From discontinued operation:						
Trading and others	-	1,030	(2,322)	20	3,897	2,584
	1,132	14,784	(430)	2,143	17,992	7,116

Impairment Losses	2007 RM'000	2006 RM'000
Gaming and related activities (Note 27)	17,434	-
Property development and property investment (Note 27)	41,503	5,591
Trading and others (Note 27)	72	-
Unallocated (Note 27)	-	177
	59,009	5,768

33 FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity, credit and foreign currency risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing assets and interest-bearing debts obtained at fixed rates.

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

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

Notes to the Financial Statements

30 April 2007

33 FINANCIAL INSTRUMENTS (CONT'D.)

(c) Liquidity Risk

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

(d) Credit Risk

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

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

(e) Foreign Currency Risk

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

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

	Group	
	2007	2006
	RM'000	RM'000
Trade payables		
- United States Dollars	186	65
- Euro	4	10
	<hr/>	<hr/>
	190	75

(f) Fair Values

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

The fair value of quoted shares and loan stocks are determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. The fair value of Malaysian Government Securities is based on indicative value obtained from the secondary market. The fair value of these financial assets are disclosed in Note 8.

Notes to the Financial Statements

30 April 2007

33 FINANCIAL INSTRUMENTS (CONT'D.)

(f) Fair Values (cont'd)

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

	Note	At 30 April 2007 Group		At 30 April 2006 Group	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Liabilities					
Hire purchase liabilities	18	47	47	141	144
Term loan	17	32,500	20,167	18,877	13,926

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

34 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2007 %	2006 %
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, property development and investment holding	100	100
Subsidiary of Dayadil Sdn Bhd				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100

Notes to the Financial Statements

30 April 2007

34 SUBSIDIARY AND ASSOCIATED COMPANIES (CONT'D.)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2007 %	2006 %
Subsidiary Companies (cont'd)				
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 store	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 subsidiary company became dormant during the current financial year on expiration of several operating agreements.

^ These subsidiary companies ceased operations during the current financial year and are currently dormant. Information relating to the discontinued operation of BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd is set out in Note 29 to the financial statements.

35 COMPARATIVES

Other than as disclosed in Note 2.3(e), certain comparatives figures have been reclassified to conform with current year's presentation.

List of Properties as at 30 April 2007

LOCATION	TENURE	SIZE	DESCRIPTION/ EXISTING USE	ESTIMATED AGE OF BUILDING	DATE OF ACQUISITION	NET BOOK VALUE RM'000
No. H.S (D): 99289, PT355, Bandar Kuala Lumpur (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,587 sq meter	Shopping-cum- leisure mall	< 4 years	8.7.1994 } } } }	1,658,396
No. H.S (D): 99290, PT356, Bandar Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,917 sq meter	Office building	< 14 years	8.7.1994 }	
Lot 8189 & 8190, Town East, Jalan Pending, 93450 Kuching, Sarawak	Leasehold 60 years expiring on 11.5.2048	245 sq meter	4-storey shop house/ office building	19 years	13.7.1996	732
No. 273 & 274, Lot 2545 & 2546, Centraland Commercial Park, Off Jalan Rock 93250 Kuching, Sarawak	Leasehold 60 years expiring on 5.5.2054	484.2 sq meter	4-storey shop house/office building used as office and draw hall	13 years	31.8.2002	3,924

REVALUATION POLICY

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

Material Contracts

Other than as disclosed in Notes 12, 17, 19, 21, 25, 26 and 31 to the financial statements for the financial year ended 30 April 2007 neither Matrix International Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders, except for:-

- (i) 181 Sales and Purchase Agreements and a Master Supplemental Agreement all dated 28 December 2006 entered into between Berjaya Times Square Sdn Bhd and Dian Kristal Sdn Bhd, a wholly owned subsidiary company of Berjaya Land Berhad, for the disposal of 175 units of fully furnished service suites and 6 units of penthouse service suite in Berjaya Times Square, Jalan Imbi, Kuala Lumpur for a total cash consideration of RM90.0 million.

Additional Information

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2007 amounted to RM184,000.

Recurrent Related Party Transactions of Revenue Nature

for the financial year ended 30 April 2007

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	27
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"), Berjaya Times Square Sdn Bhd ("BTSSB"), Cosmo's World Theme Park Sdn Bhd ("CWTP") and TS Service Suites Sdn Bhd ("TS Suites")	Purchase of stationery products	78
Berjaya Starbucks Coffee Company Sdn Bhd Berjaya Hills Berhad Berjaya Books Sdn Bhd BerjayaCity Sdn Bhd	BTSSB	Parking charges receivable	23
Berjaya Roasters (M) Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB Berjaya TS	Rental income receivable for renting of a shoplot at 03-98, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. Parking charges receivable Receipt of service charges and advertising fund for abovementioned premise.	306 1 39
Berjaya Books Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	BTSSB Berjaya TS	Rental income receivable for renting of shoplots at 01-66, 02-49, 02-52(U), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. Receipt of service charges and advertising fund for abovementioned premise	2,062 940

Recurrent Related Party Transactions of Revenue Nature
for the financial year ended 30 April 2007

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM '000
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 cafe at 03-110, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	197
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise	81
Berjaya Retail Sdn Bhd, a wholly owned subsidiary of BGroup, which in turn is a wholly owned subsidiary of BCorp	Berjaya TS	Receipt of service charges and advertising fund	45
Berjaya Capital Berhad ("BCapital") Prime Credit Leasing Sdn Bhd ("PCL"), a wholly owned subsidiary of BCapital Inter-Pacific Securities Sdn Bhd, a wholly owned subsidiary of Inter-Pacific Capital Sdn Bhd ("IPC"), which in turn is a 91.5% owned subsidiary of BCapital	BTSSB	Parking charges receivable	131
Ambilan Imej Sdn Bhd ("AISB"), a wholly owned subsidiary of IPC, which in turn is a 91.5% owned subsidiary of BCapital	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	1,464
Cosway (M) Sdn Bhd ("CMSB"), a wholly owned subsidiary of Cosway Corporation Berhad ("Cosway Corp")	BTSSB	Rental income receivable for renting of shoplots and office at 06-18, 06-19, 06-20, 06-26, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	339
	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	46

Recurrent Related Party Transactions of Revenue Nature
for the financial year ended 30 April 2007

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM '000
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	CWTP	Purchase of cleaning chemical products	3
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.	133
	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	13
Dunham-Bush Sales & Services Sdn Bhd, a wholly owned subsidiary of Dunham-Bush (Malaysia) Bhd ("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.	1,029
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
	BTSSB	Parking charges receivable	67
		Rental income receivable for renting of office spaces at 02-17, 02-34, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	234
	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	65

Recurrent Related Party Transactions of Revenue Nature
for the financial year ended 30 April 2007

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM '000
Berjaya Vacation Club Berhad ("BVC"), a wholly owned subsidiary of BLand	BTSSB	Promotion and advertising services receivable	27
Berjaya Resort Management Services Sdn Bhd, a wholly owned subsidiary of BVC, which in turn is a wholly owned subsidiary of BLand	BTSSB	Rental income receivable for renting of retail lots at 06-61 & 06-62, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	44
		Parking charges receivable	15
	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	16
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.	6,324
	BTSSB	Parking charges receivable	10
Nada Embun Sdn Bhd, a wholly owned subsidiary of BLand	Berjaya TS	Service charges and sinking fund receivable for maintenance of premises	1,586
Berjaya Golf Resort Berhad, a wholly owned subsidiary of BVC, which in turn is a wholly owned subsidiary of BLand			
Dian Kristal Sdn Bhd, 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	3,289

Recurrent Related Party Transactions of Revenue Nature
for the financial year ended 30 April 2007

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM '000
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	1,527
International Lottery & Totalizator Systems, Inc, a 71.32% 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	NASB	Procurement of computerised lottery system and related services	194
Sports Toto Malaysia Sdn Bhd, a wholly owned subsidiary of BToto	BTSSB	Parking charges receivable	182
Qinetics Solutions Berhad ("Qinetics") (a)	10th Avenue, BTSSB, CWTP, and Berjaya TS	Receipt of IT consultancy and management services	888
Restoran Rasa Utara Sdn Bhd ("Rasa Utara") (b)	BTSSB	Rental income receivable for renting of a shoplot at 03-90, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	248
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises	48
Convenience Shopping Sdn Bhd ("CSSB") (c)	BTSSB	Rental income receivable for renting of store room and shoplot at LG-60A & 05-75(S), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	76
	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premises	32

Recurrent Related Party Transactions of Revenue Nature
for the financial year ended 30 April 2007

Matrix International Berhad ("Matrix") Group with the following Related Parties	Matrix and/or its subsidiary companies	Nature of transactions	Amount transacted RM '000
MiTV Corporation Sdn Bhd ("MiTV") (d) MiTV Networks Sdn Bhd (d)	BTSSB	Rental income receivable for renting of broadcasting facility at TS-Roof-02, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.	25
MiTV (d)	Berjaya TS	Receipt of service charges and advertising fund for abovementioned premise	4
Intan (c) MiTV Networks Sdn Bhd (d)	BTSSB	Parking charges receivable	3 51
Sun Media Corporation Sdn Bhd ("Sun Media") (e)	Matrix	Procurement of promotion, advertising and publishing services from Sun Media	6
Grand Total			22,158

Notes:

- Subsidiary company of MOL.com Berhad ("MOL"). Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") and BCorp are major shareholders of MOL while his son, Dato' Robin Tan Yeong Ching is the chairman and a shareholder of MOL.
- Associated company of United Prime Corporation Berhad ("UPC"). Deemed a related party by virtue of Tan Sri Vincent Tan's interest in UPC.
- CSSB is a wholly owned subsidiary of Premier Merchandise Sdn Bhd which in turn is a wholly owned subsidiary of Intan Utilities Berhad ("Intan"). Tan Sri Vincent Tan is a major shareholder of Intan by virtue of his interest in Intan through his shareholding in HQZ Credit Sdn Bhd.
- Deemed a related party by virtue of Tan Sri Vincent Tan's major shareholdings in MiTV.
- Subsidiary company 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.

Statistics on Shareholdings as at 22 August 2007

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	250	7.28	9,447	0.00
100 - 1,000	249	7.25	184,450	0.02
1,001 - 10,000	1,798	52.39	9,247,573	1.02
10,001 - 100,000	813	23.69	29,808,207	3.29
100,001 - 45,252,518	318	9.27	388,271,013	42.90
45,252,519* and above	4	0.12	477,529,695	52.77
Total	3,432	100.00	905,050,385	100.00

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	249,504,549	27.568
2 ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun (Times Square)</i>	100,000,000	11.049
3 MIDF Sisma Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Sri Dato' Vincent Tan Chee Yioun (MGN-VTC0001M)</i>	65,000,000	7.182
4 Bakat Rampai Sdn Bhd	63,025,146	6.964
5 Portal Access Sdn Bhd	26,242,920	2.900
6 Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB Bank For Portal Access Sdn Bhd (Banking)</i>	25,000,000	2.762
7 Inter-Pacific Equity Nominees (Asing) 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>	20,134,548	2.225
9 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun (49877 PDZM)</i>	16,900,000	1.867
10 A.A. Anthony Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	15,000,000	1.657
11 Ambilan Imej Sdn Bhd	13,536,527	1.496
12 Tengku Rethwan Bin Tengku Mansor	13,000,000	1.436
13 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Gateway Benefit Sdn Bhd For Dian Kristal Sdn Bhd (49486 SFIN)</i>	12,000,000	1.326
14 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Han Kook (AT0062)</i>	11,932,000	1.318
15 Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB Bank For Berjaya Land Bhd (Banking 30)</i>	10,000,000	1.105
16 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Gateway Benefit Sdn Bhd For Nada Embun Sdn Bhd (49486 SFIN)</i>	10,000,000	1.105
17 Magna Mahsuri Sdn Bhd	8,749,001	0.967
18 Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Bhd</i>	8,200,000	0.906
19 RC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun (M)</i>	8,000,000	0.884
20 HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FC For Legg Mason Southeast Asia Special Situations Trust (201061)</i>	7,878,500	0.871
21 Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Kok Ping</i>	7,200,000	0.796
22 Dumez Jaya Sdn Bhd	7,151,078	0.790
23 Berjaya Capital Berhad	6,740,000	0.745
24 Berjaya Sompo Insurance Berhad	6,634,000	0.733
25 Dian Kristal Sdn Bhd	6,423,015	0.710
26 EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Berjaya Land Bhd (BBB)</i>	6,130,000	0.677
27 Affin Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Pte Ltd For Mohsein Hyder (TPC)</i>	5,224,500	0.577
28 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Pantai Cemerlang Sdn Bhd</i>	4,815,048	0.532
29 Maju Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	4,557,000	0.504
30 EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Portal Access Sdn Bhd (BB)</i>	4,240,000	0.468
	763,456,832	84.355

Statistics on Shareholdings as at 22 August 2007

SUBSTANTIAL SHAREHOLDERS AS AT 22 AUGUST 2007

Name of Substantial Shareholders	← 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 Sompo Insurance Berhad (formerly known as 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 interest in Dijaya Corporation Berhad.
- (i) Deemed interested by virtue of its interest in Dijaya Corporation Berhad.

Statement of Directors' Shareholdings

as at 22 August 2007

	← No. of Ordinary Shares of RM1.00 each →			
	Direct Interest	%	Indirect Interest	%
Chan Kien Sing	-	-	-	-
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 22 August 2007.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh 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, 22 October 2007 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 2007 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**
2. To approve the payment of Directors' fees amounting to RM60,000 for the year ended 30 April 2007. **RESOLUTION 2**
3. To re-elect the following Directors:
 - a) Lim Meng Kwong **RESOLUTION 3**
 - b) Dato' Mohd Salleh Bin Ahmad **RESOLUTION 4**
4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 5**
5. As special business:
 - l) 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 Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"That, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 28 September 2007 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;

Notice of Annual 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

II) To consider and, if thought fit, pass the following Special Resolution:

Proposed Amendments to the Company's Articles of Association

“That alterations, modifications, additions or deletions to the Articles of Association of the Company as set out in Part B of the Circular to Shareholders dated 28 September 2007 be and are hereby approved.”

RESOLUTION 8

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
28 September 2007

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 28 September 2007 attached to the Annual Report.
3. Resolution 8 relates to the proposed amendment of the Articles of Association of the Company to incorporate the current provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. The relevant information on Resolution 8 is set out in Part B of the Circular to Shareholders dated 28 September 2007 attached to the Annual Report.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

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

- a) Lim Meng Kwong
- b) Dato' Mohd Salleh Bin Ahmad

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

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

Annual Report

page 3 & 4

page 3 & 4

page 86

page 4

Group Addresses

Berjaya Times Square Sdn Bhd

1, Jalan Imbi,
55100 Kuala Lumpur
Tel : 03-2144 9821
Fax : 03-2143 3055/03-2145 2471
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

Imax Theatre

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

10th Avenue Food Mall Sdn Bhd

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
93200 Kuching
Sarawak
Tel : 082-233 466
Fax : 082-233 467

Sibu Regional Office

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

Miri Regional Office

Lot 627, 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



Matrix International Berhad

Incorporated in Malaysia (Company No. 3907-W)

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos. or Company No.)

of _____
(Address)

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

_____ I.C.No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(Address)

or failing him/her Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Forty-Seventh Annual General Meeting of the Company to be held at Bronx V, Level 14, West Tower, Berjaya Times Square Hotel & Convention Center, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Monday, 22 October 2007 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 Lim Meng Kwong as Director.		
RESOLUTION 4 – To re-elect Dato' Mohd Salleh Bin Ahmad 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.		
RESOLUTION 8 – To approve the proposed amendments to the Company's Articles of Association.		

No. of Shares Held

Signature of Shareholder(s)

Signed this _____ day of _____ 2007

NOTES:

1. 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.
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.

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

www.timessquarekl.com · www.cashsweep.com.my

