

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS AS AT 30 APRIL 2005
TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

COMPANY NO: 7308-X

**BERJAYA GROUP BERHAD
(Incorporated in Malaysia)**

CONTENTS

| | PAGE |
|---|-------------|
| DIRECTORS' REPORT | 1 - 6 |
| STATEMENT BY DIRECTORS | 7 |
| STATUTORY DECLARATION | 7 |
| REPORT OF THE AUDITORS | 8 - 9 |
| BALANCE SHEETS | 10 - 11 |
| INCOME STATEMENTS | 12 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 13 |
| STATEMENT OF CHANGES IN EQUITY | 14 |
| CASH FLOW STATEMENTS | 15 - 19 |
| NOTES TO THE FINANCIAL STATEMENTS | 20 - 138 |

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group consist of:-

- (i) Financial services
- (ii) Manufacturing
- (iii) Property investment and development
- (iv) Hotel, resort and recreation
- (v) Restaurants and cafes
- (vi) Marketing of consumer products and services
- (vii) Investment holding and others

There were no significant changes in the Group's activities during the year other than those arising from the acquisition or disposal of subsidiary companies and dilution of the Group's equity interest in subsidiary companies as disclosed in Notes 8 and 38(A) to the financial statements.

RESULTS

| | Group RM'000 | Company RM'000 |
|-------------------------------------|-------------------------|---------------------------|
| Profit before taxation | 371,024 | 47,855 |
| Taxation | (141,016) | (19) |
| Profit after taxation | 230,008 | 47,836 |
| Minority interests | (78,796) | - |
| Profit attributable to shareholders | <u>151,212</u> | <u>47,836</u> |

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 28 to the financial statements.

COMPANY NO: 7308-X

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. 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:

Tan Sri Dato' Seri Vincent Tan Chee Yioun
Tan Sri Dato' Tan Chee Sing
Datuk Robert Yong Kuen Loke
Chan Kien Sing
Freddie Pang Hock Cheng
Dato' Mohd Annuar bin Zaini
Tan Sri Datuk Abdul Rahim bin Haji Din
Dato' Suleiman bin Mohd Noor
Rayvin Tan Yeong Sheik
Vivienne Cheng Chi Fan
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar
Mohd Zain bin Ahmad
Azlan Meah Bin Hj Ahmed Meah

(appointed on 1 February 2005)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 27 to the financial statements) 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 34 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, warrants, options and debentures of the Company and its related corporations during the financial year were as follows:

| | Number of ordinary shares of RM1.00 each | | | |
|---|--|----------|----------|-------------|
| | At 1.5.04 | Acquired | Disposed | At 30.4.05 |
| The Company | | | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 390,410,429 | - | - | 390,410,429 |
| * | 145,508,246 | - | - | 145,508,246 |
| Tan Sri Dato' Tan Chee Sing | 36,181,000 | - | - | 36,181,000 |
| * | 679,000 | - | - | 679,000 |
| Datuk Robert Yong Kuen Loke | 200,000 | - | - | 200,000 |
| Freddie Pang Hock Cheng | 7,500 | - | - | 7,500 |
| Tan Sri Datuk Abdul Rahim bin Haji Din | 72,000 | - | - | 72,000 |
| Dato' Suleiman bin Mohd Noor | 101,000 | - | - | 101,000 |
| Rayvin Tan Yeong Sheik | 10,000 | - | - | 10,000 |
| Vivienne Cheng Chi Fan | 22,000 | - | - | 22,000 |
| Dato' Mohd Annuar bin Zaini | 50,000 | - | - | 50,000 |
| Chan Kien Sing | - | 100,000 | - | 100,000 |

| | Number of 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 of RM1.00 nominal value each | | | |
|---|--|----------|----------|------------|
| | At 1.5.04 | Acquired | Disposed | At 30.4.05 |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 87,517,081 | - | - | 87,517,081 |
| * | 73,511,434 | - | - | 73,511,434 |
| Tan Sri Dato' Tan Chee Sing | 18,090,500 | - | - | 18,090,500 |
| Datuk Robert Yong Kuen Loke | 139,000 | - | - | 139,000 |
| Tan Sri Datuk Abdul Rahim bin Haji Din | 36,000 | - | - | 36,000 |
| Rayvin Tan Yeong Sheik | 10,000 | - | - | 10,000 |
| Dato' Mohd Annuar bin Zaini | 120,000 | 18,000 | - | 138,000 |

| | Number of Warrants | | | |
|---|--------------------|----------|----------|-------------|
| | At 1.5.04 | Acquired | Disposed | At 30.4.05 |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 693,086,916 | - | - | 693,086,916 |
| * | 208,000,000 | - | - | 208,000,000 |
| Tan Sri Dato' Tan Chee Sing | 71,142,000 | - | - | 71,142,000 |
| Tan Sri Datuk Abdul Rahim bin Haji Din | 144,000 | - | - | 144,000 |

* denotes indirect interests

COMPANY NO: 7308-X

Subsidiary companies:

| | Number of ordinary shares of RM1.00 each | | | |
|---|--|-----------------|-----------------|-------------------|
| | At 1.5.04 or at date of appointment | Acquired | Disposed | At 30.4.05 |
| Berjaya Capital Berhad | | | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 962,000 | - | - | 962,000 |
| * | 350,957,942 | - | - | 350,957,942 |
| Tan Sri Dato' Tan Chee Sing | 87,332 | - | - | 87,332 |
| Datuk Robert Yong Kuen Loke | 168,000 | - | - | 168,000 |
| Chan Kien Sing | 10,000 | - | - | 10,000 |
| Freddie Pang Hock Cheng | 10,000 | - | - | 10,000 |
| Azlan Meah Bin Hj Ahmed Meah | 2,000 | - | - | 2,000 |
| Cosway Corporation Berhad | | | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 24,220,200 | 1,183,000 | - | 25,403,200 |
| * | 246,111,146 | 7,192,300 | - | 253,303,446 |
| Datuk Robert Yong Kuen Loke | 780,000 | - | - | 780,000 |
| Dunham-Bush (Malaysia) Bhd | | | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 1,415,800 | - | - | 1,415,800 |
| * | 64,809,524 | - | - | 64,809,524 |
| Berjaya Land Berhad | | | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 19,842,220 | - | 3,250,000 | 16,592,220 |
| * | 548,391,347 | 25,492,321 | 12,877,000 | 561,006,668 |
| Tan Sri Dato' Tan Chee Sing | 239,721 | - | 80,000 | 159,721 |
| * | 11,461,250 | - | 11,461,250 # | - |
| Datuk Robert Yong Kuen Loke | 90,000 | - | - | 90,000 |

**Number of 5% Irredeemable Convertible
Unsecured Loan Stocks 1999/2009 of
RM1.00 nominal value each**

| | At 1.5.04 | Acquired | Disposed | At 30.4.05 |
|---|------------------|-----------------|-----------------|-------------------|
| Tan Sri Dato' Seri Vincent Tan Chee Yioun * | 3,820,000 | 7,000,000 | - | 10,820,000 |
| | 315,181,298 | 152,677,625 | - | 467,858,923 |
| Tan Sri Dato' Tan Chee Sing * | 2,509,000 | - | 2,509,000 # | - |

ceased to be interested pursuant to Section 6A of the Companies Act, 1965

By virtue of his interests in the shares of Berjaya Group Berhad, Tan Sri Dato' Seri Vincent Tan Chee Yioun is also deemed interested in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

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

ISSUE OF SHARES

During the financial year, the Company issued 2,000 ordinary shares of RM1.00 each arising from the conversion of RM2,000 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 ("BGB ICULS") at the rate of RM1.00 nominal value of BGB ICULS for one fully paid ordinary share.

COMPANY NO: 7308-X

OTHER STATUTORY INFORMATION

- (a) Before the income statement and balance sheet of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it 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 provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

- (e) As 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 of the Group or of the Company which has arisen since the end of the financial year, other than in respect of underwriting commitments made in the ordinary course of business by the stockbroking subsidiary companies of the Group.

- (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.

OTHER SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of the financial year are disclosed in Note 39 to the financial statements.

COMPANY NO: 7308-X

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

TAN SRI DATO' SERI VINCENT TAN
CHEE YIOUN

TAN SRI DATUK ABDUL RAHIM BIN
HAJI DIN

Kuala Lumpur, Malaysia
Date: 29 August 2005

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

(Pursuant to Section 169(15) of the Companies Act, 1965)

We, TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN and TAN SRI DATUK ABDUL RAHIM BIN HAJI DIN, being two of the directors of BERJAYA GROUP BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 138 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

TAN SRI DATO' SERI VINCENT TAN
CHEE YIOUN

TAN SRI DATUK ABDUL RAHIM BIN
HAJI DIN

Kuala Lumpur, Malaysia
Dated :29 August 2005

STATUTORY DECLARATION

(Pursuant to Section 169(16) of the Companies Act, 1965)

I, DATUK ROBERT YONG KUEN LOKE, being the director primarily responsible for the financial management of BERJAYA GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 138 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 DATUK)
ROBERT YONG KUEN LOKE at Kuala Lumpur in the)
Federal Territory on 29 August 2005)

DATUK ROBERT YONG KUEN
LOKE

Before me:

Commissioner for Oaths
Soh Ah Kau (W315)
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF
BERJAYA GROUP BERHAD**

(Company No: 7308-X)
(Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 10 to 138. 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 content of this report.

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

In our opinion:

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

We have considered the financial statements and the auditors' reports thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 40 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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.

In forming our opinion, we have considered the adequacy of the disclosures made in Notes 39(B)(4) and 42 to the financial statements regarding the Company's and the Group's restructuring and rationalisation plans to meet their obligations. In view of the significance of these matters, it is our view that these disclosures should be brought to your attention. Our opinion is not qualified in these respects.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Yap Seng Chong
No. 2190/12/05 (J)
Partner

Kuala Lumpur, Malaysia
Date : 29 August 2005

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 APRIL 2005

| | Note | Group | | Company | |
|--------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 3 | 1,980,165 | 2,173,058 | 269 | 680 |
| Other investments | 4 | 407,416 | 639,196 | 19,670 | 19,370 |
| Investment properties | 5 | 631,075 | 645,891 | 2,587 | 2,587 |
| Land held for development | 6 | 840,763 | 1,036,187 | - | - |
| Associated companies | 7 | 1,860,147 | 1,484,315 | 19,893 | 23,093 |
| Subsidiary companies | 8 | 6,601 | 14,378 | 337,801 | 319,649 |
| Deferred tax assets | 23 | 15,892 | 10,985 | - | - |
| Long term receivables | | 1,030 | 825 | - | - |
| Intangible assets | 9 | 975,039 | 1,149,048 | - | - |
| | | <u>6,718,128</u> | <u>7,153,883</u> | <u>380,220</u> | <u>365,379</u> |
| CURRENT ASSETS | | | | | |
| Development properties | 10 | 690,314 | 495,075 | - | - |
| Inventories | 11 | 398,657 | 393,798 | - | - |
| Trade and other receivables | 12 | 1,150,804 | 1,187,372 | 3,560,096 | 3,546,993 |
| Tax recoverable | | 63,760 | 72,479 | 7,510 | 5,068 |
| Deposits with financial institutions | 13 | 308,542 | 279,919 | - | - |
| Cash and bank balances | 14 | 230,351 | 151,625 | 118 | 118 |
| | | <u>2,842,428</u> | <u>2,580,268</u> | <u>3,567,724</u> | <u>3,552,179</u> |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 1,642,278 | 1,089,736 | 3,563,737 | 3,404,787 |
| Provisions | 16 | 172,378 | 163,358 | - | - |
| Short term borrowings | 17 | 1,562,277 | 1,278,991 | 50,429 | 205,743 |
| Taxation | | 32,878 | 57,706 | - | - |
| | | <u>3,409,811</u> | <u>2,589,791</u> | <u>3,614,166</u> | <u>3,610,530</u> |
| NET CURRENT LIABILITIES | | | | | |
| | | <u>(567,383)</u> | <u>(9,523)</u> | <u>(46,442)</u> | <u>(58,351)</u> |
| | | <u>6,150,745</u> | <u>7,144,360</u> | <u>333,778</u> | <u>307,028</u> |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 APRIL 2005

| | Note | Group | | Company | |
|--|------|------------------|------------------|----------------|----------------|
| | | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| FINANCED BY | | | | | |
| Share capital | 18 | 1,498,173 | 1,498,171 | 1,498,173 | 1,498,171 |
| Equity component of irredeemable convertible unsecured loan stocks | 20 | 422,095 | 422,097 | 422,095 | 422,097 |
| Reserves | 19 | (1,428,069) | (1,612,490) | (1,586,509) | (1,613,240) |
| EQUITY FUNDS | | <u>492,199</u> | <u>307,778</u> | <u>333,759</u> | <u>307,028</u> |
| Minority interests | | 2,428,998 | 2,342,671 | - | - |
| CAPITAL FUNDS | | <u>2,921,197</u> | <u>2,650,449</u> | <u>333,759</u> | <u>307,028</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Irredeemable convertible unsecured loan stocks | 20 | 432,874 | 586,995 | - | - |
| Long term borrowings | 21 | 2,270,424 | 2,472,904 | - | - |
| Other long term liabilities | 22 | 288,489 | 1,184,913 | - | - |
| Deferred tax liabilities | 23 | 136,609 | 151,907 | 19 | - |
| Provisions | 16 | 30,683 | 30,449 | - | - |
| Insurance reserves | 24 | 70,469 | 66,743 | - | - |
| | | <u>3,229,548</u> | <u>4,493,911</u> | <u>19</u> | <u>-</u> |
| | | <u>6,150,745</u> | <u>7,144,360</u> | <u>333,778</u> | <u>307,028</u> |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

| | | Group | | Company | |
|---|------|--------------------|--------------------|----------------|------------------|
| | Note | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| REVENUE | 25 | 2,934,556 | 5,586,876 | 11,099 | 11,045 |
| Cost of sales | | <u>(1,837,558)</u> | <u>(3,966,792)</u> | <u>-</u> | <u>-</u> |
| GROSS PROFIT | | 1,096,998 | 1,620,084 | 11,099 | 11,045 |
| Other operating income | | 17,219 | 56,453 | 102 | 175 |
| Selling and distribution expenses | | (297,429) | (638,208) | - | - |
| Administrative and other operating expenses | | <u>(607,694)</u> | <u>(541,786)</u> | <u>(4,553)</u> | <u>(374,821)</u> |
| PROFIT/(LOSS) FROM OPERATIONS | 26 | 209,094 | 496,543 | 6,648 | (363,601) |
| Results arising from investing activities | 28 | 245,712 | (160,933) | 253,318 | 193,649 |
| Finance costs | 29 | (349,082) | (372,567) | (212,111) | (221,089) |
| Share of results of associated companies | 30 | <u>265,300</u> | <u>225,700</u> | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | 371,024 | 188,743 | 47,855 | (391,041) |
| Taxation | | (49,217) | (144,208) | (19) | (7,869) |
| - Group/Company | | (91,799) | (57,059) | - | - |
| - associated companies | 31 | <u>(141,016)</u> | <u>(201,267)</u> | <u>(19)</u> | <u>(7,869)</u> |
| NET PROFIT/(LOSS) AFTER TAXATION | | 230,008 | (12,524) | 47,836 | (398,910) |
| Minority interests | | <u>(78,796)</u> | <u>(156,807)</u> | <u>-</u> | <u>-</u> |
| NET PROFIT/(LOSS) FOR THE YEAR | | <u>151,212</u> | <u>(169,331)</u> | <u>47,836</u> | <u>(398,910)</u> |
| EARNINGS/(LOSS) PER SHARE | 32 | | | | |
| - Basic (sen) | | <u>10.1</u> | <u>(11.3)</u> | | |
| - Diluted (sen) | | <u>7.9</u> | <u>(11.3)</u> | | |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2005

| | Non-distributable | | | | | Accumulated losses RM'000 | Total RM'000 |
|---|----------------------------|----------------------------|--|-------------------------------|---|---------------------------------|-----------------|
| | Share capital RM'000 | Share premium RM'000 | ICULS - equity component RM'000 | Capital reserves RM'000 | Foreign currency translation reserve RM'000 | | |
| At 1 May 2003 | 1,498,171 | 734,356 | 422,097 | (4,437) | 47,629 | (2,182,349) | 515,467 |
| Exchange difference on translation of net assets of foreign subsidiary companies and associated companies | - | - | - | - | 11,528 | - | 11,528 |
| Loss on deemed disposal of an associated company | - | - | - | - | - | (28,781) | (28,781) |
| Distribution to holders of irredeemable convertible unsecured loan stocks | - | - | - | - | - | (21,105) | (21,105) |
| Net gain/(losses) not recognised in income statements | - | - | - | - | 11,528 | (49,886) | (38,358) |
| Net loss for the year | - | - | - | - | - | (169,331) | (169,331) |
| Transfer to accumulated losses | - | - | - | 4,437 | (7,096) | 2,659 | - |
| At 30 April 2004 | 1,498,171 | 734,356 | 422,097 | - | 52,061 | (2,398,907) | 307,778 |
| Exchange difference on translation of net assets of foreign subsidiary companies and associated companies | - | - | - | - | 10,221 | - | 10,221 |
| Gain on accretion of an associated company | - | - | - | - | - | 44,093 | 44,093 |
| Distribution to holders of irredeemable convertible unsecured loan stocks | - | - | - | - | - | (21,105) | (21,105) |
| Net gain not recognised in income statements | - | - | - | - | 10,221 | 22,988 | 33,209 |
| Conversion of irredeemable convertible unsecured loan stocks | 2 | - | (2) | - | - | - | - |
| Net profit for the year | - | - | - | - | - | 151,212 | 151,212 |
| Transfer to accumulated losses | - | - | - | 12,487 | 5,602 | (18,089) | - |
| At 30 April 2005 | 1,498,173 | 734,356 | 422,095 | 12,487 | 67,884 | (2,242,796) | 492,199 |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2005

| | <u>Non-distributable</u> | | | | |
|---|--------------------------|----------------------|---------------------------------|---------------------------|----------------|
| | <u>Share capital</u> | <u>Share premium</u> | <u>ICULS - equity component</u> | <u>Accumulated losses</u> | <u>Total</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| At 1 May 2003 | 1,498,171 | 734,356 | 422,097 | (1,927,581) | 727,043 |
| Net loss for the year | - | - | - | (398,910) | (398,910) |
| Distribution to holders of irredeemable convertible unsecured loan stocks | - | - | - | (21,105) | (21,105) |
| At 30 April 2004 | <u>1,498,171</u> | <u>734,356</u> | <u>422,097</u> | <u>(2,347,596)</u> | <u>307,028</u> |
| Net profit for the year | - | - | - | 47,836 | 47,836 |
| Conversion of irredeemable convertible unsecured loan stocks | 2 | - | (2) | - | - |
| Distribution to holders of irredeemable convertible unsecured loan stocks | - | - | - | (21,105) | (21,105) |
| At 30 April 2005 | <u>1,498,173</u> | <u>734,356</u> | <u>422,095</u> | <u>(2,320,865)</u> | <u>333,759</u> |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

| | Group | | Company | |
|---|----------------|----------------|-----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | 2,934,057 | 5,518,471 | - | - |
| Payment to suppliers, prize winners and operating expenses | (2,487,463) | (4,742,758) | (13,252) | (9,220) |
| Payment for pool betting duties, gaming tax, royalties and other government contributions | (18,729) | (27,860) | - | - |
| Development expenditure incurred | (157,494) | (99,231) | - | - |
| Tax refund | 22,394 | 59,036 | - | 41,532 |
| Payment of taxes | (99,264) | (125,252) | - | - |
| Other receipts (Note d) | 21,157 | 11,089 | 394 | 920 |
| Net cash flow generated from/(used in) operating activities | <u>214,658</u> | <u>593,495</u> | <u>(12,858)</u> | <u>33,232</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Sales of property, plant and equipment | 107,837 | 129,300 | 87 | 978 |
| Sales of investments in subsidiary companies (Note b) | 22,976 | 171,375 | 17,095 | 9,207 |
| Sales of investments in associated companies | 298,876 | 10,030 | 64,040 | - |
| Sales of government securities, loan stocks and bonds | 7,573 | 22,670 | - | - |
| Sales of other investments | 265,502 | 98,980 | - | 1,349 |
| Cash outflow following the deconsolidation of a subsidiary company (Note c) | (35,789) | (10,480) | - | - |
| Acquisition of property, plant and equipment (Note e) | (107,084) | (188,264) | (31) | (29) |
| Acquisition of investments in subsidiary companies (Note a) | (68,043) | - | (22,535) | (448) |
| Acquisition of investments in associated companies | (106,886) | (20,059) | - | - |
| Acquisition of government securities, loan stocks and bonds | (20,605) | (35,031) | - | - |
| Acquisition of other investments | (266,766) | (239,143) | - | - |
| Proceeds from capital distribution by an associated company (Note f) | 43,396 | 47,625 | - | - |
| Interest received | 46,887 | 44,097 | 1,583 | 1,142 |
| Dividends received | 176,584 | 99,104 | 19 | 408 |
| Capital repayment from Bursa Malaysia Berhad | 10,227 | - | - | - |
| Loan repayments from subsidiary companies | - | - | 441,791 | 270,513 |
| Loan advances to subsidiary companies | - | - | (264,677) | (185,830) |
| Other (payments)/receipts arising from investments (Note g) | (8,780) | 8,843 | - | - |
| Net cash flow generated from investing activities | <u>365,905</u> | <u>139,047</u> | <u>237,372</u> | <u>97,290</u> |

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Issuance of share capital to minority shareholders of subsidiary companies | 9,978 | 40,773 | - | - |
| Bank borrowings | 1,366,641 | 441,740 | - | - |
| Partial repayment of floating rate notes | (102,600) | (19,000) | - | - |
| Repayment of borrowings and loans | (1,162,452) | (566,859) | (144,632) | (10,138) |
| Payment of hire purchase/lease liabilities | (24,620) | (22,868) | (415) | (181) |
| Repayment of advances from former subsidiary companies | 87,007 | - | - | - |
| Repayment of advances from an associated company | 36,614 | - | - | - |
| Repayment of advances to an associated company | (272,577) | (200,345) | - | - |
| Repayment of other borrowings | (20,885) | (31,452) | - | - |
| Interest paid | (288,229) | (354,559) | (4,757) | (44,644) |
| Loan drawdowns from subsidiary companies | - | - | 10,165 | - |
| Loan repayments to subsidiary companies | - | - | (56,021) | (46,213) |
| Distribution to holders of irredeemable convertible unsecured loan stocks | (21,105) | (21,105) | (21,105) | (21,105) |
| Dividends paid to minority shareholders of subsidiary companies | (22,980) | (24,654) | - | - |
| Net cash flow used in financing activities | <u>(415,208)</u> | <u>(758,329)</u> | <u>(216,765)</u> | <u>(122,281)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 165,355 | (25,787) | 7,749 | 8,241 |
| EFFECT OF EXCHANGE RATE CHANGES | (1,262) | 11,052 | - | - |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 128,494 | 143,229 | (35,950) | (44,191) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | <u>292,587</u> | <u>128,494</u> | <u>(28,201)</u> | <u>(35,950)</u> |
| CASH AND CASH EQUIVALENTS | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The closing cash and cash equivalents comprise the following: | | | | |
| Cash and bank balances | 230,351 | 151,625 | 118 | 118 |
| Deposits with financial institutions | 308,542 | 279,919 | - | - |
| Bank overdrafts | (216,584) | (280,316) | (28,319) | (36,068) |
| | <u>322,309</u> | <u>151,228</u> | <u>(28,201)</u> | <u>(35,950)</u> |
| Less : Remisiers' deposits held in trust | (13,234) | (12,172) | - | - |
| : Clients' monies held in trust | (16,488) | (10,562) | - | - |
| | <u>292,587</u> | <u>128,494</u> | <u>(28,201)</u> | <u>(35,950)</u> |

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

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

Notes:

a) Analysis of the effects of subsidiary companies acquired :-

| | 2005 |
|---|----------------------|
| | RM'000 |
| Property, plant and equipment | 4,129 |
| Other investments | 6,245 |
| Current and long term assets | 94,347 |
| Current and long term liabilities | (35,095) |
| Deferred taxation | (6) |
| Minority interests | (16,098) |
| Goodwill on consolidation | 21,646 |
| Less: Share of net assets in subsidiary companies acquired previously equity accounted for | <u>(12,133)</u> |
| Net assets acquired | 63,035 |
| Less: Cash and cash equivalents of subsidiary companies acquired | (22,805) |
| Additional acquisition of shares in subsidiary companies | <u>27,813</u> |
| Cash flow on acquisition (net of cash in subsidiary companies acquired) | <u><u>68,043</u></u> |

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

b) Analysis of the effects of subsidiary companies disposed :-

| | 2005 | 2004 |
|--|----------------------|-----------------------|
| | RM'000 | RM'000 |
| Property, plant and equipment | - | 237,840 |
| Current and long term assets | 92 | 1,232,967 |
| Current and long term liabilities | (4,271) | (841,024) |
| Minority interests | 1,834 | (308,166) |
| Goodwill on consolidation | - | 65,400 |
| Negative goodwill | - | (4,897) |
| Less: Reclassification to associated companies | - | (150,491) |
| Net assets disposed | <u>(2,345)</u> | <u>231,629</u> |
| Less: Cash and cash equivalents of subsidiary companies disposed | - | (142,701) |
| Partial disposal of shares in subsidiary companies | 22,976 | 35,976 |
| Balance of sale consideration received for disposals in previous years | - | 4,625 |
| Gain arising from disposal | 2,345 | 41,846 |
| Cash flow on disposal (net of cash in subsidiary companies disposed) | <u><u>22,976</u></u> | <u><u>171,375</u></u> |

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005

c) Analysis of the effects of subsidiary companies deconsolidated:-

| | 2005 | 2004 |
|---|------------------------|------------------------|
| | RM'000 | RM'000 |
| Property, plant and equipment | 83,738 | 27,359 |
| Current and long term assets | 113,624 | 18,392 |
| Current and long term liabilities | (243,567) | (33,735) |
| Minority interests | (40,460) | (548) |
| Goodwill on consolidation | 164,467 | - |
| Carrying value included as unconsolidated subsidiary company | - | (9,249) |
| Share of net assets now accounted for as associated company | (136,915) | - |
| Net assets of subsidiary company deconsolidated | <u>(59,113)</u> | <u>2,219</u> |
| Realisation of previously unrealised gain on dilution of equity interest in subsidiary company | 63,721 | - |
| Loss on deemed disposal | (4,608) | (2,219) |
| Cash and cash equivalents of subsidiary company deconsolidated | <u>(35,789)</u> | <u>(10,480)</u> |
| Cash effect on deconsolidation of a subsidiary company | <u><u>(35,789)</u></u> | <u><u>(10,480)</u></u> |

d) Other receipts includes rental income received, proceeds from the sale of rubber wood, deposits received and other miscellaneous income received.

e) Acquisition of property, plant and equipment

| | Group | |
|------------------|----------------|----------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Finance leases | 18,455 | 4,629 |
| Cash | 107,084 | 188,264 |
| Deferred payment | (5,396) | - |
| | <u>120,143</u> | <u>192,893</u> |

f) Included in the proceeds from capital distribution by an associated company is an amount of RM14,197,000 (2004: RMNil) being a receipt in advance pending the final distribution by the associated company.

g) In the current year, the other payments arising from investments mainly comprise payments for project expenses. The other receipts arising from investments in the previous financial year mainly comprise repayment of debt by an associated company.

COMPANY NO: 7308-X

BERJAYA GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2005

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group consist of:-

- (i) Financial services
- (ii) Manufacturing
- (iii) Property investment and development
- (iv) Hotel, resort and recreation
- (v) Restaurants and cafes
- (vi) Marketing of consumer products and services
- (vii) Investment holding and others

There were no significant changes in the Group's activities during the year other than those arising from the acquisition or disposal of subsidiary companies and dilution of the Group's equity interest in subsidiary companies as disclosed in Notes 8 and 38(A) 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 ("Bursa Malaysia"). The registered office of the Company is located at 11th Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur.

The number of employees in the Group and in the Company at the end of the financial year were 16,439 (2004: 19,273) and 18 (2004: 18) respectively.

All amounts are stated in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 August 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of preparation

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year.

Subsidiary companies are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with Singer (Malaysia) Sdn Bhd, which have been accounted for under the merger method as the criterias for merger accounting were met.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves of the merged subsidiary companies is taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences).

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

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

Minority interests in the consolidated balance sheet consist of the minorities' share of the post-acquisition 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.

(3) Associated companies

Associated companies are companies in which the Group has a long-term equity interest and where it exercises significant influence over their 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(3) Associated companies (continued)

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

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

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

(4) Revenue recognition

(i) Hire purchase and lease interest income

Revenue from hire purchase and lease interest income is recognised based on the 'sum-of-digits' method over the term of the lease and hire purchase agreements.

(ii) General insurance underwriting results and premium income

The general insurance underwriting results are determined for each class of business after taking into account reinsurances, commissions, unearned premium reserves and net claims incurred.

Premium income net of all reinsurances is recognised based on assumption of risks. Inward treaty reinsurance premium is recognised on the basis of periodic advices received from ceding insurers.

(iii) Development properties

Revenue from sale of development properties is accounted for by stage of completion method in respect of the building units that have been sold.

(iv) Brokerage fees and commissions

Revenue from brokerage is recognised upon execution of contracts while underwriting commission is recognised upon completion of the corporate exercises concerned.

(v) Dividend income

Dividend income from investments in subsidiary and associated companies and other investments is recognised when the shareholders' rights to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(4) Revenue recognition (continued)

(vi) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt.

For the general insurance business, interest income on loans are recognised on an accrual basis except where a loan is considered non-performing in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on the receipt basis until all arrears have been paid.

For stockbroking business, interest is suspended when a client account is non-performing. For non-margin accounts, suspended interest is recognised on a receipt basis, whereas for margin accounts, suspended interest is recognised when the account is reclassified as performing.

(vii) Enrolment fees

60% of the enrolment fees from members joining the vacation club is recognised as revenue upon signing of the membership agreements and the remaining 40% is treated as deferred membership fees that is recognised over the membership period.

Enrolment fees from members joining the golf and other clubs are recognised as income upon signing of the membership agreements.

(viii) Sale of goods and services

Revenue is recognised when significant risks and rewards of ownership of the goods and property inventories have been passed to the buyer. Revenue from services rendered is recognised when the services are performed. Revenue is recognised net of sales and service tax and discount, where applicable.

Carrying charges from hire purchase sales and equal payment schemes are recognised as income over the period of instalment payment and represent a constant proportion of the balance of capital repayment outstanding.

(ix) Gaming activity and casino operations

Revenue from gaming activities is recognised based on ticket sales, net of gaming tax, relating to draw days within the financial year. relating to draw days within the financial year. In the current financial year, the subsidiary company, Natural Avenue Sdn Bhd, conducting gaming activity has been deconsolidated as a result of the dilution of the Group's equity interest in Matrix International Berhad as explained in Note 38(A)(14) to the financial statements.

Revenue from casino operations is recognised on a receipt basis and is net of gaming tax.

(x) Revenue from water theme park operations

Entrance fee to the water theme park is recognised when tickets are sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(4) Revenue recognition (continued)

(xi) Rental income

Rental income, including those from investment properties and hotel operations, is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on receipt basis.

(xii) Royalty income

Royalty income is recognised on an accrual basis in accordance with the terms of the franchise agreements.

(xiii) Franchisee fees

The portion of the franchise fee, relating to the reservation of restaurant sites and which is non-refundable and payable upon signing of the franchise agreement/master development agreement relating to the development of the restaurant businesses, is recognised as income upon signing. The remaining portion of the franchise fee income is deferred until the completion of the franchisee's obligation under the agreement.

(xiv) Betting equipment sale

Revenue from the sale of betting equipment is recognised net of discounts upon delivery of products and customer acceptance. In the current financial year, the subsidiary company, Natural Avenue Sdn Bhd, conducting this activity has been deconsolidated as a result of the dilution of the Group's equity interest in Matrix International Berhad as explained in Note 38(A)(14) to the financial statements.

(xv) Management fee and share administration fee income

Management fee and share administration fee income is recognised on an accrual basis.

(xvi) Other income

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

(5) Investments in subsidiary and associated companies

The Company's investments in subsidiary and associated companies are stated at cost less impairment losses.

(6) Investment properties

The Group regards investment properties as land and buildings that are held for their investment potential and rental income. Investment properties are stated at cost less impairment losses and not subject to depreciation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Land held for development and property development costs

(i) Land held for development

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Freehold land is not amortised. Short term leasehold land is amortised on a straight-line basis over the remaining period of the lease of 16 years.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development cycle can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised to the extent of property development costs incurred that is probable of being recovered, and property development costs on properties sold are recognised as an expense in the period which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs that are not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognition in the income statement is classified as progress billings within payables.

The adoption of MASB 32: Property Development Activities has not given rise to any adjustments to the opening balances of retained profits of the prior year and current year. Comparatives, however, have been restated, as disclosed in Note 41 to the financial statements to conform to changes in presentation required by MASB 32 that have been applied retrospectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(8) Inventories

Inventories comprise raw materials, work-in-progress and finished goods that are stated at the lower of cost and net realisable value. Cost, in the case of work-in-progress and finished goods, comprises raw materials, direct labour and an attributable proportion of production overheads. Cost is determined on the first-in first-out basis, the weighted average cost method, or by specific identification. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Property inventories are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

Trading account securities comprising quoted investments are stated at the lower of cost and market value determined on an aggregate basis by category of investments. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement.

In the previous financial year, ticket inventories, gaming equipment components and parts were stated at the lower of cost and net realisable value. Stores and consumables are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

(9) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies during the financial year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction rates or at contracted rates, where applicable. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date or at contracted rates, where applicable. Non-monetary items denominated in foreign currencies are translated using the exchange rates existing when the values were determined. All exchange gains or losses are taken to the income statements.

(ii) Foreign operations

Where the foreign operations are integral to the operations of the Group, the translation principles described above are applied as if the transactions of the foreign operations had been those of the Group.

(iii) Foreign entities

The financial statements of foreign subsidiary companies have been translated into Ringgit Malaysia at the rates ruling at the balance sheet date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction. Exchange differences on translation of the net assets of foreign subsidiary companies are dealt with through an exchange reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(9) Foreign currencies (continued)

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

| | 2005 | 2004 |
|----------------------|-------------|-------------|
| Australian dollar | 2.9615 | 2.7315 |
| Brazil real | 1.5030 | 1.2900 |
| Brunei dollar | 2.3070 | 2.2500 |
| Canadian dollar | 3.0345 | 2.7655 |
| Chinese renminbi | 0.4600 | 0.4590 |
| Euro | 4.9140 | 4.5400 |
| Fijian dollar | 2.2750 | 2.1500 |
| Great Britain pound | 7.2555 | 6.7320 |
| Guyana dollar | 0.0186 | 0.0194 |
| Hong Kong dollar | 0.4873 | 0.4872 |
| Indian rupee | 0.0871 | 0.0856 |
| Indonesian rupiah | 0.0004 | 0.0005 |
| Japanese yen | 0.0359 | 0.0344 |
| Mauritius rupee | 0.1310 | 0.1412 |
| Mexican peso | 0.3425 | 0.3300 |
| Philippine peso | 0.0700 | 0.0679 |
| Seychelles rupee | 0.7325 | 0.7250 |
| Singapore dollar | 2.3068 | 2.2288 |
| South African rand | 0.6250 | 0.5490 |
| Sri Lanka rupee | 0.0381 | 0.0387 |
| Thai baht | 0.1000 | 0.1000 |
| United States dollar | 3.8000 | 3.8000 |
| Vietnam dong | 0.0003 | 0.0002 |
| New Taiwan dollar | 0.1220 | N/A |

(10) Leases and hire purchase arrangements

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are treated as operating leases.

(i) Finance leases and hire purchase arrangements

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 practical to determine; otherwise, the Company's incremental borrowing rate is used.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(10) Leases and hire purchase arrangements (continued)

(i) Finance leases and hire purchase arrangements (continued)

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(11).

(ii) Operating leases

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.

(11) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Hotel properties comprise hotel land, building and integral plant and machinery. It is the Group's practice to maintain these properties at a high standard and condition such that residual values are at least equal to book values and consequently, depreciation would be insignificant. Accordingly, no depreciation is provided on freehold hotel properties or long leasehold hotel properties with unexpired lease tenure of 50 years or more. The related maintenance expenditure is dealt with in the income statement.

To establish whether the residual value of the hotel properties are at least equal to their respective book values, all hotel properties are appraised by independent professional valuers at least once in every five years based on open market value. Where the residual values of the hotel properties are less than their respective book values, a write down of book values to their recoverable amounts will be made. The amount of reduction will be recognised as an expense in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Property, plant and equipment and depreciation (continued)

Freehold land, long leasehold land with unexpired lease tenure of 50 years or more, and capital work-in-progress are not depreciated. The directors are of the opinion that the long leasehold land have residual values that will not be materially different from its cost. The depreciation charges are not expected to be material in view of its long useful life. Had the long leasehold land of the Group been amortised over its useful life, there will be an additional depreciation charge of RM700,000 (2004: RM697,000) to the income statement. On all other property, plant and equipment, depreciation is provided on a straight-line basis calculated to write off the cost of each asset to its residual value over its estimated useful life. The principal annual rates of depreciation are:

| | |
|---|---|
| Short leasehold land | Over the period of the lease not exceeding 50 years |
| Buildings | 1.25% - 2.5% |
| Short leasehold hotel properties | Over 50 years |
| Plant and equipment | 6.67% - 50% |
| Renovation | 10% - 25% |
| Computer and office equipment | 5% - 50% |
| Furniture and fittings | 5% - 50% |
| Motor vehicles | 16.67% - 33.3% |
| Aircraft | 6.67% |
| Golf course development expenditure | 1% - 1.75% |
| Plantation development expenditure | 5% |
| Recreational livestock and apparatus and others | 10% - 25% |

(12) Plantation development expenditure

New planting and replanting expenditure incurred respectively on land clearing and upkeep of trees to maturity and harvesting are capitalised as plantation development expenditure. Plantation development expenditure is amortised over twenty years upon maturity of the crop.

(13) Insurance reserves

The unearned premium reserves ("UPR") represent the portion of the net premiums of insurance policies written that relate to the unexpired periods of the policies at the end of the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(13) Insurance reserves (continued)

UPR at the balance sheet date is determined in accordance with the method that most accurately reflects the actual liability as follows:

- 25% method for marine cargo, aviation cargo and transit;
- 1/24th method for all other classes of business (except non-annual policies), reduced by the corresponding percentage of accounted gross direct business commissions and agency related expenses not exceeding the limits specified by Bank Negara Malaysia ("BNM") as follows:

| | |
|-----------------------------------|-----|
| Motor and annual bond policies | 10% |
| Fire, engineering and marine hull | 15% |
| Other classes | 25% |
- 1/8th method for overseas inward treaty business with a deduction of 20% for commission;
- Non-annual policies with duration of cover extending beyond one year is time apportioned over the period of the risk.

(14) Acquisition costs for insurance policies

Acquisition costs, which are costs directly incurred in acquiring and renewing insurance policies, net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

(15) Provision for claims

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligations at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses incurred but not reported at balance sheet date, using a mathematical method of estimation based on the actual claims development pattern.

(16) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(16) Employee benefits (continued)

(ii) Defined contribution plans

Contributions relating to defined contribution plans are charged to the income statement when incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund. Retirement benefits for employees of foreign subsidiary companies are accrued for in accordance with the provisions of those foreign countries' retirement law and are charged to income statement in the period to which they relate.

(iii) Defined benefit plans

The Group's net obligations in respect of defined benefit plans for certain subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the market yield at the balance sheet date on high quality corporate bonds or government bonds. The calculation is performed by an actuary using the projected unit credit method.

Past service cost is recognised in the income statement to the extent that the benefits are already vested. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(17) Intangible assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(17) Intangible assets (continued)

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

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

Product development expenditure that is identifiable to specific products is stated at cost less accumulated amortisation and impairment losses. This expenditure is amortised over eight years on a straight line basis upon commencement of sales of the related products. The unamortised amount is written off immediately when it is no longer probable of being recovered from the expected future economic benefits. All other research and development expenditure is written off as incurred.

Trademarks are stated at cost less amortisation over a period of 20 years and impairment losses.

Rights to the Special Cash Sweep Lottery royalty revenue held by a subsidiary company was amortised to the income statement over the period of the rights of 30 years, commencing 9 November 1999. During the financial year, the subsidiary company was deconsolidated due to dilution.

Other intangible assets include the cost incurred on the technology and transfer of technical know-how and are amortised over a period of eight years on a straight-line basis.

(18) 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 that at the time of transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(19) Cash and cash equivalents

Cash comprises cash in hand, at bank and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

The Group has excluded clients' monies and remisiers' deposits held in trust by the stockbroking subsidiary companies from its cash and cash equivalents.

(20) Provisions

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

(21) Impairment of assets

At each balance sheet date, the Group and the Company review the carrying amounts of their assets, other than inventories, receivables, other non-current investments and marketable securities, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset have decreased or no longer exist.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(22) Financial instruments

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

(i) Investments

Non-current investments

Non-current investments comprise quoted and unquoted securities, Malaysian Government Securities (“MGS”), bonds and club memberships but exclude investments in subsidiary and associated companies.

MGS and other approved investments as specified by 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.

Government guarantee bonds and unquoted corporate bonds which are secured or which carry a minimum rating of “BBB” or “P3” are stated at cost adjusted for amortisation of premiums or accretion of discounts, where applicable, to their respective maturity dates. Any corporate bond with a lower rating is stated at the lower of cost and market value.

Other non-current investments are stated at cost less provision for permanent diminution in value. Such provision is made when there is a decline, other than temporary, in value of investments and it is recognised as an expense in the period in which the decline occurred.

Current investments

Investments in quoted shares and marketable securities held by the insurance subsidiary company are stated at the lower of cost and market value on the aggregate portfolio basis by category of investments.

Other current investments are stated at the lower of cost and net realisable value.

Transfers between long term and short term investments, if any, are made at the lower of carrying amount and market value.

(ii) Receivables

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

Hire purchase and equal payment receivables are stated net of unearned carrying charges and allowance made for doubtful debts when collection of the full amount is no longer probable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(22) Financial instruments (continued)

(ii) Receivables (continued)

Specific allowances are made for any debts that are considered doubtful or have been classified as non-performing. Clients' accounts for the stockbroking subsidiary companies are classified as non-performing under the following circumstances in accordance with relevant regulatory guidelines:

| <u>Type of accounts</u> | <u>Criteria</u> |
|-----------------------------|---|
| - Contra losses | When the account remains outstanding for 16 calendar days or more from the date of the contra transaction. |
| - Overdue purchase contract | When the account remains outstanding from T+4 market days onwards. |
| - Margin accounts | When the value of the collateral has fallen below 130% of the outstanding balance. |
| - Premiums | When the account remains in arrears for more than six months from the date on which they become receivable. |

(iii) Payables

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

(iv) Interest bearing borrowings

Interest bearing bank loans and overdrafts are recorded at the amount of proceeds received.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(22) Financial instruments (continued)

(v) Convertible loan stocks

As permitted under the transitional provision of MASB24: Financial Instruments: Disclosure and Presentation, the convertible loan stocks, which were issued before the effective date of MASB24, are classified in accordance to the predominant nature of the convertible loan stocks of either equity or liability.

(vi) Equity instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(23) Segmental information

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

Segment revenues 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. Revenue is attributed to geographical segments based on location of customers where the sales are transacted.

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a segment based on location of assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

3. PROPERTY, PLANT AND EQUIPMENT

Group

| | At 1.5.04 RM'000 | Additions RM'000 | Disposals RM'000 | Depreciation charge for the year RM'000 | Write off/ Impairment loss RM'000 | Reclassi- fication / Adjustments RM'000 | Acquisition of subsidiaries RM'000 | Deconsolidation/ Disposal of subsidiaries RM'000 | Foreign currency translation RM'000 | At 30.4.05 RM'000 |
|-------------------------------------|---------------------|---------------------|---------------------|--|--|--|---|--|---|--------------------------------------|
| At Net book value | | | | | | | | | | |
| Freehold land and buildings | 391,691 | 7,792 | (76,525) | (6,721) | - | 2,866 | 686 | (5,122) | 2,354 | 317,021 |
| Freehold hotel properties | 329,764 | 984 | (409) | - | - | (14,565) | - | - | 3 | 315,777 |
| Long leasehold hotel properties | 561,788 | 63 | - | - | (10,000) | (325,011) | - | - | (145) | 226,695 |
| Short leasehold hotel properties | - | 2,734 | - | (14,138) | - | 327,445 | - | - | - | 316,041 |
| Long leasehold land and buildings | 346,489 | 3,150 | (404) | (9,280) | - | (2,817) | 1,376 | - | 3 | 338,517 |
| Short leasehold land and buildings | 20,073 | 293 | (6,498) | (1,043) | (5) | - | - | (4,892) | - | 7,928 |
| Plantation development expenditure | 6,990 | 409 | - | (374) | - | - | - | - | (1) | 7,024 |
| Plant and equipment | 123,706 | 24,348 | (942) | (29,701) | (1,811) | 8,996 | 405 | (22,671) | 230 | 102,560 |
| Renovation | 122,192 | 22,214 | (1,041) | (16,742) | (5,174) | (8,026) | 481 | (18,959) | 161 | 95,106 |
| Computer and office equipment | 54,357 | 14,939 | (208) | (12,931) | (143) | (45) | 377 | (21,643) | (31) | 34,672 |
| Furniture and fittings | 46,545 | 8,995 | (146) | (9,685) | (533) | 2,007 | 153 | (9,702) | 33 | 37,667 |
| Motor vehicles | 16,316 | 11,583 | (394) | (7,428) | (1) | 2 | 651 | (609) | (72) | 20,048 |
| Aircraft | 43,868 | 4,347 | - | (3,920) | - | (64) | - | - | - | 44,231 |
| Golf course development expenditure | 50,413 | - | - | (625) | (1,000) | - | - | - | - | 48,788 |
| Capital work-in-progress | 49,986 | 17,644 | - | - | (3,200) | (3,295) | - | - | (235) | 60,900 |
| Others | 8,880 | 648 | (23) | (648) | - | (2,605) | - | (140) | 1,078 | 7,190 |
| | <u>2,173,058</u> | <u>120,143</u> | <u>(86,590)</u> | <u>(113,236)</u> | <u>(21,867)</u> | <u>(15,112)</u> | <u>4,129</u> | <u>(83,738)</u> | <u>3,378</u> | <u>1,980,165</u> |
| As at 30 April 2005 | | | | | | | | | | |
| | | | | | | | Cost RM'000 | Accumulated depreciation RM'000 | Accumulated impairment losses RM'000 | Net book value RM'000 |
| Freehold land and buildings | | | | | | | 390,859 | (60,495) | (13,343) | 317,021 |
| Freehold hotel properties | | | | | | | 315,777 | - | - | 315,777 |
| Long leasehold hotel properties | | | | | | | 243,213 | - | (16,518) | 226,695 |
| Short leasehold hotel properties | | | | | | | 330,179 | (14,138) | - | 316,041 |
| Long leasehold land and buildings | | | | | | | 423,411 | (67,965) | (16,929) | 338,517 |
| Short leasehold land and buildings | | | | | | | 17,201 | (9,273) | - | 7,928 |
| Plantation development expenditure | | | | | | | 7,897 | (873) | - | 7,024 |
| Plant and equipment | | | | | | | 383,986 | (269,954) | (11,472) | 102,560 |
| Renovation | | | | | | | 242,705 | (145,346) | (2,253) | 95,106 |
| Computer and office equipment | | | | | | | 131,798 | (97,124) | (2) | 34,672 |
| Furniture and fittings | | | | | | | 161,261 | (123,550) | (44) | 37,667 |
| Motor vehicles | | | | | | | 75,709 | (55,660) | (1) | 20,048 |
| Aircraft | | | | | | | 64,428 | (20,197) | - | 44,231 |
| Golf course development expenditure | | | | | | | 67,806 | (8,037) | (10,981) | 48,788 |
| Capital work-in-progress | | | | | | | 64,100 | - | (3,200) | 60,900 |
| Others | | | | | | | 16,272 | (6,752) | (2,330) | 7,190 |
| | | | | | | | <u>2,936,602</u> | <u>(879,364)</u> | <u>(77,073)</u> | <u>1,980,165</u> |
| As at 30 April 2004 | | | | | | | | | | |
| | | | | | | | Cost RM'000 | Accumulated depreciation RM'000 | Accumulated impairment losses RM'000 | Net book value RM'000 |
| Freehold land and buildings | | | | | | | 478,746 | (74,138) | (12,917) | 391,691 |
| Freehold hotel properties | | | | | | | 329,764 | - | - | 329,764 |
| Long leasehold hotel properties | | | | | | | 568,306 | - | (6,518) | 561,788 |
| Long leasehold land and buildings | | | | | | | 423,287 | (59,267) | (17,531) | 346,489 |
| Short leasehold land and buildings | | | | | | | 30,136 | (10,063) | - | 20,073 |
| Plantation development expenditure | | | | | | | 7,488 | (498) | - | 6,990 |
| Plant and equipment | | | | | | | 408,474 | (274,482) | (10,286) | 123,706 |
| Renovation | | | | | | | 270,955 | (144,391) | (4,372) | 122,192 |
| Computer and office equipment | | | | | | | 155,069 | (100,667) | (45) | 54,357 |
| Furniture and fittings | | | | | | | 179,081 | (132,186) | (350) | 46,545 |
| Motor vehicles | | | | | | | 71,983 | (55,667) | - | 16,316 |
| Aircraft and vessels | | | | | | | 60,418 | (16,550) | - | 43,868 |
| Golf course development expenditure | | | | | | | 67,806 | (7,412) | (9,981) | 50,413 |
| Capital work-in-progress | | | | | | | 49,986 | - | - | 49,986 |
| Others | | | | | | | 18,824 | (7,614) | (2,330) | 8,880 |
| | | | | | | | <u>3,120,323</u> | <u>(882,935)</u> | <u>(64,330)</u> | <u>2,173,058</u> |

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

| | At 1.5.04 RM'000 | Additions RM'000 | Disposal RM'000 | Depreciation charge for the year RM'000 | At 30.4.05 RM'000 |
|----------------------------------|---------------------|---------------------|--------------------|--|----------------------|
| <u>At net book value</u> | | | | | |
| Renovation | 18 | 1 | - | (2) | 17 |
| Computer and office equipment | 416 | 30 | - | (198) | 248 |
| Furniture and fittings | 3 | - | - | (1) | 2 |
| Motor vehicles | 243 | - | * | (241) | 2 |
| | <u>680</u> | <u>31</u> | <u>-</u> | <u>(442)</u> | <u>269</u> |

* In the current financial year, the Company disposed of some motor vehicles with net book value of RM1.00.

| | Cost RM'000 | Accumulated depreciation RM'000 | Net book value RM'000 |
|-----------------------------------|----------------|---------------------------------------|-----------------------------|
| <u>As at 30 April 2005</u> | | | |
| Renovation | 24 | (7) | 17 |
| Computer and office equipment | 4,770 | (4,522) | 248 |
| Furniture and fittings | 411 | (409) | 2 |
| Motor vehicles | 3,189 | (3,187) | 2 |
| | <u>8,394</u> | <u>(8,125)</u> | <u>269</u> |
| <u>As at 30 April 2004</u> | | | |
| Renovation | 23 | (5) | 18 |
| Computer and office equipment | 4,740 | (4,324) | 416 |
| Furniture and fittings | 411 | (408) | 3 |
| Motor vehicles | 3,535 | (3,292) | 243 |
| | <u>8,709</u> | <u>(8,029)</u> | <u>680</u> |

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Others comprise mainly linen, silverware, cutlery and kitchen utensils.

Long leasehold land comprises leasehold interests with an unexpired term in excess of 50 years.

During the financial year, a subsidiary company received Liquidated Ascertained Damages ("LAD") settlement of RM15,112,000 and this was accounted for as a discount on the cost of freehold hotel properties and included in property, plant and equipment under reclassification/adjustments.

Property, plant and equipment costing RM1,009,532,000 (2004: RM1,038,870,000) have been pledged to financial institutions for facilities granted to certain subsidiary companies.

Included in the cost of capital work-in-progress in the previous financial year was interest capitalised of RM189,000.

The net book values of assets acquired under finance leases and hire purchase arrangements are as follows:

| | Group | | Company | |
|-------------------------------|---------------|---------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Plant and equipment | 50,145 | 46,036 | - | - |
| Computer and office equipment | 2,568 | 14,576 | - | 102 |
| Renovation | 11,256 | 11,977 | - | - |
| Furniture and fittings | 262 | 282 | - | - |
| Motor vehicles | 5,831 | 3,981 | - | 232 |
| Aircraft | 11,693 | 11,987 | - | - |
| Others | 557 | 676 | - | - |
| | <u>82,312</u> | <u>89,515</u> | <u>-</u> | <u>334</u> |

4. OTHER INVESTMENTS

| | Group | | Company | |
|-------------------------------------|------------------|-----------------|-----------------|-----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Quoted investments in Malaysia | | | | |
| - shares | 209,632 | 218,814 | 9,480 | 9,480 |
| - unsecured loan stocks | 99,445 | 242,264 | - | - |
| - warrants and options | 854 | 3,208 | - | - |
| - Malaysian Government Securities | 32,528 | 28,877 | - | - |
| - Cagamas bonds | - | 4,998 | - | - |
| - Khazanah bonds | 4,293 | 4,086 | - | - |
| - unit trust funds | 10,501 | 5,285 | - | - |
| Quoted investments outside Malaysia | | | | |
| - shares | 3,522 | 6,327 | 6,326 | 6,326 |
| - warrants | 4,685 | - | - | - |
| - notes | - | 10,435 | - | - |
| | <u>365,460</u> | <u>524,294</u> | <u>15,806</u> | <u>15,806</u> |
| Unquoted investments | | | | |
| - shares | 117,898 | 155,516 | 39,710 | 23,119 |
| - corporate bonds | 26,090 | 16,187 | - | - |
| - debentures in corporations | - | 342 | - | - |
| - loan stocks in corporations | - | 6,461 | - | 6,461 |
| - golf clubs corporate memberships | 1,037 | 1,002 | - | - |
| | <u>510,485</u> | <u>703,802</u> | <u>55,516</u> | <u>45,386</u> |
| Provision for diminution in value | <u>(103,069)</u> | <u>(64,606)</u> | <u>(35,846)</u> | <u>(26,016)</u> |
| | <u>407,416</u> | <u>639,196</u> | <u>19,670</u> | <u>19,370</u> |
| Market value: | | | | |
| Quoted investments in Malaysia | | | | |
| - shares | 207,159 | 300,466 | 12,936 | 20,236 |
| - unsecured loan stocks | 340,676 | 951,112 | - | - |
| - warrants and options | 147 | 5,112 | - | - |
| - Malaysian Government Securities | 33,718 | 29,725 | - | - |
| - Cagamas bonds | - | 5,036 | - | - |
| - Khazanah bonds | 4,468 | 4,150 | - | - |
| - unit trust funds | 10,331 | 4,798 | - | - |
| Quoted investments outside Malaysia | | | | |
| - shares | 4,022 | 1,486 | 1,347 | 1,486 |
| - warrants | 1,444 | - | - | - |
| - notes | - | 10,572 | - | - |

Investments with a total book value of RM203,454,000 (2004: RM182,609,000) are held by the insurance subsidiary company of the Group.

As at 30 April 2005, investment in quoted shares in Malaysia with a book value of RM73,191,000 (2004: RM34,023,000) and investment in quoted loan stocks in Malaysia with a book value of RM71,359,000 (2004: RM222,683,000) of the Group are pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

4. OTHER INVESTMENTS (CONTINUED)

In the previous financial year, included in the Malaysian Government Securities was an amount of RM1,089,000 representing collateral placed with the Malaysian Government for the issuance of gaming licence by the Ministry of Finance.

Included in other investments of the Group in the previous financial year is unquoted shares in Bursa Malaysia Berhad ("Bursa Malaysia") costing RM12,491,000. The shares have been listed on 18 March 2005. Subsequent to its listing, Bursa Malaysia undertook a capital repayment exercise pursuant to the scheme of arrangement as set out in the circular to Bursa Malaysia's shareholders dated 12 December 2004 and sanctioned by the High Court of Malaya in January 2005. As a result, the Group received a capital repayment of RM10,227,000, which has been credited against the investment in Bursa Malaysia's shares.

Provision for diminution in value of certain quoted investments have not been made as the directors are of the opinion that the diminution in value of these quoted investments are not permanent in nature as the net tangible assets which represent the net worth of these companies are higher than the quoted market price of these investments at balance sheet date.

Quoted loan stocks in Malaysia includes an amount of RM89,352,000 (2004: RM230,669,000), which represents investments in 8% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 ("BToto ICULS") issued by Berjaya Sports Toto Berhad ("BToto"). The BToto ICULS, at nominal value of RM1.00 each, are constituted by a Trust Deed dated 14 June 2002 between BToto and the Trustee for the holders of BToto ICULS. The main features of BToto ICULS are as follows:

- (a) The BToto ICULS shall be convertible into ordinary shares of BToto during the period from 5 August 2002 to the maturity date on 4 August 2012 at the rate of RM1.20 nominal value of BToto ICULS or at the rate of RM1.00 nominal value of BToto ICULS plus RM0.20 in cash for every one new ordinary share of RM1.00 each.
- (b) Upon conversion of the BToto ICULS into new BToto ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of BToto 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 BToto ICULS are converted or any interim dividend declared prior to the date of conversion of the BToto ICULS.
- (c) Interest on BToto ICULS is receivable semi-annually in arrears until the maturity date.

5. INVESTMENT PROPERTIES

| | Group | | Company | |
|---|----------------|----------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At cost: | | | | |
| Freehold land and buildings | 628,302 | 651,818 | - | - |
| Long leasehold land and buildings | 33,311 | 33,311 | 2,587 | 2,587 |
| Accumulated impairment losses | (30,538) | (39,238) | - | - |
| | <u>631,075</u> | <u>645,891</u> | <u>2,587</u> | <u>2,587</u> |
| Fair value of investment properties estimated by the directors | <u>915,045</u> | <u>859,309</u> | <u>5,100</u> | <u>3,000</u> |

Investment properties of the Group amounting to RM524,520,000 (2004: RM585,943,000) have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

During the financial year, certain subsidiary companies received LAD settlement amounting to RM18,621,000 and this was accounted for as a discount on the cost of the freehold properties.

6. LAND HELD FOR DEVELOPMENT

| | Group | |
|--|------------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| At cost: | | |
| At beginning of year | | |
| - freehold land | 765,177 | 889,102 |
| - long leasehold land | 108,215 | 108,339 |
| - short leasehold land | 1,228 | 1,228 |
| - development costs | 231,072 | 259,856 |
| | <u>1,105,692</u> | <u>1,258,525</u> |
| Transfer to property development costs | | |
| - freehold land | (88,614) | (118,541) |
| - long leasehold land | (53) | (124) |
| - development costs | (29,101) | (24,404) |
| | <u>(117,768)</u> | <u>(143,069)</u> |
| Additions: | | |
| - freehold land | 2,381 | 117 |
| - long leasehold land | 91 | - |
| - development costs | 7,693 | 2,558 |
| | <u>10,165</u> | <u>2,675</u> |
| Acquisition of subsidiary: | | |
| - long leasehold land | 3,754 | - |
| | <u>3,754</u> | <u>-</u> |
| Write off: | | |
| - long leasehold land | (3,754) | - |
| | <u>(3,754)</u> | <u>-</u> |
| Disposals: | | |
| - freehold land | (65,992) | (5,500) |
| - short leasehold land | (164) | - |
| - development costs | (15,677) | (6,940) |
| | <u>(81,833)</u> | <u>(12,440)</u> |
| Total cost at end of year | <u>916,256</u> | <u>1,105,691</u> |
| Amortisation of short leasehold land: | | |
| At beginning of year | (453) | (396) |
| Amortisation for the year | (52) | (57) |
| Disposal | 63 | - |
| Total amortisation at end of year | <u>(442)</u> | <u>(453)</u> |
| Accumulated impairment loss: | | |
| At beginning of year | (69,051) | (69,051) |
| Impairment loss for the year | (6,000) | - |
| Total impairment loss at end of year | <u>(75,051)</u> | <u>(69,051)</u> |
| Carrying value at end of year | <u>840,763</u> | <u>1,036,187</u> |

Land held for development at cost amounting to RM524,950,000 (2004: RM726,798,000) have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

8. SUBSIDIARY COMPANIES

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Unquoted shares at written down cost | 14,650 | 16,194 | 161,022 | 151,518 |
| Write off/down in value | (8,049) | (1,816) | - | (8,648) |
| | <u>6,601</u> | <u>14,378</u> | <u>161,022</u> | <u>142,870</u> |
| Quoted shares in Malaysia, at cost | - | - | 176,779 | 176,779 |
| | <u>6,601</u> | <u>14,378</u> | <u>337,801</u> | <u>319,649</u> |
| Market value of quoted shares in Malaysia | - | - | 157,331 | 187,382 |

The Group's equity interests in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 40.

The results of operations and net assets of Dewangsa Holdings Sdn Bhd, a company incorporated in Malaysia, have not previously been consolidated in the financial statements of the Company as the Group is still in the process of negotiating with a potential buyer to dispose of this investment.

The results of operations and net assets of Carlovers Carwash Limited ("Carlovers"), a company incorporated in Australia, have not been consolidated as Carlovers is undergoing Voluntary Administration of which the management control of the company is placed with the Voluntary Administrator.

The directors are of the opinion that there is no impairment of these quoted shares as the net assets which represent the net worth of this subsidiary company are higher than the quoted market price of this investment at balance sheet date. In addition, this quoted subsidiary company is undergoing a capital repayment exercise and a proposed payment of dividend-in-specie which will unlock the intrinsic value of these quoted shares in the subsidiary company.

Quoted shares costing RM154,012,000 (2004: RM169,392,000) have been pledged to financial institutions for credit facilities granted to the Company and its subsidiary companies.

The effects of the acquisitions, disposals and dilution of subsidiary companies on the results of the Group for the financial year ended 30 April 2005 and Group's financial position are summarised as follows:-

| | Revenue RM'000 | Profit/(Loss) after taxation and minority interests RM'000 | Share of assets less liabilities of subsidiaries acquired RM'000 | Goodwill on consolidation RM'000 |
|--|-------------------|--|---|---|
| <u>Acquisitions</u> | | | | |
| UT Equities Sdn Bhd (formerly known as UT Securities Sdn Bhd) | 3,291 | 485 | 50,231 | 17,095 |
| Country Farms Sdn Bhd | 2,430 | (736) | 127 | 2,431 |
| Berjaya Engineering & Construction (HK) Limited | - | (4,191) | 13,482 | 2,120 |
| | <u>5,721</u> | <u>(4,442)</u> | <u>63,840</u> | <u>21,646</u> |

8. SUBSIDIARY COMPANIES (CONTINUED)

| | Revenue RM'000 | Profit after taxation and minority interests RM'000 | Share of assets less liabilities of subsidiaries disposed RM'000 | Goodwill on consolidation RM'000 |
|------------------------------|-------------------|---|---|---|
| <u>Disposals</u> | | | | |
| My2020.com Sdn Bhd | - | - | (4,179) | - |
| <u>Dilution</u> | | | | |
| Convenience Shopping Sdn Bhd | 188,501 | 1,841 | 22,794 | 74,245 |
| Matrix International Berhad | 109,395 | 2,582 | 159,713 | 90,222 |
| | <u>297,896</u> | <u>4,423</u> | <u>182,507</u> | <u>164,467</u> |

The acquisitions, incorporation or disposal of subsidiary companies which do not have any material effect on the financial position and results of the Group are not listed above.

9. INTANGIBLE ASSETS

| | Group | |
|--|------------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Goodwill | | |
| At beginning of year | 1,320,806 | 1,433,869 |
| Arising from increase in equity interest and acquisition of subsidiary companies | 16,714 | - |
| Reduction of equity interest and disposal of subsidiary companies | (148,230) | (72,819) |
| Impairment losses | (31,414) | (42,046) |
| Reclassification | 9,323 | - |
| Exchange differences | (4) | 1,802 |
| At end of year | <u>1,167,195</u> | <u>1,320,806</u> |
| Negative goodwill | | |
| At beginning of year | (210,286) | (170,488) |
| Arising from change in equity interest of subsidiary companies | (7,538) | (51,021) |
| Disposal of subsidiary companies | 1,911 | 13,001 |
| Reclassification | (9,323) | - |
| Exchange differences | - | (1,778) |
| At end of year | <u>(225,236)</u> | <u>(210,286)</u> |

9. INTANGIBLE ASSETS (CONTINUED)

| | Group | |
|--|----------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Trademarks, patents and copyrights | | |
| At beginning of year | 19,483 | 76,542 |
| Amortisation for the year | (2,125) | (1,747) |
| Disposal of subsidiary companies | - | (55,301) |
| Exchange differences | - | (11) |
| At end of year | <u>17,358</u> | <u>19,483</u> |
| Product development expenditure | | |
| At beginning of year | - | 229 |
| Amortisation for the year | - | (254) |
| Exchange differences | - | 25 |
| At end of year | <u>-</u> | <u>-</u> |
| Right to receive Special Cash Sweep royalty revenue | | |
| At beginning of year | 6,380 | 6,641 |
| Dilution of interest in subsidiary company | (6,213) | - |
| Reclassification to other intangible assets | - | (11) |
| Amortisation for the year | (167) | (250) |
| At end of year | <u>-</u> | <u>6,380</u> |
| Other intangible assets | | |
| At beginning of year | 12,665 | 12,883 |
| Additions | 5,765 | 1,479 |
| Amortisation for the year | (808) | (1,045) |
| Disposal | (1,915) | - |
| Disposal of subsidiary companies | - | (100) |
| Reclassification | - | 11 |
| Reclassification to property, plant and equipment | - | (557) |
| Exchange differences | 15 | (6) |
| At end of year | <u>15,722</u> | <u>12,665</u> |
| | <u>975,039</u> | <u>1,149,048</u> |

10. DEVELOPMENT PROPERTIES

| | Group | |
|---|------------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| At cost: | | |
| At beginning of year | | |
| - freehold land | 384,365 | 273,111 |
| - long leasehold land | 151,645 | 151,522 |
| - development costs | 532,024 | 490,874 |
| - write down in development costs | (4,000) | (4,000) |
| | <u>1,064,034</u> | <u>911,507</u> |
| Costs incurred/(adjusted) during the year: | | |
| - freehold land | 13,026 | (131) |
| - long leasehold land | 11 | - |
| - development costs | 155,150 | 97,717 |
| | <u>168,187</u> | <u>97,586</u> |
| Costs recognised in income statement: | | |
| - at beginning of year | (568,963) | (516,678) |
| - recognised during the year | (103,281) | (133,212) |
| - elimination due to completion of projects | 216,008 | 79,074 |
| - disposal | 1,677 | 1,854 |
| - at end of year | <u>(454,559)</u> | <u>(568,962)</u> |
| Acquisition of subsidiary: | | |
| - long leasehold land | 5,681 | - |
| - development costs | 13,672 | - |
| | <u>19,353</u> | <u>-</u> |
| Disposal during the year: | | |
| - freehold land | (1,677) | (547) |
| - development costs | - | (1,307) |
| | <u>(1,677)</u> | <u>(1,854)</u> |
| Transfers during the year: | | |
| - from land held for development | 117,768 | 143,069 |
| - to inventories | (6,784) | (7,197) |
| | <u>110,984</u> | <u>135,872</u> |
| Costs eliminated during the year due to completion of projects: | | |
| - freehold land | (5,698) | (6,608) |
| - long leasehold land | (1,396) | - |
| - development costs | (208,914) | (72,466) |
| | <u>(216,008)</u> | <u>(79,074)</u> |
| Carrying value of property development at end of year | <u>690,314</u> | <u>495,075</u> |

Properties costing RM506,841,000 (2004: RM453,495,000) have been pledged to financial institutions for credit facilities granted to certain subsidiary companies.

Included in the development expenditure is interest capitalised for the year of RM951,000 (2004: RM973,000).

11. INVENTORIES

| | Group | |
|--|----------------|----------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| <u>At cost</u> | | |
| Raw materials | 92,746 | 92,626 |
| Work-in-progress | 32,630 | 24,177 |
| Finished goods | 124,591 | 160,267 |
| Ticket inventories, stores and consumables | 12,208 | 11,253 |
| Property inventories | 38,179 | 34,541 |
| Gaming equipment components and parts | - | 257 |
| | <u>300,354</u> | <u>323,121</u> |
| <u>At net realisable value</u> | | |
| Property inventories | 360 | - |
| Finished goods | 49,661 | 27,809 |
| Trading account securities | 48,282 | 42,868 |
| | <u>98,303</u> | <u>70,677</u> |
| | <u>398,657</u> | <u>393,798</u> |

Trading account securities, which principally represent investment in shares quoted in Malaysia, have a market value of RM49,577,000 (2004: RM52,694,000) as at 30 April 2005.

As at 30 April 2005, trading account securities with a book value of RM18,600,000 (2004: RM28,322,000) are pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM1,822,345,000 (2004: RM3,947,671,000).

12. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| <u>Trade receivables</u> | | | | |
| Money lending receivables | 66,124 | 80,658 | - | - |
| Other trade receivables | 511,263 | 506,992 | - | - |
| Leasing receivables | 37,545 | 20,383 | - | - |
| Unearned carrying charges | (5,066) | (1,388) | - | - |
| | <u>32,479</u> | <u>18,995</u> | <u>-</u> | <u>-</u> |
| Hire purchase and equal payment receivables | 599,597 | 591,073 | - | - |
| Unearned carrying charges | (77,239) | (78,754) | - | - |
| | <u>522,358</u> | <u>512,319</u> | <u>-</u> | <u>-</u> |
| | 1,132,224 | 1,118,964 | - | - |
| Interest in suspense | (45,134) | (44,200) | - | - |
| Provision for doubtful debts | (268,601) | (269,392) | - | - |
| | <u>818,489</u> | <u>805,372</u> | <u>-</u> | <u>-</u> |
| <u>Other receivables</u> | | | | |
| Deposits | 50,226 | 36,443 | 149 | 102 |
| Prepayments | 40,649 | 50,594 | 505 | 1,047 |
| Sundry receivables | 401,805 | 393,949 | 6,796 | 16,420 |
| Accrued billings in respect of property development costs | 13,710 | 24 | - | - |
| Deposits and advances paid for construction and acquisitions of properties and companies | 4,532 | 2,194 | 2,175 | 60 |
| Amounts due from subsidiary companies | - | - | 5,334,786 | 5,315,351 |
| Amounts due from associated companies | 114,591 | 151,398 | 197 | 682 |
| | <u>625,513</u> | <u>634,602</u> | <u>5,344,608</u> | <u>5,333,662</u> |
| Provision for doubtful debts | (293,198) | (252,602) | (1,784,512) | (1,786,669) |
| | <u>332,315</u> | <u>382,000</u> | <u>3,560,096</u> | <u>3,546,993</u> |
| | <u>1,150,804</u> | <u>1,187,372</u> | <u>3,560,096</u> | <u>3,546,993</u> |

Included in the provision for doubtful debts of the Company are provisions for amounts due from subsidiary companies of RM1,783,953,000 (2004: RM1,783,973,000).

The hire purchase, leasing and equal payment receivables are summarised as follows:

| | Group | | | |
|-----------------------------------|-------------------------------------|--|-------------------------------------|--|
| | 2005 | | 2004 | |
| | Minimum lease receivables RM'000 | Present value of receivables RM'000 | Minimum lease receivables RM'000 | Present value of receivables RM'000 |
| Receivables | | | | |
| - within one year | 436,342 | 415,172 | 397,584 | 343,978 |
| - between two years to five years | 200,800 | 139,665 | 213,872 | 187,336 |
| | <u>637,142</u> | <u>554,837</u> | <u>611,456</u> | <u>531,314</u> |
| Less : Unearned interest | (82,305) | - | (80,142) | - |
| | <u>554,837</u> | <u>554,837</u> | <u>531,314</u> | <u>531,314</u> |

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in leasing, hire purchase and equal payment debtors is an amount of RM Nil (2004: RM14,683,000) representing debts which have been assigned to financial institutions for credit facilities granted to certain subsidiary companies.

Included in hire purchase and equal payment receivables is an amount of RM12,502,000 (2004: RM12,498,000) representing debts under block discounting arrangements granted to a subsidiary company.

Included in other trade receivables of the Group are amounts of:

- (a) RM1,408,000 (2004: RM1,348,000) and RM137,000 (2004: RM96,000) due from Bukit Tinggi Resort Berhad and Convenience Shopping Sdn Bhd respectively, companies connected with certain directors of the Company; and
- (b) RMNil (2004: RM190,945) due from Yantai Moon Co. Ltd., a substantial shareholder of certain subsidiary companies of the Group.

Included in sundry receivables of the Group are housing loans granted to certain service directors of subsidiary companies of RM372,000 (2004: RM435,000) which bear interest at 4% (2004: 4%) per annum and an amount of RM1,820,000 (2004: RM1,992,000) receivable from Malaysian Motor Insurance Pool.

The Group's normal credit terms are as follows:

- | | |
|---|--|
| - Non-margin clients and brokers | 3 market days in accordance with the Bursa Malaysia Fixed Delivery and Settlement System ("FDSS") trading rules. |
| - Clients trading future contracts | Next business day following the maturity date of the contracts in accordance with the Malaysian Derivatives Exchange Bhd business rules. |
| - Hire purchase and leasing receivables | 6 months to 60 months. |
| - Money lending receivables | 12 months. |
| - Other trade receivables | 7 days to 90 days. |

The credit terms for other trade receivables are assessed and approved on a case-by-case basis.

The Group and the Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors, other than receivables from subsidiary companies and certain margin clients.

13. DEPOSITS WITH FINANCIAL INSTITUTIONS

| | Group | |
|------------------------------|----------------|----------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Deposits with: | | |
| Licensed banks | 201,370 | 166,304 |
| Licensed finance companies | 91,168 | 101,909 |
| Other financial institutions | 16,004 | 11,706 |
| | <u>308,542</u> | <u>279,919</u> |

Deposits amounting to RM178,199,000 (2004: RM171,752,000) are placed by the insurance subsidiary company of the Group. The use of these deposits are restricted in order to maintain the liquidity requirements set by BNM.

Included in deposits are client's monies of RM8,259,000 (2004: RM8,316,000) and remisers' deposits held in trust of RM13,009,000 (2004: RM12,172,000).

Deposits with financial institutions amounting to RM20,625,000 (2004: RM12,432,000) are pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

The range of interest rates per annum of deposits as at balance sheet date was as follows :

| | Group | |
|------------------------------|--------------|-------------|
| | 2005 | 2004 |
| | % | % |
| Licensed banks | 0.50 - 3.10 | 1.00 - 3.20 |
| Licensed finance companies | 2.70 - 3.00 | 1.36 - 3.20 |
| Other financial institutions | 2.70 | 2.70 |

The average maturities of deposits as at balance sheet date were as follows :

| | Group | |
|------------------------------|--------------|-------------|
| | 2005 | 2004 |
| | Days | Days |
| Licensed banks | 1 - 365 | 2 - 334 |
| Licensed finance companies | 9 - 160 | 19 - 162 |
| Other financial institutions | 4 | 6 |

14. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are cash at bank held under the Housing Development Account of RM34,363,000 (2004: RM35,552,000) pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966, client's monies of RM8,229,000 (2004: RM2,246,000) and remisiers' deposits of RM225,000 (2004: RM Nil) held in trust.

Included in cash and bank balances of the Group is a bank balance of RM1,000,000 (2004: RM1,000,000) which is pledged with a financial institution for credit facilities granted to a subsidiary company.

15. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Trade payables | 310,610 | 339,209 | - | - |
| Accruals | 239,082 | 275,512 | 10,999 | 13,913 |
| Sundry payables | 344,976 | 309,210 | - | - |
| Amounts due to subsidiary companies | - | - | 3,552,738 | 3,390,459 |
| Amounts due to associated companies (Note a) | 697,124 | 3,211 | - | - |
| Progress billings in respect of property developments costs | - | 3,028 | - | - |
| Portion repayable within 12 months | | | | |
| Block discounting payables (Note 22) | 7,342 | 6,507 | - | - |
| Hire purchase and leasing payables (Note 22) | 43,144 | 50,459 | - | 415 |
| Floating Rate Notes (Note b) | - | 102,600 | - | - |
| | <u>1,642,278</u> | <u>1,089,736</u> | <u>3,563,737</u> | <u>3,404,787</u> |

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

Included in trade payables and accruals of the Group is an aggregate amount of RM5,576,000 (2004: RM3,655,000) due to Yantai Moon Co. Ltd., a substantial shareholder of both Dunham-Yantai Co. Ltd and Hartford Compressors Yantai Co. Ltd, which are subsidiary companies of the Group.

Included in other payables of a subsidiary company is RM1,066,000 (2004: RM1,066,000) due to Juita Viden Sdn. Bhd., a related company of a corporate shareholder of the aforesaid subsidiary company.

Included in sundry payables is an amount of RM46,890,000 (2004: RM54,197,000) being margin facilities obtained by the Group. The margin accounts are secured by certain quoted investments of the Group.

15. TRADE AND OTHER PAYABLES (CONTINUED)

The range of weighted average effective interest rates per annum at the balance sheet date for margin accounts was as follows:

| | Group | |
|-----------------|--------------|---------------|
| | 2005 | 2004 |
| | % | % |
| Margin accounts | 7.50 - 12.00 | 11.00 - 14.50 |

The normal credit terms granted by trade creditors of the Group are as follows:

- Non-margin clients and brokers 3 market days in accordance with the FDSS trading rules.
- Other trade payables 30 days to 90 days.

Notes:

- (a) The amounts due to associated companies includes the amount owing by a subsidiary company, Berjaya Land Berhad ("BLand") to Berjaya Sports Toto Berhad ("BToto") amounting to RM692,220,000. BLand had given BToto an undertaking to settle the amount owing within three years from the date of the issue of BToto ICULS, which was due to be fully settled on 4 August 2005. As disclosed in Notes 38(A)(11), (13) and (18), BLand has on aggregate repaid BToto approximately RM270 million (2004: RM200 million) in the current financial year. The total amount repaid up to the end of the current financial year arising from the conversion of BToto ICULS into BToto shares is approximately RM470 million. Subsequent to the end of the financial year and as disclosed in Notes 39(A)(1),(4) and (5), BLand further repaid BToto approximately RM39.42 million.

On 10 August 2005, BLand announced that, pursuant to a request by BLand to BToto for an extension of time by another one year to 4 August 2006 to settle in full the amount owing to BToto, BToto has agreed to grant the extension of time requested by BLand.

- (b) The Floating Rate Notes ("FRN") were repaid during the financial year. The FRN bore interest at rates ranging from 3.63% to 5.31% (2004: 3.63% to 3.79%) per annum.

16. PROVISIONS

| Group | Sales warranty RM'000 | Retirement benefits RM'000 | Employees entitlement RM'000 | Legal claims RM'000 | Outstanding | Total RM'000 |
|--------------------------|-----------------------------|----------------------------------|------------------------------------|---------------------------|-------------------------------|-----------------|
| | | | | | insurance claims RM'000 | |
| At 1 May 2004 | 15,672 | 26,992 | 55 | 152 | 150,936 | 193,807 |
| Additional provision | 7,273 | 1,001 | 223 | - | 13,750 | 22,247 |
| Utilisation of provision | (5,511) | (2,372) | (55) | (152) | - | (8,090) |
| Unused amount reversed | (6,410) | - | (169) | - | - | (6,579) |
| Exchange differences | 66 | 1,610 | - | - | - | 1,676 |
| At 30 April 2005 | <u>11,090</u> | <u>27,231</u> | <u>54</u> | <u>-</u> | <u>164,686</u> | <u>203,061</u> |
| At 30 April 2005 | | | | | | |
| Current | 5,725 | 1,967 | - | - | 164,686 | 172,378 |
| Non-current | 5,365 | 25,264 | 54 | - | - | 30,683 |
| | <u>11,090</u> | <u>27,231</u> | <u>54</u> | <u>-</u> | <u>164,686</u> | <u>203,061</u> |
| At 30 April 2004 | | | | | | |
| Current | 9,128 | 3,294 | - | - | 150,936 | 163,358 |
| Non-current | 6,544 | 23,698 | 55 | 152 | - | 30,449 |
| | <u>15,672</u> | <u>26,992</u> | <u>55</u> | <u>152</u> | <u>150,936</u> | <u>193,807</u> |

(a) Retirement benefits

The Group's obligations under the respective plans are determined based on periodic actuarial valuation where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for any unrecognised actuarial gains and losses, and reduced by the fair value of plan assets, where applicable.

Certain subsidiary companies of the Group operate a defined benefits plan for their employees. Under the scheme, eligible employees are entitled to retirement benefits at 1.5% and 1.67% of the monthly pensionable salary for every year of service on attainment of the retirement age of 65.

Certain other subsidiary companies operate an unfunded, defined retirement benefit scheme and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days per year of final salary on attainment of the retirement age of 55. The amounts recognised in the balance sheet are determined based on the present value of unfunded defined benefit obligations.

The amount recognised in the income statements are as follows:

16. PROVISIONS (CONTINUED)

| | Group | |
|--------------------------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 |
| Net actuarial loss/(gain) | 341 | (3,744) |
| Current service cost | 372 | 745 |
| Interest cost | 318 | 1,893 |
| Expected return on plan assets | (30) | - |
| Total (Note 26(a)) | <u>1,001</u> | <u>(1,106)</u> |

(b) Sales warranty

A group of subsidiary companies gives between two to five year warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision for warranty is recognised for the products under warranty at the balance sheet date based on past experience on the level of repairs and returns.

17. SHORT TERM BORROWINGS

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Secured | | | | |
| Long term loans | | | | |
| - portion repayable within 12 months (Note 21) | 49,148 | 147,505 | - | - |
| Advances under block discounting arrangements | | | | |
| - portion repayable within 12 months (Note 21) | 470 | 399 | - | - |
| Short term loans | 455,248 | 356,694 | - | 103,856 |
| Bank overdrafts | 122,015 | 179,756 | 28,319 | 36,068 |
| Revolving credits | 688,777 | 317,087 | 22,110 | 25,068 |
| Trade financing facilities | 18,126 | 12,744 | - | - |
| | <u>1,333,784</u> | <u>1,014,185</u> | <u>50,429</u> | <u>164,992</u> |
| Unsecured | | | | |
| Long term loans | | | | |
| - portion repayable within 12 months (Note 21) | 1,000 | 41,751 | - | 40,751 |
| Short term loans | 4,636 | 4,431 | - | - |
| Bank overdrafts | 94,569 | 100,560 | - | - |
| Revolving credits | 6,400 | 24,879 | - | - |
| Trade financing facilities | 121,888 | 93,185 | - | - |
| | <u>228,493</u> | <u>264,806</u> | <u>-</u> | <u>40,751</u> |
| | <u>1,562,277</u> | <u>1,278,991</u> | <u>50,429</u> | <u>205,743</u> |

The secured bank overdrafts, revolving credits, short term loans and trade financing facilities are secured either by way of fixed charges on certain landed properties of the group, certain quoted investments of the Group and of the Company, or fixed and floating charges over the other assets of certain subsidiary companies.

17. SHORT TERM BORROWINGS (CONTINUED)

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

| | Group | | Company | |
|----------------------------|-------------|--------------|-------------|--------------|
| | 2005 % | 2004 % | 2005 % | 2004 % |
| Short term loans | 2.22 - 9.15 | 1.24 - 10.00 | - | 7.50 - 8.00 |
| Bank overdrafts | 7.00 - 9.50 | 3.50 - 8.90 | 7.40 - 8.50 | 7.40 - 8.90 |
| Revolving credits | 5.34 - 9.40 | 3.20 - 10.25 | 5.34 - 9.00 | 5.78 - 10.25 |
| Trade financing facilities | 2.82 - 9.50 | 1.00 - 8.40 | - | - |

18. SHARE CAPITAL

| | Group and Company | | | |
|---|-------------------|------------------|------------------|------------------|
| | Number of shares | | Share capital | |
| | 2005 '000 | 2004 '000 | 2005 RM'000 | 2004 RM'000 |
| Ordinary shares of RM1.00 each | | | | |
| Authorised | | | | |
| At 1 May/30 April | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> |
| Issued and fully paid | | | | |
| At 1 May | 1,498,171 | 1,498,171 | 1,498,171 | 1,498,171 |
| Conversion of 5% Irredeemable Convertible Unsecured Loan Stocks October 1999/2009 | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> |
| | <u>1,498,173</u> | <u>1,498,171</u> | <u>1,498,173</u> | <u>1,498,171</u> |

19. RESERVES

| | Group | | Company | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Non distributable | | | | |
| Share premium | 734,356 | 734,356 | 734,356 | 734,356 |
| Capital reserves | 12,487 | - | - | - |
| Foreign currency translation reserve | 67,884 | 52,061 | - | - |
| | <u>814,727</u> | <u>786,417</u> | <u>734,356</u> | <u>734,356</u> |
| Accumulated losses | (2,242,796) | (2,398,907) | (2,320,865) | (2,347,596) |
| | <u>(1,428,069)</u> | <u>(1,612,490)</u> | <u>(1,586,509)</u> | <u>(1,613,240)</u> |

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

| | Group and Company | |
|---|--------------------------|----------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| <u>Equity instrument</u> | | |
| 5% Irredeemable Convertible Unsecured Loan Stocks October 1999/2009 (Note a) | | |
| At beginning of year | 422,097 | 422,097 |
| Amount converted into shares of the Company | (2) | - |
| At end of year | <u>422,095</u> | <u>422,097</u> |

Notes:

- (a) 5% Irredeemable Convertible Unsecured Loan Stocks October 1999/2009

The 5% Irredeemable Convertible Unsecured Loan Stocks 1999/2009 ("BGB ICULS") at nominal value of RM1.00 each were constituted by a Trust Deed dated 21 July 1999 made between the Company and the Trustee for the holders of the BGB ICULS. The BGB ICULS were issued with 4 detachable warrants ("Warrants"). The main features of the BGB ICULS were as follows:-

- o The BGB ICULS shall be convertible into fully paid ordinary shares of the Company during the period from 18 October 1999 to the maturity date at 17 October 2009 at the rate of RM1.00 nominal value of BGB ICULS for one paid ordinary share of RM1.00 each.
- o Upon conversion of the BGB ICULS into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any or other distributions declared in respect of a financial period prior to the financial period in which the BGB ICULS are converted or any interim dividend declared prior to the date of conversion of the BGB ICULS.
- o The interest on the BGB ICULS is payable semi-annually in arrears.

The Warrants may be exercised at any time during the ten year period from 18 October 1999 from 17 October 2009. Warrants not exercised during this period will lapse. The exercise price of the Warrants is RM1.00 for the first to fifth year and RM1.20 for the sixth to tenth year.

During the financial year, no Warrants were exercised. The outstanding Warrants at 30 April 2005 was 2,560,100,512 (2004: 2,560,100,512) units.

The equity component of the BGB ICULS was classified as part of equity in accordance with the provisions of MASB 24: Financial Instruments: Disclosure and Presentation. Accordingly, the distribution to the holders of the BGB ICULS is disclosed as a distribution of equity.

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

| | Group | |
|---|---------|---------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| <u>Liability instrument</u> | | |
| 5% Irredeemable Convertible Unsecured Loan Stocks December 1999/2009 (Note b) | 432,874 | 586,995 |

(b) 5% Irredeemable Convertible Unsecured Loan Stocks December 1999/2009

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

- o The BLB ICULS shall be convertible into ordinary shares of the subsidiary company during the period from 31 December 1999 to the maturity date on 30 December 2009 at the rate of RM1.60 nominal value of BLB ICULS or at the rate of RM1.00 nominal value of BLB ICULS plus RM0.60 in cash for every new ordinary share of RM1.00 each.
- o Upon conversion of the BLB ICULS into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the subsidiary company 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.
- o The interest on the BLB ICULS is payable semi-annually in arrears.

The BLB ICULS were issued pursuant to a debt conversion exercise undertaken by the subsidiary company with its lenders and creditors. An offer for sale of the BLB ICULS was subsequently implemented. The subsidiary company had granted a put option to the lenders to sell their BLB ICULS remaining after the offer for sale. The put option is exercisable at any time during a period of seven days each, beginning on the second anniversary from the date of the grant of the put option with successive periods at half-yearly intervals until the termination of the put option, which shall occur on the seventh day after the fifth anniversary of its grant. The put option is secured by existing security, which includes shares and properties pledged to the lenders. The Company has assumed the put option from the subsidiary company on the same terms and conditions. The Company was released from the put option obligation through a compensation scheme as detailed in Note 39(B)(5).

| | 2005 | 2004 |
|--|-----------|----------|
| | RM'000 | RM'000 |
| At beginning of year | 586,995 | 640,298 |
| Amount purchased by subsidiary companies | (152,677) | (53,295) |
| Amount converted into Berjaya Land Berhad ordinary shares during the financial year | (1,444) | (8) |
| At end of year | 432,874 | 586,995 |

21. LONG TERM BORROWINGS

| | Group | | Company | |
|---|------------------|------------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Secured | | | | |
| Term loans | 1,704,242 | 1,707,218 | - | - |
| Portion repayable within 12 months included under short term borrowings (Note 17) | (49,148) | (147,505) | - | - |
| | <u>1,655,094</u> | <u>1,559,713</u> | <u>-</u> | <u>-</u> |
| Advances under block discounting arrangements | 9,252 | 9,720 | - | - |
| Portion repayable within 12 months included under short term borrowings (Note 17) | (470) | (399) | - | - |
| | <u>8,782</u> | <u>9,321</u> | <u>-</u> | <u>-</u> |
| Guaranteed Commercial Paper / Medium Term Notes ("GCP/MTN") | - | 180,000 | - | - |
| Revolving credits | 407,608 | 641,473 | - | - |
| | <u>2,071,484</u> | <u>2,390,507</u> | <u>-</u> | <u>-</u> |
| Unsecured | | | | |
| Term loans | 3,802 | 43,608 | - | 40,751 |
| Portion repayable within 12 months included under short term borrowings (Note 17) | (1,000) | (41,751) | - | (40,751) |
| | <u>2,802</u> | <u>1,857</u> | <u>-</u> | <u>-</u> |
| Revolving credits | 196,138 | 80,540 | - | - |
| | <u>198,940</u> | <u>82,397</u> | <u>-</u> | <u>-</u> |
| | <u>2,270,424</u> | <u>2,472,904</u> | <u>-</u> | <u>-</u> |

Details of the long term borrowings outstanding are as follows:

| | Group | |
|---|------------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Amounts repayable: | | |
| More than one year but not later than two years | 1,440,960 | 2,126,310 |
| More than two years but not later than five years | 441,499 | 241,321 |
| More than five years | 387,965 | 105,273 |
| | <u>2,270,424</u> | <u>2,472,904</u> |

The secured borrowings are secured on quoted and unquoted shares held by the Group and the Company and/or fixed and floating charges over the assets of certain subsidiary companies.

Included in unsecured term loans of the Group and the Company, in the previous financial year, was a loan of RM40,751,000, which was repaid during the financial year, owing to HQZ Credit Sdn Bhd, a company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun has substantial financial interest.

21. LONG TERM BORROWINGS (CONTINUED)

Revolving credits which are due to be repaid within the next twelve months that will be renewed are treated as long term liabilities. Subsequent to the financial year end, those revolving credits which matured between the year end and the date of this report were renewed.

The GCP/MTN of a subsidiary company was issued on 18 June 2001 and bore a fixed interest rate of 5.2% per annum for the 3 years. The interest rate would subsequently be revised in the fourth year. The availability period of the GCP/MTN was five years. The GCP/MTN was secured by RM180 million Syndicated Bank Guarantee and a negative pledge over the subsidiary company's assets. During the financial year, the GCP/MTN was fully repaid and subsequently cancelled upon maturity of the issued three-year GCP/MTN.

Included in revolving credits is a Syndicated Revolving Credit facility ("SRC") of a subsidiary company, which has an availability period of 5 years from the date of the facility agreement of 21 June 2001. The subsidiary company drewdown from the SRC facility in July 2004 to repay the aforesaid GCP/MTN facility. The salient terms of the SRC are as follows:

- a negative pledge over the subsidiary company's assets;
- the opening and maintenance of a sinking fund account at:
 - (i) RM30 million by the third year; and
 - (ii) RM60 million by the fourth year, from the date of commencement of the availability period.

The placement of the first tranche of RM30 million to the sinking fund account was made in August 2004. In March 2005, the Syndicated Lenders agreed to utilise the RM30 million sinking fund to settle partly the principal outstanding of the SRC, thereby varying the terms of the maintenance of the sinking fund.

The placement of the second tranche of RM30 million to the sinking fund account has been deferred as the subsidiary company is currently negotiating with the Syndicated Lenders to restructure and vary the terms of the SRC.

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

| | Group | | Company | |
|---|--------------|-------------|----------------|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| | % | % | % | % |
| Term loans | 6.67 - 9.95 | 3.70 - 9.95 | - | - |
| Revolving credits | 7.12 - 9.15 | 5.50 - 9.70 | - | - |
| Advances under block discounting arrangements | 6.00 - 8.90 | 7.50 - 8.90 | - | - |

22. OTHER LONG TERM LIABILITIES

| | Group | | Company | |
|---|----------------|------------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Secured | | | | |
| Block discounting payables (Note a) | 31,973 | 19,872 | - | - |
| Unexpired carrying charges | (4,718) | (2,760) | - | - |
| | <u>27,255</u> | <u>17,112</u> | - | - |
| Portion repayable within 12 months included under payables (Note 15) | (7,342) | (6,507) | - | - |
| | <u>19,913</u> | <u>10,605</u> | - | - |
| Hire purchase and leasing payables (Note b) | 67,191 | 91,494 | - | 415 |
| Portion repayable within 12 months included under payables (Note 15) | (43,144) | (50,459) | - | (415) |
| | <u>24,047</u> | <u>41,035</u> | - | - |
| | <u>43,960</u> | <u>51,640</u> | - | - |
| Unsecured | | | | |
| Club members' deposits (Note c) | 67,644 | 70,491 | - | - |
| Deferred income (Note d) | 176,885 | 146,559 | - | - |
| Amount owing to an associated company (Note 15) | - | 916,223 | - | - |
| | <u>244,529</u> | <u>1,133,273</u> | - | - |
| | <u>288,489</u> | <u>1,184,913</u> | - | - |

Notes:

- (a) The block discounting payables are secured by corporate guarantee of certain subsidiary companies and assignment of the rights under leasing and hire purchase agreements.
- (b) The commitment terms under hire purchase and leasing payables are summarised as follows:-

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Gross amount repayable :- | | | | |
| Within one year after balance sheet date | 45,687 | 55,142 | - | 415 |
| More than one year but not later than two years | 10,126 | 23,210 | - | - |
| More than two years but not later than five years | 13,690 | 19,865 | - | - |
| More than five years | 6,432 | 6,940 | - | - |
| | <u>75,935</u> | <u>105,157</u> | - | <u>415</u> |
| Less : Unexpired interest | (8,744) | (13,663) | - | - |
| | <u>67,191</u> | <u>91,494</u> | - | <u>415</u> |

22. OTHER LONG TERM LIABILITIES (CONTINUED)

The present value of hire purchase and leasing payables are summarised as follows:-

| | Group | | Company | |
|---|---------------|---------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Within one year after balance sheet date | 43,144 | 50,459 | - | 415 |
| More than one year but not later than two years | 8,229 | 19,404 | - | - |
| More than two years but not later than five years | 10,921 | 16,281 | - | - |
| More than five years | 4,897 | 5,350 | - | - |
| | <u>67,191</u> | <u>91,494</u> | <u>-</u> | <u>415</u> |

- (c) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members at their request upon expiry of prescribed terms from the dates of issuance of the licences.
- (d) Deferred income represents mainly deferred membership fees which are recognised over the membership period.

23. DEFERRED TAXATION

| | Group | | Company | |
|--|----------------|----------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At beginning of year | 140,922 | 117,661 | - | - |
| Recognised in the income statements | (16,665) | 8,661 | 19 | - |
| Arising on acquisition of subsidiary companies | (982) | - | - | - |
| Arising on dilution/disposal of subsidiary companies | (2,928) | 16,654 | - | - |
| Exchange differences | 370 | (2,054) | - | - |
| At end of year | <u>120,717</u> | <u>140,922</u> | <u>19</u> | <u>-</u> |

23. DEFERRED TAXATION (CONTINUED)

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

| Group | Provision for liability RM'000 | Retirement benefit RM'000 | Unused | Payables RM'000 | Receivables RM'000 | Others RM'000 | Total RM'000 |
|--|--------------------------------------|---------------------------------|---|------------------------------------|-----------------------|------------------|-----------------|
| | | | tax losses and unabsorbed capital allowances RM'000 | | | | |
| Deferred tax assets | | | | | | | |
| At 1 May 2004 | 601 | - | 89,192 | 2,313 | 4,939 | 1,233 | 98,278 |
| Recognised in the income statement | 1,400 | 41 | 1,479 | (864) | 571 | (373) | 2,254 |
| Arising on acquisition of subsidiary companies | - | - | 100 | - | (3) | - | 97 |
| Arising on dilution of subsidiary companies | - | - | - | - | - | (399) | (399) |
| Reclassification | 362 | 56 | 3,255 | 293 | - | 654 | 4,620 |
| At 30 April 2005 | <u>2,363</u> | <u>97</u> | <u>94,026</u> | <u>1,742</u> | <u>5,507</u> | <u>1,115</u> | <u>104,850</u> |
| Set-off against deferred tax liabilities | | | | | | | <u>(88,958)</u> |
| | | | | | | | <u>15,892</u> |
| At 1 May 2003 | 2,234 | - | 103,138 | 2,194 | 4,455 | 2,415 | 114,436 |
| Recognised in the income statement | (1,633) | - | 1,383 | 119 | 484 | (1,182) | (829) |
| Arising on disposal of subsidiary companies | - | - | (16,781) | - | - | - | (16,781) |
| Foreign exchange adjustments | - | - | 1,452 | - | - | - | 1,452 |
| At 30 April 2004 | <u>601</u> | <u>-</u> | <u>89,192</u> | <u>2,313</u> | <u>4,939</u> | <u>1,233</u> | <u>98,278</u> |
| Set-off against deferred tax liabilities | | | | | | | <u>(87,293)</u> |
| | | | | | | | <u>10,985</u> |
| Deferred tax liabilities | | | | | | | |
| | | | Accelerated capital allowances RM'000 | Investment properties RM'000 | Receivables RM'000 | Others RM'000 | Total RM'000 |
| At 1 May 2004 | | | 14,294 | 223,289 | 6 | 1,611 | 239,200 |
| Recognised in the income statement | | | (22,683) | 5,935 | (6) | 2,343 | (14,411) |
| Arising on acquisition of subsidiary companies | | | 72 | - | - | (957) | (885) |
| Arising on dilution of subsidiary companies | | | (3,327) | - | - | - | (3,327) |
| Foreign exchange adjustments | | | 370 | - | - | - | 370 |
| Reclassification | | | 118,916 | (115,040) | - | 744 | 4,620 |
| At 30 April 2005 | | | <u>107,642</u> | <u>114,184</u> | <u>-</u> | <u>3,741</u> | <u>225,567</u> |
| Set-off against deferred tax assets | | | | | | | <u>(88,958)</u> |
| | | | | | | | <u>136,609</u> |
| At 1 May 2003 | | | 13,400 | 216,053 | 19 | 2,625 | 232,097 |
| Recognised in the income statement | | | 1,390 | 7,471 | (13) | (1,016) | 7,832 |
| Arising on disposal of subsidiary companies | | | (127) | - | - | - | (127) |
| Foreign exchange adjustments | | | (369) | (235) | - | 2 | (602) |
| At 30 April 2004 | | | <u>14,294</u> | <u>223,289</u> | <u>6</u> | <u>1,611</u> | <u>239,200</u> |
| Set-off against deferred tax assets | | | | | | | <u>(87,293)</u> |
| | | | | | | | <u>151,907</u> |
| Company | | | | | | | |
| Deferred tax liabilities | | | | | | | |
| At 1 May 2004 | | | - | | | | |
| Recognised in the income statement | | | 19 | | | | |
| At 30 April 2005 | | | <u>19</u> | | | | |

Properties include deferred tax adjustments on temporary differences arising from land held for development, development properties and investment properties.

23. DEFERRED TAXATION (CONTINUED)

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

| | Group | | Company | |
|--------------------------------------|------------------|------------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Unused tax losses | 1,813,150 | 1,730,509 | 23,601 | 21,387 |
| Unabsorbed capital allowances | 317,666 | 307,134 | 9,480 | 9,230 |
| Unabsorbed investment tax allowances | 162,474 | 162,666 | - | - |
| Others | 94,451 | 92,562 | - | - |
| | <u>2,387,741</u> | <u>2,292,871</u> | <u>33,081</u> | <u>30,617</u> |

The unused tax losses, unabsorbed capital allowances and investments tax allowances are available indefinitely for offset against future taxable profit of the Company and its respective subsidiaries.

24. INSURANCE RESERVES

| | Group | |
|---------------------------------------|---------------|---------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| General insurance fund | | |
| <u>Reserves for unexpired risks</u> | | |
| At beginning of year | 66,743 | 72,240 |
| Increased/(Decreased) during the year | 3,726 | (5,497) |
| At end of year | <u>70,469</u> | <u>66,743</u> |

25. REVENUE

Revenue for the Group represents the invoiced value of sales of the Group's products and services, a proportion of contractual sales revenue determined by reference to the percentage of completion of the development properties, lease rentals, rental of properties, interest income from hire purchase and loan financing, gross insurance premiums, gross stake collections from the sale of betting tickets less gaming tax, revenue from hotel and resort operations, membership fees from recreational activities, net house takings from casino operations and brokerage and underwriting commission on securities contracts and new issue of shares.

Revenue consists of the following:

| | Group | | Company | |
|---|------------------|------------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gross brokerage | 27,575 | 44,348 | - | - |
| Underwriting commissions | 892 | 2,326 | - | - |
| Margin interest income | 8,712 | 8,360 | - | - |
| Gross premium from underwriting of general insurance | 209,463 | 196,540 | - | - |
| Interest income from hire purchase, lease and loan financing | 10,577 | 21,136 | - | - |
| Sales of goods and services on cash and credit terms | 1,717,145 | 4,260,145 | - | - |
| Sales from equal payment and hire purchase schemes | 285,524 | 273,584 | - | - |
| Gaming and related activities | 109,395 | 156,660 | - | - |
| Contractual sales revenue | 187,465 | 259,314 | - | - |
| Income from hotels, resort and themepark operations | 224,663 | 201,988 | - | - |
| Income from investment properties | 51,632 | 50,328 | - | - |
| House takings from casino operations | 9,071 | 11,430 | - | - |
| Membership fees and subscriptions | 92,442 | 100,717 | - | - |
| Dividend income | - | - | 8,721 | 8,497 |
| Management fee income | - | - | 1,859 | 1,989 |
| Administrative fees income | - | - | 519 | 559 |
| | <u>2,934,556</u> | <u>5,586,876</u> | <u>11,099</u> | <u>11,045</u> |

26. PROFIT/(LOSS) FROM OPERATIONS

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Profit/(loss) from operations is arrived at after charging: | | | | |
| Directors' remuneration (Note 27) | | | | |
| - emoluments | 22,337 | 22,901 | 142 | 174 |
| - fees | 1,169 | 3,158 | 120 | 101 |
| Auditors' remuneration | | | | |
| - audit fee | 3,468 | 3,829 | 85 | 85 |
| - underprovision in prior years | 78 | 265 | - | - |
| - fees for non audit services | 360 | 639 | 13 | 13 |
| Depreciation of property, plant and equipment | 113,236 | 116,381 | 442 | 547 |
| Property, plant and equipment written off | 21,867 | 32,024 | - | - |
| Lease rental - plant and machinery | 7,662 | 10,825 | - | - |
| Rental of land and buildings | 84,395 | 81,726 | 41 | 36 |
| Amortisation of intangible assets | 3,100 | 3,296 | - | - |
| Amortisation of land held for development | 52 | 57 | - | - |
| Betting royalty | 595 | 854 | - | - |
| Research and development expenses | - | 1,139 | - | - |
| Royalty expenses | 5,004 | 10,800 | - | - |
| Staff costs (Note a) | 601,299 | 573,617 | 846 | 720 |
| Loss on disposal of property, plant and equipment | 1,952 | 380 | - | - |
| Loss on disposal of marketable securities | - | 5,331 | - | - |
| Provision for bad and doubtful debts | 29,228 | 66,857 | - | 365,198 |
| Write down in value of land held for development and investment properties | 9,754 | 15,200 | - | - |
| Waiver given for amount owing by a subsidiary company | - | - | - | 8,469 |
| Inventories written off/down | 7,294 | 11,157 | - | - |
| Loss on foreign exchange | | | | |
| - realised | 2,179 | 5,120 | - | 56 |
| - unrealised | 1,840 | 3,240 | - | - |
| Provision for diminution in value of marketable securities | 565 | - | - | - |
| Impairment in value of general insurance subsidiary's investments | 4,569 | - | - | - |

26. PROFIT/(LOSS) FROM OPERATIONS (CONTINUED)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| and crediting: | | | | |
| Gross dividends from | | | | |
| - unquoted subsidiary companies | - | - | 8,695 | 8,050 |
| - other investments quoted in Malaysia | 969 | 913 | - | - |
| - unquoted other investments | 26 | 538 | 26 | 447 |
| Income from rental of land and buildings | 9,110 | 10,443 | - | 2 |
| Write back of provision for diminution in value of | | | | |
| - trading account securities | - | 35,500 | - | - |
| - other investments | - | 10,000 | - | - |
| Bad debts recovered | 1,358 | 6,242 | - | - |
| Provision for bad debts written back | 12,329 | 10,533 | 2,157 | 73 |
| Waiver received for amount owing to a subsidiary company | - | - | - | 10,093 |
| Write back in value of investment properties | 8,700 | - | - | - |
| Write back of provision for diminution in value of general insurance subsidiary company's investment in quoted shares | - | 6,769 | - | - |
| Inventories written back | 4,263 | 6,289 | - | - |
| Gain on disposal of property, plant and equipment | 4,308 | 9,890 | 87 | 177 |
| Gain on foreign exchange | | | | |
| - realised | 1,603 | 1,100 | - | - |
| - unrealised | 3,212 | 5,691 | - | - |
| Royalty/Franchise income | 2,446 | 4,556 | - | - |
| Gain on disposal of marketable securities | 2,369 | - | - | - |
| Interest income earned by general insurance subsidiary | 8,856 | 8,417 | - | - |
| Gain on disposal of general insurance subsidiary's investments | 7,006 | 4,186 | - | - |

26. PROFIT/(LOSS) FROM OPERATIONS (CONTINUED)

(a) Staff costs consists of the following:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Wages, salaries and other allowances | 486,128 | 454,354 | 633 | 567 |
| Social security costs and employees insurance | 17,869 | 41,246 | 20 | 5 |
| Bonuses | 11,360 | 14,463 | 100 | 53 |
| Pension costs | | | | |
| - defined contribution plans | 33,477 | 35,176 | 93 | 95 |
| - defined benefit plans (Note 16(a)) | 1,001 | (1,106) | - | - |
| Provision for short term compensated absences | 1,819 | 3,817 | - | - |
| Other staff related expenses | 49,645 | 25,667 | - | - |
| | <u>601,299</u> | <u>573,617</u> | <u>846</u> | <u>720</u> |

Staff costs excludes remuneration of executive directors.

27. DIRECTORS' REMUNERATION

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

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Directors of the Company | | | | |
| Executive | | | | |
| Fees | - | 13 | - | - |
| Salaries and other emoluments | 1,284 | 1,569 | 142 | 174 |
| Bonus | 130 | 250 | - | - |
| Benefits-in-kind | 234 | 244 | 51 | 39 |
| | <u>1,648</u> | <u>2,076</u> | <u>193</u> | <u>213</u> |
| Non-Executive | | | | |
| Fees | 120 | 101 | 120 | 101 |
| Benefits-in-kind | 23 | 20 | 23 | 20 |
| | <u>143</u> | <u>121</u> | <u>143</u> | <u>121</u> |
| | <u>1,791</u> | <u>2,197</u> | <u>336</u> | <u>334</u> |
| Other directors of the Group | | | | |
| Fees | 1,049 | 3,044 | - | - |
| Salaries and other emoluments | 18,951 | 19,923 | - | - |
| Bonus | 1,972 | 1,159 | - | - |
| Benefits-in-kind | 1,299 | 1,125 | - | - |
| | <u>23,271</u> | <u>25,251</u> | <u>-</u> | <u>-</u> |

28. RESULTS ARISING FROM INVESTING ACTIVITIES

| | Group | | Company | |
|---|----------------|------------------|----------------|----------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gain on disposal of: | | | | |
| - subsidiary companies | 2,345 | 56,827 | - | 123 |
| - associated companies | 187,551 | - | 56,697 | - |
| - other investments | 88,082 | 1,916 | - | 186 |
| Loss on disposal of: | | | | |
| - subsidiary companies | - | (16,582) | - | (4,989) |
| - other investments | - | (5,736) | - | - |
| Gain on partial disposal of: | | | | |
| - subsidiary companies | 10,154 | - | 8,395 | - |
| Loss on partial disposal of: | | | | |
| - subsidiary companies | (25,981) | (156,699) | - | - |
| - associated companies | - | (4,636) | - | - |
| Loss on disposal of properties | - | (1,073) | - | - |
| Gain on disposal of properties | 23,453 | - | - | - |
| Gain/(Loss) arising on changes in composition of the Group | 57,369 | (547) | - | - |
| Write (off/down)/back in value of investments in: | | | | |
| - subsidiary companies | (8,049) | (1,816) | 4,100 | (8,648) |
| - associated companies | 8,718 | (183) | - | (183) |
| Write off/down in value of other investments | (5,984) | (599) | - | - |
| Provision for doubtful debts of amount due from an associated company | (40,858) | (19,000) | - | - |
| Impairment losses for associated companies | (35,798) | (1,755) | - | - |
| Provision for diminution in value of other investments | (7,139) | (5,205) | (558) | (250) |
| Provision for impairment losses for land held for development and investment properties | - | (5,818) | - | - |
| Impairment of goodwill in subsidiary companies | (31,414) | (42,046) | - | - |
| Expenses accrued on acquisition of investments written back | 3,398 | - | - | - |
| BLand share options cost | (9,270) | - | (9,270) | - |
| Interest receivable from subsidiary companies | - | - | 193,479 | 206,689 |
| Other interest income | 29,135 | 42,019 | 475 | 721 |
| | <u>245,712</u> | <u>(160,933)</u> | <u>253,318</u> | <u>193,649</u> |

29. FINANCE COSTS

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest expense on :- | | | | |
| -Bank loans and overdrafts | 228,840 | 220,928 | 8,422 | 13,340 |
| -FRN/BLB ICULS | 30,405 | 43,923 | - | - |
| -GCP/MTN | 1,769 | 9,386 | - | - |
| -Hire purchase and leases | 11,488 | 6,976 | 22 | 15 |
| -Amount due to subsidiary companies | - | - | 183,004 | 181,157 |
| -Amount due to associated companies | 49,434 | 58,928 | - | - |
| -Others (inclusive of loan related expenses) | 27,146 | 32,426 | 20,663 | 26,577 |
| | <u>349,082</u> | <u>372,567</u> | <u>212,111</u> | <u>221,089</u> |

30. SHARE OF RESULTS OF ASSOCIATED COMPANIES

| | Group | |
|--|----------------|----------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Share of profits less losses before taxation | <u>265,300</u> | <u>225,700</u> |

Included in the share of profits less losses before taxation in the previous financial year was an amount of RM123,237,000 relating to reversal of losses of an associated company previously accounted for on consolidation.

31. TAXATION

| | Group | | Company | |
|---------------------------|----------------|----------------|----------------|---------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In Malaysia: | | | | |
| Income tax | 56,236 | 105,831 | - | - |
| Deferred taxation | (16,839) | 8,661 | 19 | - |
| Associated companies | 79,555 | 53,786 | - | - |
| In respect of prior years | 1,441 | 12,701 | - | 7,869 |
| | <u>120,393</u> | <u>180,979</u> | <u>19</u> | <u>7,869</u> |
| Outside Malaysia: | | | | |
| Income tax | 8,741 | 17,983 | - | - |
| Deferred taxation | 174 | - | - | - |
| Associated companies | 12,244 | 3,273 | - | - |
| In respect of prior years | (536) | (968) | - | - |
| | <u>20,623</u> | <u>20,288</u> | <u>-</u> | <u>-</u> |
| | <u>141,016</u> | <u>201,267</u> | <u>19</u> | <u>7,869</u> |

There is no tax charge for the year as the Company is in a tax loss position. As at 30 April 2005, the Company has tax losses of approximately RM23,601,000 (2004: RM21,387,000) and unutilised capital allowances of approximately RM9,480,000 (2004: RM9,230,000) which can be used to offset against future taxable profits subject to the agreement of the Inland Revenue Board.

As at 30 April 2005, the Company has a potential deferred tax benefit of approximately RM9,263,000 (2004: RM8,569,000), arising principally from tax losses carried forward and unutilised capital allowances, the effects of which are not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

Corporate tax rate for certain subsidiary companies of the Group with paid-up capital of RM2.5 million and below at the beginning of the basis period for the Year of Assessment 2004 and 2005 are as follows :

| <u>Chargeable Income</u> | <u>Rate</u> |
|----------------------------|-------------|
| First RM500,000 | 20% |
| Amount exceeding RM500,000 | 28% |

A subsidiary company has obtained approval from the Multimedia Development Corporation ("MDC") as a Multimedia Super Corridor ("MSC") company and has been granted Pioneer Status with full income tax exemption under the Promotion of Investments Act, 1986 for a period of 5 years beginning from 4 October 2002.

31. TAXATION (CONTINUED)

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

| | Group | | Company | |
|--|----------------|----------------|----------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit / (Loss) before taxation | <u>371,024</u> | <u>188,743</u> | <u>47,855</u> | <u>(391,041)</u> |
| Applicable tax rate (%) | 28 | 28 | 28 | 28 |
| Taxation at applicable tax rate | 103,887 | 52,848 | 13,400 | (109,491) |
| Effect on deferred tax due to (decrease)/ increase in foreign income tax rate | (17,066) | 69 | - | - |
| Effect on different tax rates in other countries | (3,323) | 10 | - | - |
| Effect on tax incentives for small-medium enterprise | (442) | (543) | - | - |
| Effect on tax incentives for MSC status enterprise | (965) | (455) | - | - |
| Effect on other tax incentives | (4,126) | (225) | - | - |
| Effect on Real Property Gains Tax and Withholding Tax | (6,604) | (1,338) | - | - |
| Income not subject to tax | (113,180) | (41,243) | (20,048) | - |
| Expenses not deductible under tax legislation | 148,849 | 147,099 | 5,973 | 108,722 |
| Utilisation of previously unrecognised deferred tax assets | (11,354) | (22,779) | - | - |
| Deferred tax assets not recognised during the financial year | 42,055 | 50,244 | 694 | 769 |
| Subsidiary companies domiciled in tax haven country | 323 | 9,078 | - | - |
| Under provision of income tax in prior years | 905 | 11,733 | - | 7,869 |
| Under/(Over) provision of deferred tax in prior years | <u>2,057</u> | <u>(3,231)</u> | <u>-</u> | <u>-</u> |
| Tax expense for the year | <u>141,016</u> | <u>201,267</u> | <u>19</u> | <u>7,869</u> |

32. EARNINGS/(LOSS) PER SHARE

| | Group | |
|---|------------------|------------------|
| | 2005 | 2004 |
| | RM'000 | RM'000 |
| Profit/(Loss) attributable to shareholders | 151,212 | (169,331) |
| Weighted average number of ordinary shares in issue | 1,498,173 | 1,498,171 |
| Basic earnings/(loss) per share (sen) | <u>10.1</u> | <u>(11.3)</u> |
| Profit/(Loss) attributable to shareholders | 151,212 | (169,331) |
| Weighted average number of ordinary shares in issue | 1,498,173 | 1,498,171 |
| Adjustments for assumed conversion of: | | |
| - Warrants | * | * |
| - ICULS | <u>422,095</u> | <u>*</u> |
| Adjusted weighted average number of ordinary shares | <u>1,920,268</u> | <u>1,498,171</u> |
| Diluted earnings/(loss) per share (sen) | <u>7.9</u> | <u>(11.3)</u> |

* Not taken into account in the computation of diluted earnings/(loss) per share because the effect is anti-dilutive.

33. SEGMENTAL INFORMATION

The Group is organised on a worldwide basis and presents its segmental information based on business segments:

- (i) financial services;
- (ii) manufacturing;
- (iii) property investment and development;
- (iv) hotel, resort and recreation;
- (v) restaurants;
- (vi) gaming and related activities;
- (vii) marketing of consumer products and services; and
- (viii) others.

Other business segments include project management services and estates, segments which are not of a sufficient size to be reported separately.

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

The geographical segmental information is prepared based on the locations of assets. The segment revenue by geographical location of customers does not differ materially from the segment revenue by geographical location of assets.

33. SEGMENTAL INFORMATION (CONTINUED)

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

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

| By business segments | External | Inter- | Total |
|---|------------------|----------------|------------------|
| Revenue | RM'000 | segment | RM'000 |
| | | RM'000 | RM'000 |
| 2005 | | | |
| Financial services | 256,459 | 760 | 257,219 |
| Manufacturing | 455,503 | 495 | 455,998 |
| Property investment and development | 235,653 | 5,160 | 240,813 |
| Hotel, resort and recreation | 320,886 | 982 | 321,868 |
| Restaurants and cafes | 567,790 | - | 567,790 |
| Gaming and related activities | 109,395 | - | 109,395 |
| Marketing of consumer products and services | 951,967 | 8,433 | 960,400 |
| Others | 36,903 | - | 36,903 |
| Inter-segment elimination | - | (15,830) | (15,830) |
| Total Revenue | <u>2,934,556</u> | <u>-</u> | <u>2,934,556</u> |
| 2004 | | | |
| Financial services | 271,369 | 1,341 | 272,710 |
| Manufacturing | 428,038 | 1,609 | 429,647 |
| Property investment and development | 308,768 | 4,246 | 313,014 |
| Hotel, resort and recreation | 309,083 | 1,160 | 310,243 |
| Restaurants and cafes | 593,382 | - | 593,382 |
| Gaming and related activities | 156,660 | - | 156,660 |
| Marketing of consumer products and services | 3,478,622 | 4,023 | 3,482,645 |
| Others | 40,954 | - | 40,954 |
| Inter-segment elimination | - | (12,379) | (12,379) |
| Total Revenue | <u>5,586,876</u> | <u>-</u> | <u>5,586,876</u> |

33. SEGMENTAL INFORMATION (CONTINUED)

| Results | 2005 RM'000 | 2004 RM'000 |
|---|------------------------|------------------------|
| Financial services | 41,576 | 88,808 |
| Manufacturing | 19,732 | 15,979 |
| Property investment and development | 46,808 | 100,862 |
| Hotel, resort and recreation | 11,927 | 34,888 |
| Restaurants and cafes | 50 | (4,986) |
| Gaming and related activities | 10,213 | 16,576 |
| Marketing of consumer products and services | 66,135 | 224,347 |
| Others | 20,710 | 24,191 |
| | <u>217,151</u> | <u>500,665</u> |
| Unallocated corporate expenses | (8,057) | (4,122) |
| Profit from operations | <u>209,094</u> | <u>496,543</u> |
| Results arising from investing activities | 245,712 | (160,933) |
| Finance costs | (349,082) | (372,567) |
| Share of results in associated companies | 265,300 | 225,700 |
| Profit before taxation | <u>371,024</u> | <u>188,743</u> |
| Taxation | (141,016) | (201,267) |
| Profit/(Loss) after taxation | <u><u>230,008</u></u> | <u><u>(12,524)</u></u> |

| Assets and Liabilities | 2005 | | 2004 | |
|---|--------------------------|-------------------------------|--------------------------|-------------------------------|
| | Assets RM'000 | Liabilities RM'000 | Assets RM'000 | Liabilities RM'000 |
| Financial services | 1,039,874 | 362,245 | 1,000,756 | 334,707 |
| Manufacturing | 430,903 | 197,535 | 440,274 | 204,966 |
| Property investment and development | 2,572,355 | 1,811,452 | 2,315,783 | 1,434,345 |
| Hotel, resort and recreation | 2,057,370 | 406,358 | 1,787,971 | 344,862 |
| Restaurants and cafes | 174,837 | 145,322 | 263,109 | 235,464 |
| Gaming and related activities | - | - | 114,833 | 12,855 |
| Marketing of consumer products and services | 817,997 | 295,890 | 1,175,520 | 371,739 |
| Others | 96,982 | 2,557 | 76,576 | 2,741 |
| Inter-segment elimination | (481,083) | (293,563) | (243,728) | (55,453) |
| | <u>6,709,235</u> | <u>2,927,796</u> | <u>6,931,094</u> | <u>2,886,226</u> |
| Unallocated items | 2,851,321 | 3,711,563 | 2,803,057 | 4,197,476 |
| Total | <u><u>9,560,556</u></u> | <u><u>6,639,359</u></u> | <u><u>9,734,151</u></u> | <u><u>7,083,702</u></u> |

33. SEGMENTAL INFORMATION (CONTINUED)

| Other information | Capital expenditure RM'000 | Depreciation & amortisation RM'000 | Impairment loss RM'000 | Other non-cash expenses RM'000 |
|--|----------------------------------|---|------------------------------|---|
| 2005 | | | | |
| Financial services | 3,819 | 4,223 | 4,569 | (921) |
| Manufacturing | 6,362 | 11,721 | - | 6,527 |
| Property investment and development | 4,788 | 8,542 | 16,933 | 18,488 |
| Hotel, resort and recreation | 42,272 | 41,322 | 30,192 | 10,320 |
| Restaurants and cafes | 16,205 | 28,965 | - | - |
| Gaming and related activities | 146 | 1,328 | - | - |
| Marketing of consumer products and services | 45,199 | 17,807 | - | 18,318 |
| Others | 570 | 936 | - | - |
| | <u>119,361</u> | <u>114,844</u> | <u>51,694</u> | <u>52,732</u> |
| Unallocated items | 782 | 1,544 | 20,087 | 41,266 |
| Total | <u><u>120,143</u></u> | <u><u>116,388</u></u> | <u><u>71,781</u></u> | <u><u>93,998</u></u> |
| 2004 | | | | |
| Financial services | 7,308 | 3,823 | 6,900 | - |
| Manufacturing | 15,310 | 12,346 | 5,444 | 5,995 |
| Property investment and development | 9,028 | 7,936 | 27,383 | (2,854) |
| Hotel, resort and recreation | 82,351 | 26,044 | 19,150 | 11,444 |
| Restaurants and cafes | 5,974 | 30,990 | 3,663 | - |
| Gaming and related activities | 465 | 1,911 | - | - |
| Marketing of consumer products and services | 49,703 | 33,851 | - | 18,681 |
| Others | 1,098 | 950 | - | - |
| | <u>171,237</u> | <u>117,851</u> | <u>62,540</u> | <u>33,266</u> |
| Unallocated items | 21,656 | 1,883 | 28,960 | 18,180 |
| Total | <u><u>192,893</u></u> | <u><u>119,734</u></u> | <u><u>91,500</u></u> | <u><u>51,446</u></u> |

COMPANY NO: 7308-X

33. SEGMENTAL INFORMATION (CONTINUED)

| By geographical segments | Revenue RM'000 | Assets RM'000 | Capital expenditure RM'000 |
|---------------------------------|---------------------------|--------------------------|---|
| 2005 | | | |
| Malaysia | 2,063,954 | 8,487,558 | 105,880 |
| Asia (other than Malaysia) | 151,866 | 290,050 | 2,059 |
| North America | 530,814 | 428,949 | 10,199 |
| Oceanic island states | 83,194 | 293,833 | 1,229 |
| Europe | 74,571 | 45,914 | 459 |
| Others | 30,157 | 14,252 | 317 |
| | <u>2,934,556</u> | <u>9,560,556</u> | <u>120,143</u> |
| 2004 | | | |
| Malaysia | 3,139,212 | 8,513,123 | 168,917 |
| Asia (other than Malaysia) | 231,912 | 291,809 | 10,641 |
| North America | 2,029,372 | 553,532 | 12,246 |
| Oceanic island states | 93,934 | 302,402 | 774 |
| Europe | 76,283 | 42,373 | 267 |
| Others | 16,163 | 30,912 | 48 |
| | <u>5,586,876</u> | <u>9,734,151</u> | <u>192,893</u> |

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Administration fees for loan facilities receivable from subsidiary companies | | - | - | 519 | 472 |
| Administration fees for loan facilities payable to subsidiary companies | | - | - | 986 | 1,210 |
| Management fees receivable from subsidiary companies | | - | - | 958 | 1,648 |
| Rental of premises and related services receivable from: | | | | | |
| - Tai Thong Clubs and Hotel Catering Sdn Bhd | a | 1,599 | 1,722 | - | - |
| - Sun Media Corporation Sdn Bhd ("SMCSB") | c | 757 | 958 | - | - |
| - DiGi Telecommunications Sdn Bhd ("DTS") | c | 1,576 | 1,452 | - | - |
| Progress payments to a director related company in connection with the acquisition of properties which are being constructed | b | - | 21,661 | - | - |
| Services and sinking funds payable to Berjaya TS Management Sdn Bhd ("BTSMSB") | b | 5,962 | 2,304 | - | - |
| Rental payable to Berjaya Times Square Sdn Bhd ("BTS") | b | 602 | - | - | - |
| Hire purchase and leasing receivables from: | | | | | |
| - BTS | b | 12,735 | 10,464 | - | - |
| - Bukit Tinggi Resort Berhad | c | 15,504 | 15,613 | - | - |
| - MiTV Corporation Sdn Bhd ("MITV") | c | 24,018 | - | - | - |
| Interest expense to HQZ Credit Sdn Bhd ("HQZ") | c | 577 | 2,997 | 577 | 2,997 |
| Loan repayment to HQZ | c | 40,751 | 3,780 | 40,751 | 3,780 |
| Online share trading services fees to Forum Digital Sdn Bhd | c | 491 | 358 | - | - |
| Printing and mailing fees from DTS | c | 5,050 | 3,645 | - | - |
| Purchase and payment of expenses to DTS | c | 4,791 | 5,063 | - | - |

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Rental of premises and related services provided to | | | | | |
| - an associated company | d | 3,570 | 2,147 | - | - |
| - Convenience Shopping Sdn Bhd ("CSSB") | c | 685 | - | - | - |
| - MITV | c | 997 | - | - | - |
| Management fees receivable from associated companies | | | | | |
| - Berjaya Sports Toto Berhad | | 720 | 720 | 720 | 720 |
| - Hyundai-Sime Darby Berhad (formerly known as Hyundai-Berjaya Corporation Berhad) | | 175 | 300 | 175 | 300 |
| - Gribbles Pathology (M) Sdn Bhd | | 6 | - | 6 | - |
| Service charges for procurement and provision of printing and advertisement provided to an associated company | d | 2,795 | 2,686 | - | - |
| Repayment to an associated company | d | 272,577 | 200,345 | - | - |
| Security and related services receivable provided to | | | | | |
| - an associated company | d | 1,056 | 1,003 | - | - |
| - DTS | c | 804 | - | - | - |
| Sales of goods to | | | | | |
| - BTSMBS | b | 569 | 29 | - | - |
| - TS Service Suite Sdn Bhd | b | 224 | - | - | - |
| - CSSB | c | 1,057 | - | - | - |

The above transactions were undertaken at mutually agreed terms between the parties in the normal course of business and the terms and conditions are not materially different from that obtainable in transactions with unrelated parties.

All other significant intercompany transactions have been disclosed under Notes 3, 5, 26 and 29. These transactions were undertaken at mutually agreed terms between the companies in the normal course of business and the terms and conditions are not materially different from that obtainable in transactions with unrelated parties. There are no practical means of identifying the amount or proportions of outstanding items with subsidiary and related companies at balance sheet date pertaining to the related company transactions.

Details of significant related party acquisitions and disposals of assets completed during the financial year are included in Note 38(A) to the financial statements.

Notes:

- (a) This party is deemed related to Tan Sri Dato' Tan Chee Sing ("TSDT") by virtue of his interest in the company. He is the brother of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") who is the Chairman/director and major shareholder of the Company.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (b) Berjaya Times Square Sdn Bhd ("BTS") is deemed related to Tan Sri Vincent Tan by virtue of his interests of his interests in Matrix International Berhad ("Matrix"), the holding company of this company. His brother, TSDT, is also a deemed substantial shareholder of Matrix. Rayvin Tan Yeong Sheik, a son of Tan Sri Vincent Tan, is also a deemed shareholder of Matrix.
- (c) These companies are deemed to be related to the Company by virtue of the interests of Tan Sri Vincent Tan in these companies.
- (d) These relate to an associated company, Berjaya Sports Toto Berhad and its subsidiary companies.

35. COMMITMENTS

| | Group | | Company | |
|--|----------------|----------------|----------------|------------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Capital expenditure | | | | |
| Property, plant and equipment | | | | |
| - approved and contracted for | 95,171 | 105,006 | - | - |
| - approved but not contracted for | 50,243 | 334 | - | - |
| | <u>145,414</u> | <u>105,340</u> | <u>-</u> | <u>-</u> |
| Commitment in respect of "put" option on BLand shares (2004: BLB ICULS and BLand shares) (as disclosed in the Note below and Notes 20(b) & 39(B)(5)) | - | - | 88,548 | 1,127,757 |
| Incremental holding costs in respect of BLB ICULS (Notes 20(b) & 39(B)(5)) | 124,642 | - | - | - |
| | <u>270,056</u> | <u>105,340</u> | <u>88,548</u> | <u>1,127,757</u> |
| Non-cancellable operating lease commitments as lessees | | | | |
| - Within 1 year after balance sheet date | 53,731 | 42,673 | - | - |
| - Later than 1 year but not more than 5 years | 162,374 | 125,215 | - | - |
| - More than 5 years | 407,028 | 239,641 | - | - |
| | <u>623,133</u> | <u>407,529</u> | <u>-</u> | <u>-</u> |
| Non-cancellable operating lease commitments as lessors | | | | |
| - Within 1 year after balance sheet date | 34,022 | 28,675 | - | - |
| - Later than 1 year but not more than 5 years | 27,549 | 16,236 | - | - |
| | <u>61,571</u> | <u>44,911</u> | <u>-</u> | <u>-</u> |

35. COMMITMENTS (CONTINUED)

Details of significant commitments for acquisition of properties and investments are included in Notes 38(B), 39(A) and 39(B).

Note:

In 1999, BLand shares were issued pursuant to a debt conversion exercise undertaken by the subsidiary company, BLand, with its lenders. The Company had granted a put option to the lenders to sell their BLand shares to the Company. The put option expired on 30 December 2004. However, the put option has been extended for a period not exceeding five years from the previous expiry date. The extended put option is secured, inter alia, by shares and properties pledged to the lenders.

36. CONTINGENT LIABILITIES

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2005 RM'000 | 2004 RM'000 | 2005 RM'000 | 2004 RM'000 |
| Unsecured | | | | |
| Claim for alleged mismanagement of the client's and remiser's accounts * | 2,145 | 2,145 | - | - |
| Guarantees given to financial institutions for facilities granted to subsidiary companies | - | - | 240,087 | 341,590 |
| | <u>-</u> | <u>-</u> | <u>240,087</u> | <u>341,590</u> |

* Based on legal opinions obtained, the directors are of the opinion that the above claim is unlikely to succeed and accordingly no provision had been made in the financial statements.

37. FINANCIAL INSTRUMENTS

(1) Financial risk management objectives and policies

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

(2) Currency risk

The Group operates internationally and is exposed to various currencies as indicated in Note 2(9). The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(2) Currency risk (continued)

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

At 30 April 2005:

| Functional Currency of Group Companies | Ringgit Malaysia RM'000 | Sterling Pound RM'000 | United States Dollar RM'000 | Japanese Yen RM'000 | Euro RM'000 | Hong Kong Dollar RM'000 | Singapore Dollar RM'000 | Australian Dollar RM'000 | Renminbi RM'000 | New Taiwan Dollar RM'000 | Indonesian Rupiah RM'000 | Brunei Dollar RM'000 | Total RM'000 |
|--|-------------------------------|-----------------------------|--------------------------------------|---------------------------|----------------|-------------------------------|-------------------------------|--------------------------------|--------------------|-----------------------------------|--------------------------------|----------------------------|-----------------|
| Trade and Other Receivables | | | | | | | | | | | | | |
| Ringgit Malaysia | - | 297 | 10,435 | - | 21 | 1,815 | 7,110 | - | 3,045 | 2,111 | 384 | - | 25,218 |
| Mauritius Rupees | - | - | - | - | 4,230 | - | - | - | - | - | - | - | 4,230 |
| Seychelles Rupees | - | 181 | 756 | - | 1,183 | - | 2 | - | - | - | - | - | 2,122 |
| | - | 478 | 11,191 | - | 5,434 | 1,815 | 7,112 | - | 3,045 | 2,111 | 384 | - | 31,570 |
| Cash and Bank Balances | | | | | | | | | | | | | |
| Ringgit Malaysia | - | - | 1,974 | - | - | - | 4,612 | - | - | 3,001 | - | 1,332 | 10,919 |
| Singapore Dollar | - | - | 444 | - | - | - | - | - | - | - | - | - | 444 |
| Hong Kong Dollar | - | - | 260 | - | - | - | - | - | 82 | - | - | - | 342 |
| Mauritius Rupees | - | - | - | - | 535 | - | - | - | - | - | - | - | 535 |
| Seychelles Rupees | - | - | 304 | - | 296 | - | - | - | - | - | - | - | 600 |
| | - | - | 2,982 | - | 831 | - | 4,612 | - | 82 | 3,001 | - | 1,332 | 12,840 |
| Trade and Other Payables | | | | | | | | | | | | | |
| Ringgit Malaysia | - | - | 2,463 | 1 | 233 | 8,279 | 4,945 | 176 | 4,714 | 7,134 | - | 158 | 28,103 |
| Hong Kong Dollar | - | - | 10 | - | - | - | - | - | 29 | - | - | - | 39 |
| United States Dollar | - | - | - | - | - | - | 41,625 | - | - | - | - | - | 41,625 |
| Mauritius Rupees | - | 37 | 117 | - | 37 | - | 602 | - | - | - | - | - | 793 |
| | - | 37 | 2,590 | 1 | 270 | 8,279 | 47,172 | 176 | 4,743 | 7,134 | - | 158 | 70,560 |
| Borrowings | | | | | | | | | | | | | |
| Chinese Renminbi | - | - | - | 4,636 | - | - | - | - | - | - | - | - | 4,636 |
| United States Dollar | - | 14,117 | - | - | - | - | - | - | - | - | - | - | 14,117 |
| Ringgit Malaysia | - | - | - | 1,557 | - | - | 128 | - | - | - | - | - | 1,685 |
| | - | 14,117 | - | 6,193 | - | - | 128 | - | - | - | - | - | 20,438 |

37. FINANCIAL INSTRUMENTS (CONTINUED)

At 30 April 2004:

| Functional Currency of Group Companies | Ringgit Malaysia RM'000 | Sterling Pound RM'000 | United States Dollar RM'000 | Japanese Yen RM'000 | Euro RM'000 | Hong Kong Dollar RM'000 | Singapore Dollar RM'000 | Total RM'000 |
|--|-------------------------------|-----------------------------|--------------------------------------|---------------------------|----------------|-------------------------------|-------------------------------|-----------------|
| Trade and Other Receivables | | | | | | | | |
| Ringgit Malaysia | - | - | 12,507 | - | 8 | - | 591 | 13,106 |
| Singapore Dollar | - | - | 26 | - | - | - | - | 26 |
| Hong Kong Dollar | - | - | 504 | - | - | - | - | 504 |
| South Africa Rand | - | - | 658 | - | - | - | - | 658 |
| Euro | - | - | 499 | - | - | - | - | 499 |
| Mauritius Rupees | - | - | - | - | 2,623 | - | - | 2,623 |
| Seychelles Rupees | - | 259 | 643 | - | 1,465 | - | - | 2,367 |
| | - | 259 | 14,837 | - | 4,096 | - | 591 | 19,783 |
| Cash and Bank Balances | | | | | | | | |
| Ringgit Malaysia | - | - | 1,729 | - | - | - | 2,035 | 3,764 |
| Singapore Dollar | - | - | 331 | - | - | - | - | 331 |
| South Africa Rand | - | - | 1,456 | - | - | - | - | 1,456 |
| Euro | - | - | 314 | - | - | - | - | 314 |
| Mauritius Rupees | - | - | - | - | 1,824 | - | - | 1,824 |
| Seychelles Rupees | - | - | 4,109 | - | 427 | - | - | 4,536 |
| | - | - | 7,939 | - | 2,251 | - | 2,035 | 12,225 |
| Trade and Other Payables | | | | | | | | |
| Ringgit Malaysia | - | - | 2,555 | 192 | - | 1 | 1,986 | 4,734 |
| Singapore Dollar | - | - | 172 | - | - | - | - | 172 |
| South Africa Rand | - | - | 1,298 | - | - | - | - | 1,298 |
| Thai Baht | 2 | - | 19 | - | - | - | - | 21 |
| Seychelles Rupees | - | - | 13 | - | - | - | 3 | 16 |
| | 2 | - | 4,057 | 192 | - | 1 | 1,989 | 6,241 |
| Borrowings | | | | | | | | |
| Chinese Renminbi | - | - | - | 4,431 | - | - | - | 4,431 |
| United States Dollar | - | 15,576 | - | - | - | - | - | 15,576 |
| Singapore Dollar | - | - | - | 1,454 | - | - | - | 1,454 |
| Ringgit Malaysia | - | - | - | - | - | - | 144 | 144 |
| | - | 15,576 | - | 5,885 | - | - | 144 | 21,605 |

37. FINANCIAL INSTRUMENTS (CONTINUED)

(3) Interest rate risk

The Group's primary interest rate risk relates to interest bearing assets and interest bearing borrowings.

The interest bearing assets are made up of deposits with licensed financial institutions, staff loans and interest bearing receivables.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and by maintaining a prudent mix of short and longer term deposits and actively reviewing its portfolio of deposits. The Group also ensures that the rates contracted for its interest bearing receivables are reflective of the prevailing market rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

(4) Market risk

The Group's principal exposure to market risk arises mainly from the changes in the price of investments quoted on Bursa Malaysia.

The risk of loss in value of the Group's quoted investments is minimised via proper assessment before making investments and continuous monitoring of the performance of the investments. Trading account securities are classified as current assets and are available for sale and the Group manages its disposal to optimise returns on realisation.

Changes in prices of these shares may also affect the value of equity collateral held for certain trade receivables. The Group minimises such risks by enforcing effective credit risk policies stated in Note 37(5) below.

(5) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approval limits, monitoring procedures and assessment of collateral values. A credit approval authority limit structure is in place for all lending activities of the Group. Receivables are monitored on an ongoing basis via management reporting procedures.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(6) Liquidity risk

The Group actively manages its operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In particular, the efforts taken by the Group to improve its liquidity position includes the proposed restructuring exercise as disclosed in Note 39(B)(4) and the Group rationalisation activities as disclosed in Note 42. 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 both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(7) Fair values

The carrying amounts of other financial assets and liabilities at the balance sheet date approximate their fair value except for the following:

| | Note | Group | | Company | |
|--|------|---------------------------|----------------------|---------------------------|----------------------|
| | | Carrying amount RM'000 | Fair value RM'000 | Carrying amount RM'000 | Fair value RM'000 |
| <u>2005</u> | | | | | |
| <u>Financial assets</u> | | | | | |
| Investment in unquoted shares, debentures, loan stock | 4 | 117,898 | * | 39,710 | * |
| Unquoted corporate bonds | 4 | 26,090 | 27,392 | - | - |
| Trading account securities | 11 | 48,282 | 49,577 | - | - |
| Long term hire purchase, lease and equal payment receivables | 12 | <u>139,665</u> | <u>148,943</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities</u> | | | | | |
| Block discounting payables after 1 year | 22 | 19,913 | 22,204 | - | - |
| Long term leasing and hire purchase payables | 22 | 24,047 | 25,356 | - | - |
| ICULS 1999/2009 | 20 | <u>432,874</u> | <u>513,712</u> | <u>-</u> | <u>-</u> |

37. FINANCIAL INSTRUMENTS (CONTINUED)

(7) Fair values (continued)

| | Note | Group | | Company | |
|--|------|---------------------------|----------------------|---------------------------|----------------------|
| | | Carrying amount RM'000 | Fair value RM'000 | Carrying amount RM'000 | Fair value RM'000 |
| <u>2004</u> | | | | | |
| <u>Financial assets</u> | | | | | |
| Investment in unquoted shares, debentures, loan stock | 4 | 162,319 | * | 29,580 | * |
| Unquoted corporate bonds | 4 | 16,187 | 16,223 | - | - |
| Trading account securities | 11 | 42,868 | 52,694 | - | - |
| Long term hire purchase, lease and equal payment receivables | 12 | <u>187,336</u> | <u>212,467</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities</u> | | | | | |
| Guaranteed Commercial Paper/Medium Term Notes | 21 | 180,000 | 171,457 | - | - |
| Block discounting payables after 1 year | 22 | 10,605 | 10,771 | - | - |
| Long term leasing and hire purchase payables | 22 | 41,035 | 41,337 | - | - |
| ICULS 1999/2009 | 20 | <u>586,995</u> | <u>618,307</u> | <u>-</u> | <u>-</u> |

* It is not practical to estimate the fair values of the Group's investment in unquoted shares because of the non-availability of a market price and the inability to estimate fair value without incurring excessive costs.

The nominal/notional amounts and net fair value of financial instruments recognised in the balance sheets of the Group and the Company as at the end of the financial year are:

| | Note | Group | | Company | |
|------------------------|------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | | Nominal/Notional Amount RM'000 | Net Fair Value RM'000 | Nominal/Notional Amount RM'000 | Net Fair Value RM'000 |
| At 30 April 2005 | | | | | |
| Contingent liabilities | 36 | 2,145 | s | 240,087 | s |
| At 30 April 2004 | | | | | |
| Contingent liabilities | 36 | 2,145 | s | 341,590 | s |

s It is not practical to estimate the fair value of contingent liabilities and assets reliably due to the uncertainties of timing, costs and eventual outcome.

37. FINANCIAL INSTRUMENTS (CONTINUED)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

- i) Cash and bank balances, trade receivables, other receivables and other payables (other than those mentioned below), trade payables and short term borrowings.

The carrying amounts approximate fair values due to the relatively short term maturity of the financial instruments.

It is also not practical to estimate the fair values of amount due from related companies (in Note 12) and amount due to related companies (in Note 15) principally due to lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled. The fixed interest bearing borrowing of the Company provides an insulation against upward change in interest rates, however, the Company will not be able to benefit if interest rates fall.

- ii) Non-current quoted investments

The fair values of non-current quoted investments as disclosed in Note 4 is as determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date. Certain quoted investments are carried at amounts in excess of their fair values. The directors are of the opinion that the diminution in value of these quoted investments are temporary in nature as the net tangible assets which represent the net worth of these investee companies are higher than the quoted market price of these investments at balance sheet date.

The fair value of unquoted corporate bonds are indicative values obtained from the secondary market.

- iii) Hire purchase, lease and equal payment receivables

The fair values of hire purchase, lease and equal payment receivables are estimated by discounting the expected future cash flows using the current average yield from lending activities with similar profiles.

37. FINANCIAL INSTRUMENTS (CONTINUED)

iv) Block discounting, hire purchase and lease payables

The fair values of block discounting, hire purchase and lease payables are estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

v) Borrowings

The carrying values of long term borrowings which bear floating interest rates are expected to approximate fair values and would not be significantly different from the values that would eventually be settled.

vi) ICULS 1999/2009

The fair value of the portion of quoted ICULS 1999/2009 under put option granted to certain financial institutions is determined by the present value of the estimated future cash outflow at the end of the put option period. The fair value of the rest of the quoted ICULS 1999/2009 is as determined by reference to stock exchange market bid prices at the close of the business on the balance sheet date.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR

(A) COMPLETED EVENTS

- (1) On 7 May 2004, the Company announced that Berjaya Group (Cayman) Limited ("BGCL"), its wholly owned subsidiary company, acquired 100% equity interest in SIG Holdings (Cayman) Limited ("SIGC") comprising 1,000 ordinary shares of USD1.00 each from Dewangsa Holdings Sdn Bhd, a 60% owned subsidiary company of the Group, for a consideration of RM1.00.

BGCL held an equity interest of 40% in Berjaya Engineering & Construction (HK) Limited ("BECHK") while SIGC holds 25% in BECHK. As a consequence of the aforesaid acquisition of SIGC, BGCL effectively holds 65% equity interest in BECHK, thus making BECHK a subsidiary company of the Group.

- (2) On 18 May 2004, the Company completed the disposal of 1,100,000 ordinary shares of RM1.00 each representing the Company's entire equity interest in My2020.com Sdn Bhd to Mr Poh Hee Hong @ Foo Hee Hong for a cash consideration of RM1.00.
- (3) On 2 July 2004, Berjaya Land Berhad ("BLand") announced that its wholly owned subsidiary company, Berjaya Leisure Capital (Cayman) Limited ("BLCCL"), has become a substantial shareholder of Informatics Holdings Ltd ("Informatics"), a company listed on the Main Board of the Singapore Stock Exchange. BLCCL acquired a total of 80,745,000 ordinary shares of SGD0.05 each representing 25.75% of the existing issued and paid up share capital of Informatics at a cost of investment of approximately SGD31.0 million or approximately RM68.1 million.

Informatics is a multinational corporation providing learning services in information technology and business management.

- (4) On 22 July 2004, the Company completed the disposal of 8,483,000 ordinary shares of RM1.00 each, representing an equity interest of approximately 49.9% of the enlarged share capital of Berjaya Starbucks Coffee Company Sdn Bhd (formerly known as Berjaya Coffee Company (M) Sdn Bhd), for a cash consideration of approximately RM16.5 million to Starbucks Coffee International, Inc.
- (5) On 20 August 2004, Cosway Corporation Berhad ("CCB") and its wholly owned subsidiary company Noble Creation Sdn Bhd ("NCSB") completed the disposal of their entire shareholdings in Unza Holdings Pte Ltd comprising 40,809,243 ordinary shares, 34,818,948 irredeemable convertible preference 'A' shares and 104,508,516 irredeemable convertible preference 'B' shares for a total consideration of approximately RM86.0 million to Actis-UHPL Limited and Standard Chartered Equity Limited.
- (6) On 1 October 2004, the Company announced that Intan Utilities Berhad ("Intan") completed the subscription of 99,998 new ordinary shares of RM1.00 each and 90 million redeemable preference shares of RM0.01 each in Premier Merchandise Sdn Bhd ("PMSB") for a cash consideration of RM99,998 and RM90 million respectively. As such, PMSB, which is the holding company of Convenience Shopping Sdn Bhd ("CSSB"), ceased to be a subsidiary company of the Group. CSSB operates the "7-Eleven" chain of convenience stores. Intan is a company listed on Bursa Malaysia.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR (CONTINUED)

(A) COMPLETED EVENTS (CONTINUED)

- (7) On 26 November 2004, the Company completed the acquisition of 1,000,000 ordinary shares of RM1.00 each representing 70% of the issued and paid up share capital of Country Farms Sdn Bhd ("CFSB") for a total cash consideration of approximately RM3.0 million from Ms Gan Chai Fang.

CFSB's principal activity is in the wholesale and distribution of organic food products.

- (8) On 1 December 2004, the Company announced that Wangsa Tegap Sdn Bhd ("WTSB"), its wholly owned subsidiary company, acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in BCP Service Suites Sdn Bhd (formerly known as Uptown Vision Sdn Bhd) ("BCPSS") for a cash consideration of RM2.00. BCPSS will undertake the management of the service suites at Berjaya Central Park, a service suite development project by WTSB.
- (9) On 6 December 2004, the Company announced the completion of the following disposals to Sime Darby Motors Sdn Bhd (formerly known as Space Tracks Sdn Bhd), a wholly owned subsidiary company of Sime Darby Berhad:
- a) Bizurai Bijak (M) Sdn Bhd, Espeetex Sdn Bhd and Juara Sejati Sdn Bhd, all of which are wholly owned subsidiary companies of the Company, disposed of a total of 67,204,800 Hyundai Sime Darby Berhad (formerly known as Hyundai-Berjaya Corporation Berhad) ("HBCB") shares for approximately RM241.9 million and 30,826,800 HBCB warrants for approximately RM80.1 million. Inter-Pacific Securities Sdn Bhd, Prime Credit Leasing Sdn Bhd and Berjaya General Insurance Berhad, all of which are subsidiary companies of Berjaya Capital Berhad ("BCapital"), disposed of a total of 5,660,380 HBCB shares for approximately RM20.4 million and 1,543,230 HBCB warrants for approximately RM4.0 million. The average prices per HBCB share and HBCB warrant disposed are RM3.60 and RM2.60 respectively.
 - b) The Company disposed of 1,200,000 Hyumal Motor Sdn Bhd ("Hyumal") shares for RM30.0 million. The average price per Hyumal share is RM25.00.
 - c) The Company disposed of 20,000,000 Inokom Corporation Sdn Bhd ("Inokom") shares for RM30.0 million. The average price per Inokom share is RM1.50. The Inokom disposal is conditional upon, inter alia, the granting of a call option to Hyundai Motor Company, another shareholder of Inokom, to acquire Inokom shares amounting to 15% equity interest in Inokom.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR (CONTINUED)

(A) COMPLETED EVENTS (CONTINUED)

- (10) On 27 December 2004, Inter-Pacific Capital Sdn Bhd ("IPCAP"), a 89.5% subsidiary company of BCapital, completed the acquisition of 50 million ordinary shares of RM1.00 each representing 100% equity interest in UT Equities Sdn Bhd (formerly known as UT Securities Sdn Bhd) ("UTE") from Rentak Wira Sdn Bhd ("RWSB") for a cash consideration of RM60.0 million or at RM1.20 per share. In addition, IPCAP assumed over RWSB's inter-company debt of approximately RM18.7 million owing to UTE.

UTE was a stockbroking company and also provides other related services such as share underwriting, margin financing and others.

- (11) On 2 February 2005, BLand announced that it has repaid RM163.0 million to Berjaya Sports Toto Berhad ("BToto") to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM81.5 million nominal value of BToto ICULS. BLand had on 31 January 2005 converted RM81.5 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 39.45% to 44.16%.
- (12) On 8 February 2005, the listing of Dunham-Bush (Europe) PLC, a 51% subsidiary company of the Dunham-Bush (Malaysia) Bhd ("DBM") group, on the Official List of the United Kingdom Listing Authority and of the London Stock Exchange has been cancelled.
- (13) On 18 February 2005, BLand announced that it has repaid RM56.924 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM56.924 million nominal value of BToto ICULS. BLand had on 18 February 2005 converted RM28.462 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 44.33% to 45.80%.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR (CONTINUED)

(A) COMPLETED EVENTS (CONTINUED)

- (14) On 23 December 2004, Matrix International Berhad ("Matrix") completed the acquisition of Berjaya Times Square Sdn Bhd ("BTSSB") at a purchase consideration of approximately RM784.031 million by issuing approximately 560.022 million new ordinary shares at an issue price of RM1.40 per Matrix share to the vendors of BTSSB ("BTSSB Acquisition"). The vendors of BTSSB were Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") and others. Consequently, BLand's equity interest in Matrix was diluted from 51.99% to 11.89% and Matrix ceased to be a subsidiary company of BLand.

As an integral part of the BTSSB Acquisition, Matrix will settle on behalf of BTSSB the claims which arose from the liquidated ascertained damages ("LAD") due to the late delivery of vacant possession of purchasers' units in Berjaya Times Square ("BTS") ("LAD Settlement"). Nada Embun Sdn Bhd ("NESB"), Dian Kristal Sdn Bhd ("DKSB") and Ambilan Imej Sdn Bhd ("AISB") had purchased properties in BTS. NESB and DKSB, two wholly owned subsidiary companies of the BLand group, purchased a floor of office space and 338 units of service apartment from BTSSB for a total cash consideration of approximately RM169.066 million. AISB, a subsidiary company of the BCapital group, purchased a floor of office space for a total cash consideration of approximately RM50.843 million.

On 8 March 2005, Matrix completed the issue of 179,023,440 new ordinary shares at an issue price of RM1.40 per Matrix share for the LAD Settlement to LAD Creditors on behalf of BTSSB. NESB and DKSB received a total of approximately 30.448 million Matrix shares. BLand's equity interest in Matrix after the LAD Settlement was increased to approximately 12.91%. AISB received approximately 13.538 million Matrix shares, which is approximately 1.5%. The Group's equity interest in Matrix after the LAD Settlement is approximately 15.15%.

- (15) On 10 March 2005, the Company announced that BGCL's equity interest in Berjaya Lottery Management (HK) Limited ("BLM") has been diluted from 48.5% to 16.3% following the implementation of a rights issue of HKD500 million by BLM on 7 March 2005 as BGCL did not subscribe for its rights entitlement of 242.5 million shares in BLM. As a result of the dilution, BLM ceased to be an associated company of the Group.
- (16) On 10 January 2005, BCapital announced that Inter-Pacific Securities Sdn Bhd ("IPS"), a wholly owned subsidiary company of the BCapital group, entered into an agreement with UTE to transfer the business of UTE to IPS ("Proposed UTE BTransfer") for a cash consideration of RM60.4 million.

The Proposed UTE BTransfer was completed on 12 March 2005.

- (17) On 13 April 2005, CCB announced that it has decided not to proceed with its proposal, which was announced on 9 November 2004, to set off its accumulated losses as at 30 April 2004, totalling approximately RM30.9 million, against its share premium account in accordance to Section 64 of the Companies Act, 1965.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR (CONTINUED)

(A) COMPLETED EVENTS (CONTINUED)

- (18) On 29 April 2005, BLand announced that it has repaid RM50.05 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM25.025 million nominal value of BToto ICULS. BLand had on 29 April 2005 converted RM25.025 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 44.43% to 45.66%.

(B) EVENTS PENDING COMPLETION AND UPDATES

- (1) On 1 October 2004, the Company announced that its 60%-owned subsidiary company, KUB-Berjaya Enviro Sdn Bhd ("KBE"), which was acquired during the financial year, has received the Federal Government's conditional agreement in principle to the privatisation of the solid waste management project at Bukit Tagar, Selangor, subject to terms and conditions to be negotiated and agreed.

The balance of the 40% of the shareholding in KBE is being held by KUB Malaysia Berhad.

- (2) On 19 July 2004, it was announced that Selat Makmur Sdn Bhd ("SMSB") had on even date entered into a conditional sale and purchase agreement ("ConSTC-SPA") with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.793 acres in the vicinity of Sungei Besi, Kuala Lumpur for a consideration of RM640 million ("Proposed SgBesiLand Acquisition").

The consideration of RM640 million will be satisfied by the sale and transfer of approximately 750 acres of freehold land ("BCityLand") located in the area of Sungai Tinggi, Daerah Ulu Selangor, Selangor together with a new racecourse and ancillary buildings (collectively referred as "New Turf Club") to be erected thereon at the estimated cost of RM605 million and cash payment of RM35 million (inclusive of the acquisition cost of the 750 acres of freehold land).

SMSB has also, on even date, extended a letter of offer to BerjayaCity Sdn Bhd ("BCity") to acquire 2 parcels of freehold land, being the abovementioned BCityLand, and to appoint BCity as the turnkey contractor to carry out the construction of the New Turf Club. The BCityLand has been valued at approximately RM196.0 million by independent professional valuers. BCity is effectively a wholly owned subsidiary company of the Company. (The proposed acquisition of land from BCity and appointment of BCity as the turnkey contractor is collectively referred as the "Proposed BCityLand Acquisition").

On 13 October 2004, it was announced that approval from Foreign Investment Committee has been obtained for the Proposed SgBesiLand Acquisition and the Proposed BCityLand Acquisition.

On 4 November 2004, it was announced that shareholders approvals for the above proposals have been obtained.

38. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS DURING THE FINANCIAL YEAR (CONTINUED)

(B) EVENTS PENDING COMPLETION AND UPDATES (CONTINUED)

- (3) On 8 March 2005, the Company announced that its 70%-owned subsidiary company, CFSB, had on 7 March 2005 entered into an agreement for the proposed subscription of 60% equity interest in Country Farm Organics Mart Pte Ltd ("CFarmMart") for a cash consideration of SGD60,000 or approximately RM141,000. Approval from Bank Negara Malaysia has been obtained on 21 March 2005 and the proposal is now pending completion. CFarmMart will be involved in the sale and distribution of organic and natural health food and non-food products in Singapore.
- (4) On 22 March 2005, BLand announced that its wholly owned subsidiary company, Berjaya Leisure (Cayman) Limited, has entered into a loan agreement with Informatics, its 26.62%-owned associated company, to advance SGD4 million ("InfoAdvance") to be utilised as working capital. On even date, Informatics announced a proposed renounceable non-underwritten rights issue of one new ordinary share of SGD0.05 each together with one free warrant for every four existing shares held at an issue price of SGD0.25 per share ("InfoRightsIssue"). The InfoAdvance will be repaid in full by Informatics by applying the credit of the InfoAdvance partially against BLand group's entitlement to the InfoRightsIssue or on 31 December 2005 whichever is the earlier.
- (5) On 30 March 2005, BLand announced that its subsidiary companies, Angsana Gemilang Sdn Bhd ("AGSB") and Cempaka Properties Sdn Bhd ("CPSB"), have entered into the following separate sale and purchase agreements with CSSB, a subsidiary company of Intan for the disposals of properties:
- a) disposal of 3-storey commercial building located along Jalan Sultan Ismail, Kuala Lumpur for a cash consideration of RM10.0 million.
 - b) disposal of 3 adjoining retail units located on the ground floor of Berjaya Megamall, Kuantan for a cash consideration of RM2.532 million.

The disposals are conditional upon the following:

- (i) discharge of charge; and
 - (ii) the implementation of Intan's proposed rights issue exercise.
- (6) On 1 April 2005, DBM announced that its wholly owned subsidiary company, Dunham-Bush Industries Sdn Bhd, entered into a contract with Jamuna Builders Limited, a company incorporated in Bangladesh, for the design, supply, construction and completion of air-conditioning and mechanical ventilation system for Jamuna Future Park Shopping Complex for a total cash consideration of USD16.5 million (equivalent to approximately RM62.7 million). The contract is expected to be completed within a period of 18 months from the commencement of work order.

**39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS
SUBSEQUENT TO THE BALANCE SHEET DATE**

(A) COMPLETED EVENTS

- (1) On 3 June 2005, BLand announced that it has repaid RM18.0 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM9.0 million nominal value of BToto ICULS. BLand had on 3 June 2005 converted RM9.0 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 45.62% to 46.04%.
- (2) On 28 June 2005, the Company announced that Berjaya Forest Products (Cayman) Limited ("BFP"), a wholly owned subsidiary company of the Group, had on 27 June 2005 deregistered in the Cayman Islands and, on the same day, registered by way of continuation to the Grand Duchy of Luxembourg. BFP changed its name to Berjaya Forest Products (Luxembourg) S.a r.l effective 27 June 2005. This entire exercise shall not affect the property or rights of BFP and the rationale of this exercise is to optimise the return on investment in BFP.
- (3) On 22 July 2005, CCB announced that its wholly owned subsidiary company, Cosway (M) Sdn Bhd, has on even date acquired 12 ordinary shares of AUD1.00 each representing 100% of the issued and paid up share capital of Cosway Value Club (Australia) Pty Ltd ("CVCA") for a total cash consideration of AUD12.00 or approximately RM34.37.

CVCA is presently dormant and it will serve as a vehicle for Cosway (M) Sdn Bhd to introduce its products into Australia in the future.

- (4) On 25 July 2005, BLand announced that it has repaid RM16.8 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion RM8.4 million nominal value of BToto ICULS. BLand had on 22 July 2005 converted RM8.4 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 46.23% to 46.63%.
- (5) On 4 August 2005, BLand announced that it has repaid RM4.621 million to BToto to partially settle the inter-company advances owing by BLand to BToto. In accordance with the terms of the undertaking given by BLand to BToto dated 23 January 2002, the said partial settlement will allow the BLand group to utilise at its absolute discretion approximately RM2.310 million nominal value of BToto ICULS. BLand had on 3 August 2005 converted approximately RM2.310 million nominal value of BToto ICULS into new BToto shares thereby increasing BLand's interest in BToto from 46.53% to 46.64%.
- (6) On 10 August 2005, BLand announced that, pursuant to a request by BLand to BToto for an extension of time by another one year to 4 August 2006 to settle in full the amount owing to BToto. BToto has agreed to the proposed extension of time requested by BLand.

**39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS
SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)**

(B) EVENTS PENDING COMPLETION AND UPDATES

- (1) On 30 June 2004, CCB announced that it is proposing a capital distribution of 51,665,054 DBM shares to CCB shareholders on the basis of three DBM shares for every twenty existing CCB shares held ("CCB Capital Distribution").

On 11 May 2005, it was announced that approval from the shareholders of CCB has been obtained. The CCB Capital Distribution is now pending the consents of the lenders, including the consent to release the pledged DBM shares, and the confirmation of the High Court pursuant to Section 64 of the Companies Act.1965.

- (2) On 12 December 2003, DBM proposed a private placement of 9,036,000 new ordinary shares of RM1.00 each representing about 10% of the issued and paid-up share capital of DBM ("DBM Placement"). The proceeds from the DBM Placement will be utilised for working capital requirements of DBM.

Approvals from the Ministry of International Trade and Industry and Securities Commission have been obtained on 23 March 2004 and 23 April 2004 respectively. It was announced on 30 April 2004 that the issue price has been fixed at RM1.10 per share.

On 23 September 2004, 500,000 new ordinary shares issued pursuant to the DBM Placement were listed on the Bursa Securities. On 6 December 2004, it was announced that the implementation of the DBM Placement has been extended to 23 April 2005. On 10 June 2005, it was announced that the Securities Commission had granted an extension of time of six months from 24 April 2005 to 23 October 2005 for DBM to implement the DBM Placement.

- (3) On 13 June 2005, DBM announced that it has accepted an offer from Mr Lim Kok Kiong for the acquisition of an additional 20% equity interest in Topgroup M&E Service Sdn Bhd ("TME") comprising 5,000 ordinary shares of RM1.00 each for a total cash consideration of RM230,000 or RM46.00 per share. DBM currently owns a 60% equity interest in TME.

**39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS
SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)**

(B) EVENTS PENDING COMPLETION AND UPDATES (CONTINUED)

- (4) On 15 June 2005, approvals were obtained from the security holders of the Company during the Court Convened Meetings for the Company's voluntary scheme of arrangement pursuant to Section 176 of the Companies Act, 1965 on the entire securities of the Company comprising the existing ordinary shares of RM1.00 each ("BGB share"), 5% irredeemable convertible unsecured loan stocks 1999/2009 of RM1.00 nominal value each ("BGB ICULS") and warrants 1999/2009 ("BGB Warrants") through a newly incorporated company, Berjaya Corporation Berhad (formerly known as Berjaya Corporation Sdn Bhd) ("BCSB"). The corporate exercise involves, among others, the following significant arrangements:
- (a) The exchange of BCSB securities with the Company's securities ("BGB Members Scheme") in the following ratio:
 - 5 BGB shares for 1 BCSB ordinary share at par;
 - 3 BGB ICULS for 2 units of 0% 10-year BCSB irredeemable convertible unsecured loan stocks of RM0.50 nominal value ("BCSB ICULS");
 - 20 BGB Warrants for 1 BCSB ordinary share at par.
 - (b) The proposed repayment of certain of the Group's bank borrowings partly through the issuance of approximately RM867.5 million nominal value of BCSB ICULS and the balance of the bank borrowings will be restructured into a new term loan. In conjunction with the proposed repayment of the bank borrowings, the relevant parties will enter into a put and call option arrangement wherein the relevant parties will be granted a put option to sell and call option to acquire up to approximately RM699.2 million nominal value of BCSB ICULS ("Proposed Repayment of Bank Borrowings").
 - (c) The proposed acquisitions of Bukit Tinggi Resort Berhad ("BTR") from Tan Sri Vincent Tan of 291.4 million shares and other shareholders of BTR of 109.7 million shares at RM2.00 per share to be satisfied entirely through the issuance of 802.2 million BCSB shares at par ("Proposed BTR Acquisition").
 - (d) The proposed rights issue of up to approximately 567.2 million BCSB ICULS ("Rights ICULS") at an issue price of RM0.50 per Rights ICULS, raising approximately RM283.6 million, on the basis of four BCSB ICULS for every five BCSB securities (i.e. BCSB shares and BCSB ICULS) held on completion of the BGB Members Scheme. It is also proposed that 0.27 additional BCSB ICULS be issued for every one Rights ICULS subscribed, which will amount to approximately RM76.6 million nominal value of additional BCSB ICULS ("Proposed BGB Rights Issue").
 - (e) The proposed settlement of the inter-company balances, due to BLand and BCapital, through the issuance of up to approximately RM3,882 million nominal value of BCSB ICULS ("Proposed Inter-Company Settlements").
 - (f) The proposed transfer of the listing status of the Company on the Main Board of Bursa Malaysia to BCSB ("Proposed Transfer Listing").

**39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS
SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)**

(B) EVENTS PENDING COMPLETION AND UPDATES (CONTINUED)

The approvals for the Proposed Repayment of Bank Borrowings, Proposed BTR Acquisition, Proposed BGB Rights Issue and Proposed Inter-Company Settlements were obtained from the shareholders of the Company at the Extraordinary General Meeting held on even date. On 8 August 2005, the Company announced that the High Court of Malaya has approved the BGB Members Scheme. The proposals are now pending completion.

- (5) In 1999, pursuant to a debt conversion exercise, BLand entered into several put option agreements ("Put Options") with financial institutions ("FIs") wherein the FIs are entitled to put to BLand the BLB ICULS at a pre-determined option price for a period of 3 years commencing from 31 December 2001. The Company had agreed with BLand to assume the put options. However, the Company later informed BLand that it would not be able to meet its obligation. In view of this, BLand has made arrangements to finance the Put Options with internally generated funds and external borrowings. BLand has also arranged for Immediate Capital Sdn Bhd, a wholly owned subsidiary company of BLand, to take up the Put Options. The Company has undertaken to indemnify BLand and /or its subsidiary companies all costs incurred in relation to any funding obtained to fulfil BLand's obligations under the Put Options. Notwithstanding the Company's proposal to indemnify BLand, the Company continues to be liable to BLand for its failure to assume the Put Options.

The Company and BLand had previously proposed to offer the BLB ICULS under the Put Options to the shareholders of the Company and BLand. However, the low market price of the BLB ICULS precludes the successful implementation of the proposal.

On 2 August 2004, it was announced that the Company offered BLand approximately 579.08 million BCSB ICULS as full and final compensation for the release from the obligation to assume the Put Options ("Proposed BLB Compensation Scheme").

On 20 June 2005, the shareholders of BLand approved the Proposed BLB Compensation Scheme. Based on the actual holding costs incurred/deemed incurred in respect of 797,241,290 ICULS 1999/2009 by BLand up to 31 December 2004 (being the expiry date of the BGB Put Option), the compensation has as such been determined to be RM226,891,428, through the release of BLand's obligation to distribute 576,304,227 BCSB ICULS to the Company, pursuant to BLand's proposal to distribute BCSB ICULS to its shareholders. In addition, the total net financing costs incurred by BLand up to 31 December 2004 to take up these ICULS 1999/2009 amounted to RM24.590 million and have been included in the amount due to subsidiary companies as disclosed in Note 15.

39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

(B) EVENTS PENDING COMPLETION AND UPDATES (CONTINUED)

- (6) On 20 June 2005, the shareholders of BLand approved the following proposals:
- (a) The proposed settlement of the inter-company balances owing by the Company to BLand through the issuance of up to approximately 4,108 million BCSB ICULS ("Proposed BLB Inter-Company Settlement");
 - (b) The proposed bonus issue of new ordinary shares of RM1.00 each in BLand on the basis of one new BLand share for every one BLand share held ("Proposed BLB 1st Bonus Issue");
 - (c) The proposed capital repayment, pursuant to Section 64 of the Companies Act 1965, of RM0.80 for every one BLand share held after the Proposed BLB 1st Bonus Issue via the distribution of BCSB ICULS and the consolidation of five BLand shares after the proposed capital repayment into one ordinary share of RM1.00 each in BLand ("Proposed BLB Capital Repayment");
 - (d) The proposed bonus issue of new ordinary shares of RM1.00 each in BLand on the basis of three new BLand shares for every two BLand shares held after the Proposed BLB 1st Bonus Issue and Proposed BLB Capital Repayment ("Proposed BLB 2nd Bonus Issue");
 - (e) The payment of a special dividend-in-specie of BCSB ICULS, the quantum of which will be determined later.

On the same day, approval from the BLB ICULS holders was obtained for the Proposed BLB Capital Repayment. The above proposals are now pending Court approval.

- (7) On 23 June 2005, BLand announced that it has, together with its wholly owned subsidiary companies Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd and Berjaya Land Development Sdn Bhd, entered into a conditional sale and purchase agreement dated 23 June 2005 with Intan for the disposal of 320 million BToto shares held by BLand and its subsidiary companies for a cash consideration of approximately RM1,152 million or RM3.60 per BToto share (after the proposed BToto capital distribution of RM0.50 per BToto share) ("Proposed BToto Disposal").

BLand had received a mandate from its shareholders on 15 March 2004 to place out 200 million BToto shares. The placement has not been implemented. With the Proposed BToto Disposal, BLand will not continue with the placement.

The disposals are conditional upon the approvals of the following:

- (i) SC;
- (ii) shareholders of BLand and Intan;
- (iii) shareholders of the Company; and
- (iv) any other relevant authorities.

Also on 23 June 2005, BLand also announced that it is proposing to dispose of up to an additional 30 million ordinary shares in BToto at prevailing market prices to further reduce the outstanding amount owing to BToto.

**39. SIGNIFICANT EVENTS AND UPDATES ON CORPORATE PROPOSALS
SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)**

(B) EVENTS PENDING COMPLETION AND UPDATES (CONTINUED)

- (8) On 23 June 2005, DBM announced that Dunham-Bush Yantai Co Limited ("DB Yantai"), a 55% owned subsidiary of DBM had entered into a purchase contract with the Administrative Committee of Yantai Laishan Economic Development Zone of Shandong, China, for the purchase of a piece of factory land for a total cash consideration of RMB4.5 million (equivalent to approximately RM2.1 million). DB Yantai will be granted a period of 50 years of "right to use" of the new property.

At this new property, DB Yantai will be constructing a factory cum office building with a built-up area of approximately 40,000 square meters. The construction cost is estimated to be approximately USD 6.0 million (equivalent to RM22.8 million).

- (9) On 24 June 2005, the shareholders of BCapital approved the following proposals:
- (a) The proposed settlement of the inter-company balances owing by the Company to BCapital through the issuance of up to approximately 3,655 million BCSB ICULS and cash settlement of approximately RM130.2 million ("Proposed BCB Inter-Company Settlement");
 - (b) The proposed bonus issue of new ordinary shares of RM1.00 each in BCapital on the basis of seven new BCapital shares for every five BCapital shares held ("Proposed BCB Bonus Issue");
 - (c) The proposed capital repayment, pursuant to Section 64 of the Companies Act 1965, of RM0.90 for every one BCapital share held after the Proposed BCB Bonus Issue via RM0.15 in cash and the balance of RM0.75 through the distribution of BCSB ICULS and the consolidation of ten BCapital shares after the proposed capital repayment into one ordinary share of RM1.00 each in BLand ("Proposed BCB Capital Repayment").
 - (d) The payment of a net special dividend-in-specie of 158.4% (or gross of 220% less tax of 28%) per ordinary share of RM1.00 each in BCapital out of its retained earnings through the distribution of approximately 548.3 million BCSB ICULS.

The above proposals are now pending Court approval.

- (10) The BGB Members Scheme, Proposed BLB Capital Repayment and Proposed BCB Capital Repayment as disclosed in Notes 39(B)(4), (6) and (9) are inter-conditional.

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|---------------|---|
| | | 2005 % | 2004 % | |
| SUBSIDIARIES: | | | | |
| Subsidiaries of the Company | | | | |
| Berjaya Bandartex Sdn Bhd | Malaysia | 100.0 | 100.0 | Garment manufacturer. |
| Berjaya Books Sdn Bhd | Malaysia | 100.0 | 100.0 | Operation of book stores under the name of "Borders Books". |
| Berjaya Capital Berhad | Malaysia | 61.8 | <i>a</i> 61.8 | Investment holding. |
| Berjaya Carlovers (M) Sdn Bhd | Malaysia | 75.0 | 75.0 | Dormant. |
| Berjaya Corporation (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Corporation (S) Pte Ltd * | Singapore | 100.0 | 100.0 | Marketing agent. |
| Berjaya Cosway (Overseas) Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of management services. |
| Berjaya Cycles Sdn Bhd | Malaysia | 100.0 | 100.0 | Rental of property. |
| Berjaya Digital Sdn Bhd (formerly known as Berjaya Software Services Sdn Bhd) | Malaysia | 100.0 | 100.0 | Dormant. |
| Berjaya Education Sdn Bhd | Malaysia | 60.0 | 60.0 | Provision of education and professional training services. |
| Berjaya Group Capital (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Group (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Knitex Sdn Bhd | Malaysia | 100.0 | 100.0 | Knitted fabrics manufacturer. |

a - The total equity interests held by the Group is 61.8% and it is held by the following group companies:

| | | |
|-------|---------------------------|---------|
| (i) | Berjaya Group Berhad | 31.13 % |
| (ii) | Juara Sejati Sdn Bhd | 14.24 % |
| (iii) | Bizurai Bijak (M) Sdn Bhd | 16.08 % |
| (iv) | Garima Holdings Sdn Bhd | 0.31 % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|---------------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of the Company (continued) | | | | |
| Berjaya Land Berhad | Malaysia | 60.9 | <i>b</i> 60.1 | Investment holding. |
| Berjaya Premier Restaurants Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Berjaya Registration Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Share registration and mailing services. |
| Berjaya Retail Sdn Bhd | Malaysia | 100.0 | 100.0 | Retailing of fashion apparel under various brand names. |
| Berjaya Roadhouse Grill Pte Ltd # | Singapore | 100.0 | 100.0 | Dormant. |
| Berjaya Roadhouse Grill Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Berjaya Roasters (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Mid-casual dining restaurant operator. |
| Berjaya Ross Systems Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Berjaya Soutex Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding, manufacture and sale of yarn. |
| Berjaya Starbucks Coffee Company Sdn Bhd (formerly known as Berjaya Coffee Company (M) Sdn Bhd) | Malaysia | 50.1 | 100.0 | Development and operation of the "Starbucks Coffee" chain of café and retail stores. |
| Berjaya Synthetic Fibre Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Berjaya Wood Furniture (Malaysia) Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Bizurai Bijak (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Bukit Pinang Leisure Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding and property development. |

b - The total equity interests held by the Group, other than portfolio interests, is 60.9% and it is held by the following group companies:

| | | |
|-------|--|---------|
| (i) | Teras Mewah Sdn Bhd | 46.40 % |
| (ii) | Juara Sejati Sdn Bhd | 9.06 % |
| (iii) | Bizurai Bijak (M) Sdn Bhd | 2.98 % |
| (iv) | Espeetex Sdn Bhd | 0.12 % |
| (v) | Inter-Pacific Capital Sdn Bhd | 2.29 % |
| (vi) | Dunham-Bush Sales and Services Sdn Bhd | 0.02 % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|---------------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of the Company (continued) | | | | |
| Cosway Corporation Berhad | Malaysia | 68.0 | <i>c</i> 68.0 | Investment holding. |
| Country Farms Sdn Bhd | Malaysia | 70.0 | - | Wholesale and distribution of organic food products. |
| Espeetex Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| E.V.A. Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of management services. |
| Finewood Forest Products Sdn Bhd | Malaysia | 51.0 | 51.0 | Manufacture and sale of moulded timber and other related timber products. |
| Flywheel Rubber Works Sdn Bhd | Malaysia | 85.0 | 85.0 | Dormant. |
| Garima Holdings Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Global Empires Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Inai Jaya Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Inter-Pacific Development Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Inter-Pacific Trading Sdn Bhd | Malaysia | 70.0 | 70.0 | General trading. |
| Juara Sejati Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Kalimas Sendirian Berhad | Malaysia | 100.0 | 100.0 | Property development. |
| KUB-Berjaya Enviro Sdn Bhd | Malaysia | 60.0 | - | Sanitary landfill operation. |
| My2020.com Sdn Bhd | Malaysia | - | 55.0 | Dormant. |
| Novacomm Integrated Sdn Bhd | Malaysia | 100.0 | 100.0 | Advertising and public relations services. |
| Ralmal Development Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Rangkaian Sejahtera Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Sesistem Angkut Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |

c - The total equity interests held by the Group, other than portfolio interests, is 68.0% and it is held by the following group companies:

| | | |
|-------|---------------------------|---------|
| (i) | Garima Holdings Sdn Bhd | 47.37 % |
| (ii) | Juara Sejati Sdn Bhd | 16.88 % |
| (iii) | Bizurai Bijak (M) Sdn Bhd | 3.72 % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of the Company (continued) | | | | |
| Shinca Electronics Sdn Bhd | Malaysia | 95.0 | 95.0 | Rental of property. |
| South Pacific Textiles Industries (Singapore) Pte Ltd # | Singapore | 100.0 | 100.0 | Garment export agency. |
| Successline (M) Sdn Bhd | Malaysia | 60.0 | 60.0 | Investment holding. |
| Teras Mewah Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| United Approach Sdn Bhd | Malaysia | 50.1 | 50.1 | Property investment. |
| VRS (Malaysia) Sdn Bhd | Malaysia | 99.0 | 99.0 | Property investment. |
| Wangsa Tegap Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment and development. |
| Subsidiaries of Berjaya Capital Berhad | | | | |
| Berjaya General Insurance Berhad | Malaysia | 100.0 | 100.0 | General insurance. |
| Cahaya Nominees (Tempatan) Sdn Bhd | Malaysia | 100.0 | 100.0 | Nominee services. |
| Inter-Pacific Capital Sdn Bhd | Malaysia | 89.5 | 89.5 | Investment holding and provision of management services |
| Prime Credit Leasing Sdn Bhd | Malaysia | 100.0 | 100.0 | Hire purchase, lease and loan financing. |
| Rantau Embun Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| The Tropical Veneer Company Berhad | Malaysia | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|----------------------|
| | | 2005 % | 2004 % | |
| Subsidiaries of Inter-Pacific Capital Sdn Bhd | | | | |
| Ambilan Imej Sdn Bhd | Malaysia | 99.9 | 99.9 | Property investment. |
| Inter-Pacific Futures Sdn Bhd | Malaysia | 100.0 | 100.0 | Futures brokers. |
| Inter-Pacific Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Money lending. |
| Inter-Pacific Research Sdn Bhd | Malaysia | 100.0 | 100.0 | Research services. |
| Inter-Pacific Securities Sdn Bhd | Malaysia | 100.0 | 100.0 | Stockbroking. |
| Eng Securities Sdn Bhd | Malaysia | 100.0 | 100.0 | Stockbroking. |
| UT Equities Sdn Bhd (formerly known as UT Securities Sdn Bhd) | Malaysia | 100.0 | - | Investment holding. |
| Subsidiaries of Inter-Pacific Securities Sdn Bhd | | | | |
| Inter-Pacific Asset Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Fund management. |
| Inter-Pacific Equity Nominees(Asing) Sdn Bhd | Malaysia | 100.0 | 100.0 | Nominee services. |
| Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd | Malaysia | 100.0 | 100.0 | Nominee services. |
| Subsidiaries of Eng Securities Sdn Bhd | | | | |
| Eng Nominees (Asing) Sdn Bhd | Malaysia | 100.0 | 100.0 | Nominee services. |
| Eng Nominees (Tempatan) Sdn Bhd | Malaysia | 100.0 | 100.0 | Nominee services. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|------|--------------------------|----------------------|-----------|----------------------|
| | | 2005 % | 2004 % | |

Subsidiaries of UT Equities Sdn Bhd (formerly known as UT Securities Sdn Bhd)

| | | | | |
|-------------------------------------|----------|-------|---|----------|
| Traders Nominees (Asing) Sdn Bhd | Malaysia | 100.0 | - | Dormant. |
| Traders Nominees (Tempatan) Sdn Bhd | Malaysia | 100.0 | - | Dormant. |

Subsidiaries of Berjaya Corporation (Cayman) Limited

| | | | | |
|---|----------------|-------|-------|----------|
| Berjaya Trading (UK) Ltd* | United Kingdom | 100.0 | 100.0 | Dormant. |
| J.L. Morison Son & Jones (Malaya) Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |

Subsidiaries of Berjaya Group (Cayman) Limited

| | | | | |
|---|----------------|-------|-------|---------------------|
| Berjaya Engineering & Construction (HK) Limited | Hong Kong | 75.0 | - | Investment holding. |
| Berjaya Forest Products (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Group Equity (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Group Portfolio (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Investment (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Manufacturing (HK) Limited* | Hong Kong | 100.0 | 100.0 | Dormant. |
| Berjaya Roasters (UK) Limited* | United Kingdom | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Group (Cayman) Limited (continued) | | | | |
| Berjaya Timber Industries (Guyana) Ltd* | Guyana | 100.0 | 100.0 | Dormant. |
| Carlovers International Limited | Cayman Islands | 51.0 | 51.0 | Owner, operator and franchisor of "Carlovers Carwash". |
| Carlovers Specialty Products Pte Ltd* | Australia | 51.0 | 51.0 | Trading and distribution of "Carlovers" car care products. |
| Roadhouse Grill Inc.* | United States of America | 66.5 | 66.5 | Owner, operator and franchisor of "Roadhouse Grill Restaurants". |
| Roadhouse Grill Asia Pacific(HK) Limited* | Hong Kong | 100.0 | 100.0 | Owner, operator and franchisor of the "Roadhouse Grill Restaurant" chains for Asia Pacific region. |
| Roasters Asia Pacific (HK) Limited* | Hong Kong | 100.0 | 100.0 | Owner, operator and franchisor of the "Kenny Rogers Roasters Restaurant" chain for Asia Pacific region. |
| Roasters Corp. * | United States of America | 73.5 | 73.5 | Dormant. |
| SIG Holdings (Cayman) Limited | Cayman Islands | 100.0 | - | Investment holding. |
| STAR Harbour Timber Company Limited * | Solomon Islands | 100.0 | 100.0 | Dormant. |

Subsidiary of Berjaya Engineering & Construction (HK) Limited

| | | | | |
|--|----------------------------|------|---|--------------------------------------|
| Berjaya Sanhe Real Estate Development Co Ltd | People's Republic of China | 52.0 | - | Property development and management. |
|--|----------------------------|------|---|--------------------------------------|

Subsidiaries of Berjaya Group Equity (Cayman) Limited

| | | | | |
|--------------------------------------|----------------|-------|-------|---------------------|
| Berjaya Group (Aust) Pty Ltd* | Australia | 100.0 | 100.0 | Investment holding. |
| Healthcare Holdings (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|--------|--|
| | | 2005 % | 2004 % | |
| Subsidiary of Berjaya Group (Aust) Pty Ltd | | | | |
| Carlovers Carwash Limited * | Australia | 57.8 | 57.8 | Operation of self-service carwash centres. |
| Subsidiaries of Carlovers Carwash Limited | | | | |
| Carlovers Carwash (Aust) Pty Limited * | Australia | 100.0 | 100.0 | Operation of self-service carwash centres. |
| The Carwash Kings Pty Limited * | Australia | 100.0 | 100.0 | Operation of self-service carwash centres. |
| Carlovers (Maroochydore) Pty Limited * | Australia | 100.0 | 100.0 | Operation of self-service carwash centres. |
| Subsidiary of Carlovers International Limited | | | | |
| Carlovers International Services Pty Ltd * | Australia | 100.0 | 100.0 | Provision of management services. |
| Subsidiaries of Roadhouse Grill Asia Pacific (HK) Limited | | | | |
| Roadhouse Grill Asia Pacific (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Franchisor of the "Roadhouse Grill Restaurant" chains. |
| Roadhouse Grill Asia Pacific (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of management services to franchisees. |
| Subsidiaries of Roasters Asia Pacific (HK) Limited | | | | |
| Roasters Asia Pacific (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Franchisor of the "Kenny Rogers Roasters Restaurant" chains. |
| Roasters Asia Pacific (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of marketing services. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|-------------------------------------|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Premier Restaurants Sdn Bhd | | | | |
| Fortune Court Restaurant Sdn Bhd | Malaysia | 66.9 | 66.9 | Dormant. |
| Nadi Klasik Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Premimas Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Subsidiaries of Berjaya Soutex Sdn Bhd | | | | |
| Dewangsa Holdings Sdn Bhd* | Malaysia | 60.0 | 60.0 | Investment holding. |
| Knitwear Fashion (Kedah) Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Qualinit Sendirian Berhad | Malaysia | 60.0 | 60.0 | Dormant. |
| Subsidiaries of Dewangsa Holdings Sdn Bhd | | | | |
| SIG Holdings (Cayman) Limited | Cayman Islands | - | 100.0 | Investment holding. |
| South Island Garment Sdn Bhd* | Malaysia | 100.0 | 100.0 | Manufacturing and sale of garments. |
| Subsidiaries of South Island Garment Sdn Bhd | | | | |
| S.I. Siu Siu Garment Sdn Bhd* | Malaysia | 70.0 | 70.0 | Manufacturing of garments. |
| South Island Apparel (Fiji) Limited* | Republic of Fiji | 60.0 | 60.0 | Dormant. |
| Subsidiary of Bukit Pinang Leisure Sdn Bhd | | | | |
| Bukit Pinang Rel Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiary of Country Farms Sdn Bhd | | | | |
| CountryFarm Organics Sdn Bhd | Malaysia | 100.0 | - | Dormant. |
| Subsidiaries of Finewood Forest Products Sdn Bhd | | | | |
| Finewood KD Sdn Bhd | Malaysia | 100.0 | 100.0 | Kiln drying of timber. |
| Finewood Marketing (UK) Ltd* | United Kingdom | 70.0 | 70.0 | Commission agents. |
| Finewood Trading Sdn Bhd | Malaysia | 100.0 | 100.0 | Trading of furniture and timber. |
| Subsidiaries of Cosway Corporation Berhad | | | | |
| Berjaya HVN Sdn Bhd | Malaysia | 63.7 | 63.7 | Distribution, sale and rental of audio/visual home entertainment products. |
| Cosway (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Direct selling of cosmetics perfume, fashion jewellery, pharmaceutical and other consumer products. |
| First Ever Marketing Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Noble Creation Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Noble Karaoke Equipment Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Rapid Computer Centre (SEA) Sdn Bhd | Malaysia | 95.5 | 95.5 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of Cosway Corporation Berhad | | | | |
| Singer (Malaysia) Sdn Bhd | Malaysia | 100.0 | 100.0 | Marketing and selling of consumer durable products on cash, credit, hire purchase and equal payment schemes under the "Singer" trademark. |
| Tegas Kinta Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Subsidiaries of Berjaya HVN Sdn Bhd | | | | |
| Direct Vision Sdn Bhd | Malaysia | 100.0 | 100.0 | Sale and rental of audio/visual home entertainment products. |
| Berjaya HVN (S) Pte Ltd* | Singapore | 100.0 | 100.0 | Sale and rental of audio/visual home entertainment products. |
| Subsidiaries of Cosway (M) Sdn Bhd | | | | |
| eCosway.com Sdn Bhd | Malaysia | 60.0 | 60.0 | Internet-based direct selling of consumer products. |
| Cosway (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Cosway (S) Pte Ltd * | Singapore | 100.0 | 100.0 | Dormant. |
| Juara Budi Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Kimia Suchi Sdn Bhd | Malaysia | 82.0 | 82.0 | Manufacture and trading of washing detergents. |
| Rank Distributors Sdn Bhd | Malaysia | 60.0 | 60.0 | Trading in pharmaceutical products. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Cosway (Cayman) Limited | | | | |
| Cosway Argentina S.R.L. * | Argentina | 90.0 | 90.0 | Dormant. |
| Cosway Colombia Ltda. * | Colombia | 90.0 | 90.0 | Dormant. |
| Cosway De Mexico, S.A. De C.V. * | Mexico | 98.0 | 98.0 | Dormant. |
| Cosway De Venezuela C.A. * | Venezuela | 90.0 | 90.0 | Dormant. |
| Cosway Do Brasil Ltda. # | Brazil | 99.0 | 99.0 | Dormant. |
| Cosway International Limited* | Hong Kong | 100.0 | 100.0 | Dormant. |
| Cosway Peru, S.R. Ltda. * | Peru | 96.0 | 96.0 | Dormant. |
| Cosway (Philippines) Inc.# | Philippines | 95.0 | 95.0 | Direct selling and trading in consumer products. |
| Cosway Portugal Imports and Exports Ltd * | Portugal | 90.0 | 90.0 | Dormant. |
| Cosway (UK) Limited* | United Kingdom | 100.0 | 100.0 | Dormant. |
| eCosway, Inc.* | United States of America | 100.0 | 100.0 | Dormant. |
| Subsidiary of Juara Budi Sdn Bhd | | | | |
| Stephens Properties Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding and property investment. |
| Subsidiary of Stephens Properties Sdn Bhd | | | | |
| Stephens Properties Management Corporation Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Subsidiary of Kimia Suchi Sdn Bhd | | | | |
| Kimia Suchi Marketing Sdn Bhd | Malaysia | 100.0 | 100.0 | Trading in washing detergents. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|---------------|--|
| | | 2005 % | 2004 % | |
| Subsidiary of Noble Karaoke Equipment Sdn Bhd | | | | |
| Dunham-Bush (Malaysia) Bhd | Malaysia | 57.2 | <i>d</i> 57.5 | Investment holding and provision of management services. |
| Subsidiaries of Dunham-Bush (Malaysia) Bhd | | | | |
| Anemostat Topgroup Sdn Bhd | Malaysia | 86.5 | 86.5 | Manufacturing and trading of air diffusion, air distribution, air filtration and sound attenuation products. |
| Dunham-Bush Industries De Mexico S.A. De C.V. # | Mexico | 99.9 | <i>e</i> 99.9 | Dormant. |
| Dunham-Bush International Limited * | Hong Kong | 100.0 | 100.0 | Sales, installation, servicing and repairing of air-conditioning and refrigeration products. |
| Dunham-Bush Holdings (HK) Limited * | Hong Kong | 100.0 | 100.0 | Dormant. |
| Dunham-Bush Industries Sdn Bhd | Malaysia | 100.0 | 100.0 | Manufacturing and trading of air-conditioning and refrigeration equipment for commercial and industrial application. |
| Dunham-Bush International Pte Ltd * | Singapore | 100.0 | 100.0 | Distribution and trading of air-conditioning and refrigeration equipment for commercial and industrial application. |

d - The total equity interests held by the Group, other than portfolio interests, is 59.3% and it is held by the following group companies:

| | | | |
|-------|---------------------------------|-------|---|
| (i) | Noble Karaoke Equipment Sdn Bhd | 57.20 | % |
| (ii) | Cosway Corporation Berhad | 1.87 | % |
| (iii) | Juara Sejati Sdn Bhd | 0.19 | % |

e - The total equity interests held by the Group is 100.0% and it is held by the following group companies:

| | | | |
|------|--|-------|---|
| (i) | Dunham-Bush (Malaysia) Bhd | 99.86 | % |
| (ii) | Dunham-Bush International (Cayman) Limited | 0.14 | % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|----------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Dunham-Bush (Malaysia) Bhd (continued) | | | | |
| Dunham-Bush International (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Dunham-Bush Parts & Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Air-conditioning services, after sales services, repair and retrofitting of air-conditioning and refrigeration equipment and systems, sales of related spare parts and training of customers' personnel. |
| Dunham-Bush Sales & Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Sale, distribution and installation of large commercial air-conditioning and refrigeration equipment. |
| Dunham-Bush Topaire Sdn Bhd | Malaysia | 85.4 | 85.4 | Manufacturing and trading of small commercial and residential air-conditioning products. |
| Dunham-Bush Yantai Co Ltd * | People's Republic of China | 55.0 | 55.0 | Manufacturing and trading in air-conditioning and refrigeration equipment for commercial and industrial application. |
| Hartford Compressors Yantai Co Ltd * | People's Republic of China | 55.0 | 55.0 | Assembly and trading of compressors. |
| Topaire Sales & Services Sdn Bhd | Malaysia | 60.0 | 60.0 | Trading and servicing of commercial and residential air-conditioning and refrigeration equipment. |
| Topgroup Data-Aire Sdn Bhd | Malaysia | 85.0 | 85.0 | Dormant. |
| Topgroup M&E Service Sdn Bhd | Malaysia | 60.0 | 60.0 | Air-conditioning services, sale of spare parts and provision of training for customers' personnel and after sales service. |
| Topgroup Polacel Sdn Bhd | Malaysia | 100.0 | 100.0 | Designing, engineering and manufacturing of wet cooling towers of mechanical draft type for commercial and industrial application. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiary of Dunham-Bush Industries De Mexico, S.A. De C.V. | | | | |
| Dunham-Bush Industrias, S.A. De C.V.# | Mexico | 100.0 | f 100.0 | Dormant. |
| Subsidiaries of Dunham-Bush International Limited | | | | |
| Dunham-Bush Services Company Limited * | Hong Kong | - | 90.0 | Liquidated during the year. |
| Top-Aire Air-Conditioning (China) Limited * | Hong Kong | 100.0 | 100.0 | Sale and distribution of air-conditioning and refrigeration equipment. |
| Subsidiaries of Dunham-Bush International Pte Ltd | | | | |
| Dunham-Bush Sales & Services (S) Pte Ltd * | Singapore | 100.0 | 100.0 | Sale, distribution and installation of commercial and residential air-conditioning products. |
| Dunham-Bush International (Africa) Pty Ltd * | South Africa | 100.0 | 100.0 | Sale, distribution and installation of commercial and residential air-conditioning products. |
| Dunham-Bush International (Europe) BV * | The Netherlands | 100.0 | 100.0 | Sale, distribution and installation of commercial and residential air-conditioning products. |
| Dunham-Bush International Brasil S.C. Ltda | Brazil | - | 100.0 | Liquidated during the year. |

f - One share is held by Dunham-Bush De Mexico S.A. De C.V.

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of Dunham-Bush International (Cayman) Limited | | | | |
| Dunham-Bush Inc # | United States of America | 100.0 | 100.0 | Trading of commercial and industrial heating, ventilation and air-conditioning products. |
| Dunham-Bush (Europe) PLC * | United Kingdom | 51.0 g | 51.0 | Investment holding. |
| Dunham-Bush North America Inc * | United States of America | 100.0 | 100.0 | Dormant and in the process of voluntary liquidation. |
| Dunham-Bush De Mexico S.A. De C.V. * | Mexico | 100.0 h | 100.0 | Marketing and trading of large air-conditioning, refrigeration machinery and equipment. |
| Hartford Compressors Inc # | United States of America | 100.0 | 100.0 | Manufacturing and trading of compressors and parts. |
| Subsidiaries of Dunham-Bush (Europe) PLC | | | | |
| Dunham-Bush Engineering Ltd * | United Kingdom | 100.0 | 100.0 | Dormant. |
| Dunham-Bush Limited * | United Kingdom | 100.0 | 100.0 | Manufacturing and sale of commercial and industrial heating, ventilating, air-conditioning and refrigeration equipment. |
| Dunham-Bush AP Limited * | United Kingdom | 100.0 | 100.0 | Dormant. |

g - The total equity interests held by the Group is 65.7% and it is held by the following group companies:

| | | | |
|------|--|-------|---|
| (i) | Dunham-Bush International (Cayman) Limited | 51.00 | % |
| (ii) | Berjaya Group (Cayman) Limited | 14.70 | % |

h - The total equity interests held by the Group is 100% and it is held by the following group companies:

| | | | |
|------|--|-------|---|
| (i) | Dunham-Bush International (Cayman) Limited | 50.00 | % |
| (ii) | Dunham-Bush Inc | 50.00 | % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|--------|--|
| | | 2005 % | 2004 % | |
| Subsidiary of Topgroup M&E Service Sdn Bhd | | | | |
| Topgroup Parts & Services (Kuantan) Sdn Bhd | Malaysia | 70.0 | 70.0 | Air-conditioning services and sale of spare parts. |
| Subsidiary of Singer (Malaysia) Sdn Bhd | | | | |
| Biofield Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment and rental of property. |
| Subsidiary of Biofield Sdn Bhd | | | | |
| The Catalog Shop Sdn Bhd | Malaysia | 100.0 | 100.0 | Retailing of consumer products on cash and equal payment scheme. |
| Subsidiary of Global Empires Sdn Bhd | | | | |
| Premier Merchandise Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Subsidiary of Premier Merchandise Sdn Bhd | | | | |
| Convenience Shopping Sdn Bhd | Malaysia | - | 100.0 | Operation of franchised chain of convenience stores under the trademark of "7-Eleven". |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|--------|--|
| | | 2005 % | 2004 % | |
| Subsidiary of Convenience Shopping Sdn Bhd | | | | |
| Convenience Shopping (Sabah) Sdn Bhd | Malaysia | - | 100.0 | Operation of convenience stores under the trademark of "7-Eleven". |
| Subsidiaries of Inter-Pacific Development Sdn Bhd | | | | |
| Inter-Pacific Construction Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Razal Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Subsidiary of Inter-Pacific Trading Sdn Bhd | | | | |
| Inter-Pacific Paper (M) Sdn Bhd | Malaysia | 100.0 | 60.0 | Trading of paper and paper products. |
| Subsidiaries of Successline (M) Sdn Bhd | | | | |
| Securexpress Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of courier and transport services. |
| Successline Haulers Sdn Bhd | Malaysia | 70.0 | 70.0 | Provision of courier and transport services. |
| Subsidiary of Securexpress Services Sdn Bhd | | | | |
| Securexpress (Sabah) Sdn Bhd | Malaysia | 51.0 | 51.0 | Provision of courier and transport services. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiary of Rangkaian Sejahtera Sdn Bhd | | | | |
| BerjayaCity Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment, development, cultivation and sale of palm oil, palm kernel and natural rubber. |
| Subsidiaries of Berjaya Land Berhad | | | | |
| Alam Baiduri Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Amat Muhibah Sdn Bhd | Malaysia | 52.6 | 52.6 | Theme park operator and property development. |
| Amat Teguh Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Angsana Gemilang Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Awan Suria Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Ayura Spa (M) Sdn Bhd (formerly known as Berjaya Facilities Management Sdn Bhd) | Malaysia | 100.0 | 100.0 | Operation of health spa. |
| Bahan Cendana Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Berjaya Enamelware Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Berjaya Golf Resort Berhad | Malaysia | - | 94.0 | Property development and investment and operator of golf and recreation club. |
| Berjaya Guard Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Provision of security services. |
| Berjaya Holiday Cruise Sdn Bhd | Malaysia | 86.4 | 86.4 | Investment holding. |
| Berjaya Hotels & Resorts (Mauritius) Ltd* | Mauritius | 100.0 | 100.0 | Hotel and resort operator investment holding. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Land Berhad (continued) | | | | |
| Berjaya Hotels & Resorts (Seychelles) Limited* | Republic of Seychelles | 100.0 | 100.0 | Management company for Berjaya Praslin Beach Resort. |
| Berjaya Kawat Industries Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment and rental of properties. |
| Berjaya Land Development Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development and investment holding. |
| Berjaya Leisure Capital (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Leisure (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding and trading. |
| Berjaya Megamall Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Berjaya Project Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Project management. |
| Berjaya Property Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Berjaya Racing Management Sdn Bhd | Malaysia | 60.0 | 60.0 | Dormant. |
| Berjaya Theme Park Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Management of theme park. |
| Berjaya Vacation Club Berhad | Malaysia | 100.0 | 100.0 | Time sharing vacation operator and investment holding. |
| Berjaya Water Sports Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| BL Capital Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| B.T. Properties Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development and management. |
| Budi Impian Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Cempaka Properties Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development and investment. |
| Cerah Bakti Sdn Bhd | Malaysia | 70.0 | 70.0 | Property development. |
| Cerah Tropika Sdn Bhd | Malaysia | 51.0 | 51.0 | Investment holding. |
| Cergas Jati Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Flexiwang Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Land Berhad (continued) | | | | |
| Gateway Benefit Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Gemilang Cergas Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Immediate Capital Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Indah Corporation Berhad | Malaysia | - | 100.0 | Developer and operator of golf resort and property development. |
| Junjung Delima Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Klasik Mewah Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Kota Raya Development Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment and rental of property. |
| Leisure World Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Matrix International Berhad | Malaysia | - | 52.0 | Investment holding. |
| Nada Embun Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Noble Circle (M) Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment and rental of property. |
| Nural Enterprise Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment and rental of property. |
| Pakar Angsana Sdn Bhd | Malaysia | 80.0 | 80.0 | Property development. |
| Pearl Crescent Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Pelangi Istimewa Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Pembinaan Stepro Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Portal Access Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Punca Damai Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Regnis Industries (Malaysia) Sdn Bhd | Malaysia | 57.1 | 52.5 | Property investment and rental of property. |
| Securiservices Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Semakin Sinar Sdn Bhd | Malaysia | 51.0 | 51.0 | Dormant. |
| Semangat Cergas Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Sports Toto (Fiji) Ltd # | Republic of Fiji | 100.0 | 100.0 | Investment holding. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Land Berhad (continued) | | | | |
| Staffield Country Resort Berhad | Malaysia | - | 80.0 | Developer and operator of golf resort. |
| Stephens Properties Holdings Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Stephens Properties Plantations Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Tekun Permata Sdn Bhd | Malaysia | 100.0 | 100.0 | Property investment. |
| Tioman Island Resort Berhad | Malaysia | 80.0 | 80.0 | Property development and operator of resort hotel. |
| Tiram Jaya Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Wangsa Sejati Sdn Bhd | Malaysia | 52.6 | 52.6 | Dormant. |
| Wisma Stephens Management Co Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment holding. |
| Subsidiary of Berjaya Holiday Cruise Sdn Bhd | | | | |
| Universal Summit Limited | British Virgin Islands | - | 100.0 | De-registered during the year. |
| Subsidiaries of Berjaya Hotels and Resort (Mauritius) Ltd | | | | |
| Berjaya Casino Limited * | Mauritius | 100.0 | 100.0 | Casino operation. |
| Berjaya Services Limited * | Mauritius | 100.0 | 100.0 | Provision of car rental services. |
| Subsidiaries of Berjaya Land Development Sdn Bhd | | | | |
| Indra Ehsan Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Kim Rim Enterprise Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Selat Makmur Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Sri Panglima Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|--------|---|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Leisure (Cayman) Limited | | | | |
| Berjaya International Casino Management (Seychelles) Limited * | Republic of Seychelles | 60.0 | 60.0 | Casino operations. |
| Berjaya Mount Royal Beach Hotel Limited # | Sri Lanka | 92.6 | 92.6 | Owner and operator of hotel. |
| Berjaya Properties (HK) Limited * | Hong Kong | 60.0 | 60.0 | Property investment and development. |
| Natural Gain Investments Limited * | Hong Kong | 100.0 | 100.0 | Property investment. |
| Subsidiary of Berjaya Property Management Sdn Bhd | | | | |
| Taman TAR Development Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Subsidiaries of Berjaya Vacation Club Berhad | | | | |
| Berjaya Air Sdn Bhd | Malaysia | 99.3 | 99.3 | Charter and schedule flight operator. |
| Berjaya Beau Vallon Bay (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Georgetown Hotel (Penang) Sdn Bhd | Malaysia | 100.0 | 100.0 | Hotel owner and operator. |
| Berjaya Golf Resort Berhad | Malaysia | 100.0 | - | Property development and investment and operator of golf and recreation club. |
| Berjaya Hospitality Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Management of hotel services. |
| Berjaya Hotels & Resorts (HK) Limited * | Hong Kong | 60.0 | 60.0 | Investment holding. |
| Berjaya International Casino Management (HK) Limited* | Hong Kong | 80.0 | 80.0 | Investment holding. |
| Berjaya Langkawi Beach Resort Sdn Bhd | Malaysia | 100.0 | 100.0 | Hotel and resort operation. |
| Berjaya Mahe Beach (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Vacation Club Berhad (continued) | | | | |
| Berjaya Praslin Beach (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Redang Beach Resort Sdn Bhd | Malaysia | 99.4 | 99.4 | Hotel and resort operation. |
| Berjaya Resort Management Services Sdn Bhd | Malaysia | 100.0 | 100.0 | Resort management. |
| Berjaya Resort (Sabah) Sdn Bhd | Malaysia | 100.0 | 100.0 | Hotel operator. |
| Berjaya Vacation Club (Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Investment holding. |
| Berjaya Vacation Club (HK) Limited* | Hong Kong | 100.0 | 100.0 | Dormant. |
| Berjaya Vacation Club (Philippines) Inc# | Philippines | 100.0 | 100.0 | Buying, selling and marketing of vacation club memberships under a time-sharing concept. |
| Berjaya Vacation Club (S) Pte Ltd# | Singapore | 100.0 | 100.0 | Vacation time sharing and hotel operator. |
| Bukit Kiara Resort Berhad | Malaysia | 100.0 | 100.0 | Developer and operator of equestrian and recreational club. |
| BVC Bowling Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Dian Kristal Sdn Bhd | Malaysia | 100.0 | 100.0 | Hotel operator. |
| Indah Corporation Berhad | Malaysia | 100.0 | - | Developer and operator of golf resort and property development. |
| KDE Recreation Berhad | Malaysia | 51.0 | 51.0 | Developer and operator of golf and recreational club. |
| Redang Village Resort Sdn Bhd | Malaysia | 51.0 | 51.0 | Dormant. |
| Sinar Merdu Sdn Bhd | Malaysia | 100.0 | 100.0 | Investment and rental of property. |
| Staffield Country Resort Berhad | Malaysia | 80.0 | - | Developer and operator of golf resort. |
| Tioman Pearl Sdn Bhd | Malaysia | 70.0 | 70.0 | Development of hotel and resort. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|------|--------------------------|----------------------|--------|----------------------|
| | | 2005 % | 2004 % | |

Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited

| | | | | |
|--|------------------------|-------|-------|------------|
| Berjaya Beau Vallon Bay Beach Resort Limited * | Republic of Seychelles | 100.0 | 100.0 | Hoteliers. |
|--|------------------------|-------|-------|------------|

Subsidiaries of Berjaya Georgetown Hotel (Penang) Sdn Bhd

| | | | | |
|---|----------|-------|-------|----------|
| Berjaya Georgetown Sharksfin Restaurant Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| BG Karaoke Sdn Bhd | Malaysia | 69.0 | 69.0 | Dormant. |

Subsidiary of Berjaya Hotels & Resorts (HK) Limited

| | | | | |
|--|----------------|-------|-------|----------|
| Berjaya Hotels & Resorts(Cayman) Limited | Cayman Islands | 100.0 | 100.0 | Dormant. |
|--|----------------|-------|-------|----------|

Subsidiary of Berjaya Mahe Beach (Cayman) Limited

| | | | | |
|-------------------------------------|------------------------|-------|-------|------------|
| Berjaya Mahe Beach Resort Limited * | Republic of Seychelles | 100.0 | 100.0 | Hoteliers. |
|-------------------------------------|------------------------|-------|-------|------------|

Subsidiaries of Berjaya Redang Beach Resort Sdn Bhd

| | | | | |
|--|-----------|-------|-------|----------|
| Redang Island Golf and Country Club Berhad | Malaysia | 100.0 | 100.0 | Dormant. |
| Redang Island Resort (S) Pte Ltd * | Singapore | 100.0 | 100.0 | Dormant. |
| Redang Travel & Tours Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|--------|--|
| | | 2005 % | 2004 % | |
| Subsidiaries of Berjaya Vacation Club (Cayman) Limited | | | | |
| Berjaya Vacation Club (Japan) Limited * | Japan | 100.0 | 100.0 | Dormant. |
| Berjaya Vacation Club (UK) Limited * | United Kingdom | 100.0 | 100.0 | Hoteliers and hotel management. |
| Subsidiary of Cerah Tropika Sdn Bhd | | | | |
| Penstate Corp Sdn Bhd | Malaysia | 100.0 | 100.0 | Property development. |
| Subsidiary of Kota Raya Development Sdn Bhd | | | | |
| Kota Raya Complex Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Subsidiaries of Matrix International Berhad | | | | |
| Bumisuci Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Dayadil Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Ishandal Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Natural Avenue Sdn Bhd | Malaysia | - | 65.0 | Number forecast lotteries in Sarawak. |
| Rentas Padu Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Sublime Cartel Sdn Bhd | Malaysia | - | 100.0 | Provision of lottery consultancy and related services. |
| Subsidiary of Bumisuci Sdn Bhd | | | | |
| Sempurna Bahagia Sdn Bhd | Malaysia | - | 66.7 | Investment holding. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|--------|---------------------------------------|
| | | 2005 % | 2004 % | |
| Subsidiary of Dayadil Sdn Bhd | | | | |
| Imej Jasa Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Subsidiaries of Imej Jasa Sdn Bhd | | | | |
| Bahagia Jiwa Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Muara Tebas Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Subsidiary of Rentas Padu Sdn Bhd | | | | |
| Tropicfair Sdn Bhd | Malaysia | - | 100.0 | Investment holding. |
| Subsidiary of Natural Avenue Sdn Bhd | | | | |
| Petekat Sdn Bhd | Malaysia | - | 100.0 | General trading and commission agent. |
| Subsidiary of Noble Circle (M) Sdn Bhd | | | | |
| Noble Circle Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Subsidiary of Nural Enterprise Sdn Bhd | | | | |
| Aras Klasik Sdn Bhd | Malaysia | 100.0 | 100.0 | Property management. |
| Subsidiary of Sports Toto (Fiji) Limited | | | | |
| Waidroka Trust Estates Limited# | Republic of Fiji | 100.0 | 100.0 | Dormant. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|--------|------------------------------------|
| | | 2005 % | 2004 % | |
| Subsidiary of Wisma Stephens Management Co Sdn Bhd | | | | |
| Wujud Jaya Sdn Bhd * | Malaysia | 100.0 | 100.0 | Dormant. |
| Subsidiary of Wujud Jaya Sdn Bhd | | | | |
| Wujud Jaya Development Sdn Bhd * | Malaysia | 100.0 | 100.0 | Dormant. |
| Subsidiaries of Tioman Island Resort Berhad | | | | |
| Berjaya Hotels & Resorts (Singapore) Pte Ltd # | Singapore | 100.0 | 100.0 | Hotel booking and marketing agent. |
| Tioman Golf Management Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Tioman Recreation Centre Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Tioman Travel & Tours Sdn Bhd | Malaysia | 100.0 | 100.0 | Dormant. |
| Subsidiary of Wangsa Tegap Sdn Bhd | | | | |
| BCP Service Suites Sdn Bhd (formerly known as Uptown Vision Sdn Bhd) | Malaysia | 100.0 | - | Property management services. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| ASSOCIATED COMPANIES: | | | | |
| Associates of the Company | | | | |
| Berjaya Informatics Sdn Bhd | Malaysia | 40.0 | 40.0 | Operation of higher educational institution. |
| Berjaya Racing Management Sdn Bhd | Malaysia | 20.0 | 20.0 | Dormant. |
| Diversified Gain Sdn Bhd | Malaysia | - | 50.0 | Investment holding. |
| Ezyhealth Malaysia Sdn Bhd | Malaysia | 49.0 | 49.0 | Provision of online healthcare services, e-commerce, ownership and operation of website. |
| Gribbles Pathology (Malaysia) Sdn Bhd | Malaysia | 42.8 | 42.8 | Investment holding and provision of pathology services. |
| Hyumal Motor Sdn Bhd | Malaysia | - | 20.0 | Marketing and distribution of Hyundai motor vehicles. |
| Hyundai-Sime Darby Berhad (formerly known as Hyundai-Berjaya Corporation Berhad) | Malaysia | - | 37.2 | Investment holding. |
| Inokom Corporation Sdn Bhd | Malaysia | - | 35.0 | Manufacture and marketing of Malaysian national commercial vehicle. |
| Le Proton LIMA Sdn Bhd | Malaysia | 40.0 | 40.0 | Organise trade fairs to promote Malaysian products through exhibitions. |
| Tunas Cempaka Sdn Bhd | Malaysia | 49.0 | 49.0 | Duty free shop operator. |
| Associate of Berjaya Capital Berhad | | | | |
| First Taz Money Brokers Sdn Bhd | Malaysia | 40.0 | 40.0 | Interbank foreign exchange and money market broker. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|---------------|---|
| | | 2005 % | 2004 % | |
| Associates of Berjaya Group (Cayman) Limited | | | | |
| Berjaya Engineering & Construction (HK) Limited | Hong Kong | - | 40.0 | Engineering and construction. |
| Berjaya Lottery Management (HK) Limited | Hong Kong | - | 48.5 | Management of social lottery operations and investment holding. |
| Berjaya Holdings (HK) Limited | Hong Kong | 42.7 | <i>i</i> 42.7 | Investment holding. |
| Berjaya Hotels & Resorts (HK) Limited | Hong Kong | 40.0 | 40.0 | Investment holding. |
| Berjaya Properties (HK) Limited | Hong Kong | 40.0 | 40.0 | Dormant. |
| Berjaya International Casino Management (HK) Limited | Hong Kong | 20.0 | 20.0 | Management of casino and investment holding. |
| Carlovers Carwash Limited* | Australia | 39.1 | 39.1 | Operation of self- service carwash centres. |
| Associate of Berjaya Forest Products (Cayman) Limited | | | | |
| Taiga Forest Products Ltd * | Canada | 39.8 | 39.8 | Wholesale distribution of lumber and panel products. |
| Associates of Berjaya Group Equity (Cayman) Limited | | | | |
| East Coast Bagel Co. Inc. | United States of America | 31.1 | 31.1 | Dormant. |
| Mario Andretti's Express Pasta & Co Limited | United States of America | 30.0 | 30.0 | Dormant. |

i - The total equity interests held by the Group is 49.4% and it is held by the following group companies:

| | | | |
|------|----------------------------------|-------|---|
| (i) | Berjaya Group (Cayman) Limited | 42.66 | % |
| (ii) | Berjaya Leisure (Cayman) Limited | 6.77 | % |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|------------------------------|
| | | 2005 % | 2004 % | |
| Associate of Carlovers International Limited | | | | |
| Berjaya Carlovers (M) Sdn Bhd | Malaysia | 25.0 | 25.0 | Dormant. |
| Associate of Roasters Asia Pacific (HK) Limited | | | | |
| Roasters Korea Co. Ltd | Republic of Korea | 25.0 | 25.0 | Dormant. |
| Associate of SIG Holdings (Cayman) Limited | | | | |
| Berjaya Engineering & Construction (HK) Limited | Hong Kong | 25.0 | - | Investment holding. |
| Associate of Berjaya Corporation (Cayman) Limited | | | | |
| M & A Investments Pte Ltd | Singapore | 31.4 | 31.4 | Investment holding. |
| Associate of Inai Jaya Sdn Bhd | | | | |
| Rare Output Sdn Bhd | Malaysia | 50.0 | 50.0 | Under liquidation. |
| Associate of Successline (M) Sdn Bhd | | | | |
| Successline Express (M) Sdn Bhd | Malaysia | 30.0 | 30.0 | Transportation of goods. |
| Associate of Cosway (M) Sdn Bhd | | | | |
| Beaute Distributors Sdn Bhd | Malaysia | 50.0 | 50.0 | Under voluntary liquidation. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Associates of Cosway (Cayman) Ltd | | | | |
| Cosway Overseas Co Ltd | Thailand | 49.0 | 49.0 | Investment holding. |
| Cosway (Thailand) Co Ltd | Thailand | 49.0 | 49.0 | Trading in consumer products. |
| Subsidiary of Cosway Overseas Co Ltd | | | | |
| Cosway (Thailand) Co Ltd | Thailand | 51.0 | 51.0 | Trading in consumer products. |
| Associate of Dunham-Bush International Limited | | | | |
| Top-Aire Air Conditioning (HK) Limited | Hong Kong | - | 30.0 | Liquidated during the year. |
| Associate of Dunham-Bush International Pte Ltd | | | | |
| Dunham-Bush International (Thailand) Ltd | Thailand | 49.0 | 49.0 | Sales, distribution and installation of air-conditioning and refrigeration products. |
| Associate of Rank Distributors Sdn Bhd | | | | |
| Coswin (M) Sdn Bhd | Malaysia | 40.0 | 40.0 | Trading in consumer products. |
| Associate of Singer (Malaysia) Sdn Bhd | | | | |
| Kosppek Trading Sdn Bhd | Malaysia | 49.0 | 49.0 | Commission agents for the purchase and sales of consumer products. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|---------------|--|
| | | 2005 % | 2004 % | |
| Associates of Berjaya Land Berhad | | | | |
| Berjaya Sports Toto Berhad | Malaysia | 45.7 | <i>j</i> 38.1 | Investment holding. |
| BJ Bowl Sdn Bhd | Malaysia | 20.0 | 20.0 | Manager and operator of bowling alley. |
| Centreplus Sdn Bhd | Malaysia | 30.0 | 30.0 | Dormant. |
| Jaya Bowl Sdn Bhd | Malaysia | 20.0 | 20.0 | Manager and operator of bowling alley. |
| Matrix International Berhad | Malaysia | 12.9 | <i>k</i> - | Investment holding. |
| Palzon Sdn Bhd | Malaysia | 30.0 | 30.0 | Dormant. |
| Resort Cruises (S) Pte Ltd | Singapore | 49.0 | 49.0 | Dormant. |

j - The total equity interests held by the Berjaya Land Berhad group is 45.7% and it is held by the following group companies:

| | | | |
|-------|----------------------------------|-------|---|
| (i) | Gateway Benefit Sdn Bhd | 23.36 | % |
| (ii) | Berjaya Land Berhad | 17.62 | % |
| (iii) | Immediate Capital Sdn Bhd | 4.63 | % |
| (iv) | Berjaya Land Development Sdn Bhd | 0.05 | % |

The total equity interests held by the Group is 46.5% and the additional equity interest is held by the following group companies:

| | | | |
|-------|---------------------------------------|------|---|
| (i) | Garima Holdings Sdn Bhd | 0.24 | % |
| (ii) | Inter-Pacific Capital Sdn Bhd | 0.19 | % |
| (iii) | Juara Sejati Sdn Bhd | 0.18 | % |
| (iv) | Espeetex Sdn Bhd | 0.17 | % |
| (v) | Berjaya Group Equity (Cayman) Limited | 0.04 | % |

k - The total equity interests held by the Berjaya Land Berhad group is 12.9% and it is held by the following group companies:

| | | | |
|-------|---------------------------|------|---|
| (i) | Portal Access Sdn Bhd | 6.13 | % |
| (ii) | Berjaya Land Berhad | 2.94 | % |
| (iii) | Dian Kristal Sdn Bhd | 2.26 | % |
| (iv) | Nada Embun Sdn Bhd | 1.11 | % |
| (v) | Immediate Capital Sdn Bhd | 0.47 | % |

The total equity interests held by the Group, other than portfolio interests, is 15.1% and the additional equity interest is held by the following group companies:

| | | | |
|------|------------------------|------|---|
| (i) | Ambilan Imej Sdn Bhd | 1.50 | % |
| (ii) | Berjaya Capital Berhad | 0.74 | % |

The Berjaya Land Berhad group has significant influence, as defined in MASB12: Investments in Associates, over Matrix and therefore treated Matrix as an associated company of the Group.

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|---|--------------------------|----------------------|-----------|---|
| | | 2005 % | 2004 % | |
| Associates of Berjaya Leisure (Cayman) Limited | | | | |
| Asian Atlantic Holdings Limited | British Virgin Islands | 24.5 | 24.5 | Investment holding. |
| Berjaya Asset (Cayman) Limited | Cayman Islands | 40.0 | 40.0 | Investment holding. |
| Inter-Capital Holdings Pte Ltd | Singapore | 50.0 | 50.0 | Investment holding. |
| Navodaya Mass Entertainments Limited | India | 37.1 | 37.1 | Developer and operator of theme park. |
| Portsworth Holdings Pte Ltd | Singapore | 50.0 | 50.0 | Investment holding. |
| Brickfields Properties Pty Limited (formerly known as World Square Pty Ltd) | Australia | 39.2 | 39.2 | Property development. |
| Associate of Berjaya Leisure Capital (Cayman) Limited | | | | |
| Informatics Holdings Ltd | Singapore | 26.6 | - | Investment holding, franchisor for computer and commercial training centres and examination facilitators. |
| Associate of Berjaya Vacation Club Berhad | | | | |
| Berjaya Butterworth Hotel (Penang) Sdn Bhd | Malaysia | 30.0 | 30.0 | Hotel developer. |
| Associate of BL Capital Sdn Bhd | | | | |
| Regnis Industries (Malaysia) Sdn Bhd | Malaysia | 30.0 | 30.0 | Property investment and rental of property. |
| Associate of Berjaya Praslin Beach (Cayman) Limited | | | | |
| Anse Volbert Hotel Limited | Republic of Seychelles | 20.0 | 20.0 | Hotel operation and management. |

40. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

| Name | Country of incorporation | Equity interest held | | Principal activities |
|--|--------------------------|----------------------|-----------|--|
| | | 2005 % | 2004 % | |
| Associate of Berjaya International Casino Management (HK) Limited | | | | |
| Berjaya International Casino Management (Seychelles) Limited | Republic of Seychelles | 40.0 | 40.0 | Management of casino and investment holding. |
| Associate of Indah Corporation Berhad | | | | |
| Jayawan Holdings Sdn Bhd | Malaysia | 40.0 | 40.0 | Dormant. |
| Associate of Ishandal Sdn Bhd | | | | |
| Sempurna Bahagia Sdn Bhd | Malaysia | - | 33.3 | Investment holding. |
| Associates of Tioman Island Resort Berhad | | | | |
| Tioman Ferry Services Sdn Bhd | Malaysia | 50.0 | 50.0 | Dormant. |
| Tioman Island Resort Ferries (S) Pte Ltd | Singapore | 30.0 | 30.0 | Ferry services. |
| Associate of Tropicfair Sdn Bhd | | | | |
| Megaquest Sdn Bhd | Malaysia | - | 50.0 | Investment holding. |
| Associate of Berjaya Megamall Management Sdn Bhd | | | | |
| Staffield Marketing Services Sdn Bhd | Malaysia | 50.0 | 50.0 | Dormant. |

* Subsidiaries audited by other firms of chartered accountants.

Subsidiaries audited by other member firms of Ernst & Young Global.

41. COMPARATIVES

The following comparative figures have been restated to conform with the current year's presentation:

| Group | As previously reported RM'000 | Reclassification RM'000 | As restated RM'000 |
|---|--|------------------------------------|-------------------------------|
| Balance sheet | | | |
| Land held for development | 965,719 | 70,468 | 1,036,187 |
| Development properties | 562,539 | (67,464) | 495,075 |
| Trade and other receivables | 1,185,974 | 1,398 | 1,187,372 |
| Tax recoverable | 96,802 | (24,323) | 72,479 |
| Trade and other payables | 1,086,708 | (3,028) | 1,089,736 |
| Deferred tax liabilities | 174,856 | 22,949 | 151,907 |
| | <u> </u> | <u> </u> | <u> </u> |
| Income statement | | | |
| Other operating income | 98,472 | (42,019) | 56,453 |
| Administrative and other operating expenses | (526,586) | (15,200) | (541,786) |
| Results arising from investing activities | (218,152) | 57,219 | (160,933) |
| | <u> </u> | <u> </u> | <u> </u> |
| Company | | | |
| Income statement | | | |
| Other operating income | 207,585 | (207,410) | 175 |
| Results arising from investing activities | (13,761) | 207,410 | 193,649 |
| | <u> </u> | <u> </u> | <u> </u> |

42. GROUP RATIONALISATION

To complement the approved corporate restructuring exercise as mentioned in Note 39(B)(4), the Group has also been making and will continue to make concerted efforts to rationalise its businesses and investments. Such efforts include, inter alia, the following:

- (i) divestment of non-core and marginal investments and assets during the financial year such as the disposal of various shares in UHPL as mentioned in Note 38(A)(5) for approximately RM86.0 million. Also, during the financial year the Group disposed part of its equity interest in Berjaya Starbucks Coffee Company Sdn Bhd to unlock part of the capital value that has been built up in this company.

42. GROUP RATIONALISATION (CONTINUED)

- (ii) divestment of the entire remaining equity interest in Hyundai-Sime Darby Berhad (formerly known as Hyundai-Berjaya Corporation Berhad), Hyumal Motor Sdn Bhd and 20% in Inokom Corporation Sdn Bhd for approximately RM406.5 million during the financial year. Subsequent to the financial year, the Group entered into a conditional sale and purchase agreement for the disposal of 320 million BToto shares for approximately RM1,152 million.
- (iii) acquiring and developing approximately 244.793 acres in the vicinity of Sungei Besi ("Sungei Besi Land"), Kuala Lumpur into residential and commercial properties over a period of approximately 10 years. This piece of land is situated on the current Selangor Turf Club and the purchase consideration would be settled via the transfer of approximately 750 acres of freehold land in Sungei Tinggi, Selangor Darul Ehsan, together with a new racecourse and ancillary buildings to be erected thereon and partly by cash. The 750 acres of freehold land in Sungei Tinggi is part of the 16,451-acre land in the District of Ulu Selangor, Selangor Darul Ehsan ("BCityLand") owned by the Group.
- (iv) involvement in a new line of business venture via a 60% subsidiary company, KUB-Berjaya Enviro Sdn Bhd ("KBE") to undertake a sanitary landfill project with the concession to handle solid waste disposal in certain regions of Selangor Darul Ehsan, Kuala Lumpur and Putrajaya. The sanitary landfill is located at Bukit Tagar, Selangor Darul Ehsan (part of the BCityLand). During the financial year, KBE received the Federal Government's conditional agreement in principle to the privatisation of the solid waste management project and has duly commenced operations.
- (v) launching of certain phases of the Group's significant land bank located at Mukim of Sungei Tinggi and Batang Berjuntai, Selangor Darul Ehsan (part of the BCityLand). This follows favourable developments which include item (iii) mentioned above and the infrastructure projects in the surrounding areas providing access to the North-South Expressway in conjunction with the adjacent development of the Universiti Industri Selangor campus. These developments are expected to significantly enhance the value and development potential of the BCityLand.
- (vi) venturing into direct retail businesses such as the retail of branded fashion apparel, books (via Borders bookstores, a world renowned name in book retailing) and organic food products. As the environment for the retail trade in Malaysia continues to grow, these new business ventures are expected to contribute positively in the future.

Concurrent efforts are also being undertaken to improve the efficiencies of the Group's remaining operations as an integral component of the ongoing rationalisation exercise. The above endeavours are aimed at positioning the Group on a firmer financial footing, returning to profitability and pursuing its refocused growth strategies.

These matters together with the timely completion of the said approved restructuring exercise are essential to enable the Company and the Group to continue to meet their obligations and to operate as planned. The directors are committed to complete the said restructuring exercise in the ensuing financial year.