

**MATRIX INTERNATIONAL BERHAD**  
**(COMPANY NO: 3907-W)**

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 OCTOBER 2006**

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**MATRIX INTERNATIONAL BERHAD**  
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2006  
CONDENSED CONSOLIDATED BALANCE SHEET**

		<b>Group</b>	
	<b>Note</b>	<b>As at 31/10/06</b>	<b>As at 30/04/06</b>
		<b>RM'000</b>	<b>(Audited) RM'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		221,203	238,464
Investment properties		1,305,435	1,304,962
Jointly controlled entity		5,908	5,438
Investments	B7	16,306	13,178
Goodwill on consolidation		218,698	219,124
Other intangible asset		5,754	5,880
		1,773,304	1,787,046
<b>CURRENT ASSETS</b>			
Inventories		279,757	284,176
Receivables		18,428	23,232
Deposits with licensed banks		38,963	38,141
Cash and bank balances		11,113	9,382
		348,261	354,931
<b>TOTAL ASSETS</b>		<b>2,121,565</b>	<b>2,141,977</b>
<b>EQUITY</b>			
Share capital		905,050	905,050
Share premium		312,621	312,621
Accumulated loss		(41,707)	(23,475)
Equity attributable to equity holders of the parent		1,175,964	1,194,196
Minority interest		3,613	1,274
Total equity		1,179,577	1,195,470
<b>NON-CURRENT LIABILITIES</b>			
Long term bank borrowings		603,289	590,015
Other long term liabilities		89,756	89,817
Deferred tax liabilities		17,533	17,630
		710,578	697,462
<b>CURRENT LIABILITIES</b>			
Payables		156,088	175,071
Short term borrowings		73,400	72,550
Provision for taxation		1,922	1,424
		231,410	249,045
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,121,565</b>	<b>2,141,977</b>
<i>Net assets per share attributable to ordinary equity holders of the parent (sen)</i>			
		130	132

The annexed notes form an integral part of this interim financial report.

**MATRIX INTERNATIONAL BERHAD**  
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 OCTOBER 2006**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		6 MONTHS ENDED	
		31/10/06	31/10/05	31/10/06	31/10/05
		RM'000	RM'000	RM'000	RM'000
Revenue		64,266	78,229	148,503	156,640
Operating expenses, net		(63,294)	(71,392)	(136,305)	(142,752)
Profit from operations		972	6,837	12,198	13,888
Results arising from investing activities		3,265	18	3,434	(644)
Share of results from jointly controlled entity		220	67	471	247
Finance costs		(14,512)	(14,371)	(28,996)	(28,800)
Loss before taxation		(10,055)	(7,449)	(12,893)	(15,309)
Taxation	B5	(1,317)	(1,443)	(3,000)	(3,046)
Loss for the period		(11,372)	(8,892)	(15,893)	(18,355)
Attributable to:					
- Equity holders of the Parent		(12,316)	(9,775)	(18,232)	(20,547)
- Minority interest		944	883	2,339	2,192
		(11,372)	(8,892)	(15,893)	(18,355)
Loss per share (sen)					
Basic	B13	(1.36)	(1.08)	(2.01)	(2.27)

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**MATRIX INTERNATIONAL BERHAD**  
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2006  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	----- Attributable to the equity holders of the Parent -----					
	Share capital RM '000	Share premium RM '000	Accumulated loss RM'000	Total RM'000	Minority interest RM'000	Total Equity RM'000
At 1 May 2005	905,050	312,621	(6,984)	1,210,687	1,654	1,212,341
Net loss for the quarter	-	-	(20,547)	(20,547)	2,192	(18,355)
At 31 October 2005	905,050	312,621	(27,531)	1,190,140	3,846	1,193,986
At 1 May 2006	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
Net loss for the quarter	-	-	(18,232)	(18,232)	2,339	(15,893)
At 31 October 2006	905,050	312,621	(41,707)	1,175,964	3,613	1,179,577

The annexed notes form an integral part of this interim financial report.

**MATRIX INTERNATIONAL BERHAD**  
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2006  
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>6 MONTHS ENDED</b>	
	<b>31/10/06</b>	<b>31/10/05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	142,443	126,648
Payments for operating expenses (including taxes)	(117,404)	(123,126)
Other payments	(953)	(1,094)
	<u>24,086</u>	<u>2,428</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales of plant and machinery	5,845	3
Acquisition of plant and machinery	(941)	(1,372)
Interest received	701	410
	<u>5,605</u>	<u>(959)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to minority shareholders	(2,842)	(2,088)
Bank borrowings and loan finance	15,123	18,877
Repayment of borrowings and loan	(1,000)	-
Repayment of other borrowings	(9,444)	-
Interest paid	(28,945)	(13,842)
Other (payments)/receipts	(30)	47
	<u>(27,138)</u>	<u>2,994</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,553</b>	<b>4,463</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>47,523</b>	<b>32,882</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>50,076</b>	<b>37,345</b>
	<u>50,076</u>	<u>37,345</u>
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	38,963	35,372
Cash and bank balances	11,113	1,973
	<u>50,076</u>	<u>37,345</u>
	<u>50,076</u>	<u>37,345</u>

The annexed notes form an integral part of this interim financial report.

**NOTES:**

- A1 The interim financial report is not audited and has been prepared in compliance with Financial Reporting Standards (FRS) 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2006.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2006 have been applied in the preparation of the interim financial report under review except for the changes arising from the adoption of the new/revised FRSs issued by MASB that are effective for financial year beginning on or after 1 January 2006.

The principal effect of the changes in accounting policies resulting from the adoption of the new/revised FRSs are summarised as follows:

(a) FRS 101: Presentation of Financial Statements

The adoption of FRS 101 has no financial impact on the Group but affected the presentation of minority interest and certain disclosures. Minority interest is now presented within total equity in the Consolidated Balance Sheet and as an allocation from net profit for the period in the Consolidated Income Statement. The movement of minority interest is now presented in the Consolidated Statement of Changes in Equity. The share of jointly controlled entity's results is now presented net of tax in the Consolidated Income Statement.

(b) FRS 116: Property, Plant and Equipment

Following the adoption of FRS 116, the residual value of motor vehicles was reviewed and this had resulted in a reduction in annual depreciation charge of approximately RM140,000.

- A2 The audit report of the Company's most recent annual audited financial statements does not contain any qualification.
- A3 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for the gaming and recreation businesses that may be favourably impacted by the festive seasons.

**NOTES (CONTINUED)**

- A4 a) There were no other unusual items as a result of their nature, size or incidence that had affected the financial statements for the financial period ended 31 October 2006 except for the following:

	Current Quarter RM'000	Financial Period ended 31-10-06 RM'000
Impairment in value of goodwill	(213)	(426)
Write back of impairment in value of quoted investments	3,062	3,128
	<u>2,849</u>	<u>2,702</u>

- b) There were no material changes in estimates during the financial period ended 31 October 2006.
- A5 There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 October 2006.
- A6 The Company did not pay any dividend in the current period ended 31 October 2006.
- A7 Segmental information for the financial period ended 31 October 2006:

	External RM '000	Inter - segment RM '000	Total RM '000
<b><u>REVENUE</u></b>			
Property development and investment	38,105	-	38,105
Gaming	92,645	1,761	94,406
Retail and trading	11,142	-	11,142
Recreation	6,611	-	6,611
Elimination : Intersegment revenue	-	(1,761)	(1,761)
Total revenue	<u>148,503</u>	<u>-</u>	<u>148,503</u>
			Total RM '000
Property development and investment			7,794
Gaming			11,230
Retail and trading			(4,002)
Recreation			(2,351)
Unallocated corporate expenses			(473)
Operating profit			<u>12,198</u>
Results from investing activities			
- Interest income			732
- Others			2,702
			3,434
Finance costs			(28,996)
Share of results after tax from jointly controlled entity			471
Loss before taxation			(12,893)
Income taxes			(3,000)
Net loss after taxation			<u>(15,893)</u>

**NOTES (CONTINUED)**

- A8 The valuation of land and building have been brought forward without amendment from the previous annual report and no revaluation has been carried out since 30 April 2006.
- A9 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this interim period.
- A10 There were no material changes in the composition of the Group up to the date of this announcement including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the cessation of business by two wholly owned subsidiaries, BTS Department Store Sdn Bhd and Shasta Supermarket Sdn Bhd in August 2006.
- A11 There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.



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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group registered a revenue of RM64.3 million and pre-tax loss of RM10.1 million in the current quarter ended 31 October 2006 as compared to a revenue of RM78.2 million and pre-tax loss of RM7.4 million reported in the previous year corresponding quarter. The drop in revenue was mainly due to the cessation of business by two wholly owned subsidiaries of Berjaya Times Square Sdn Bhd ("BTSSB"), namely BTS Department Store Sdn Bhd ("BTS Department") and Shasta Supermarket Sdn Bhd ("Shasta Supermarket") in August 2006. The gaming business operated by Natural Avenue Sdn Bhd ("NASB") also reported a lower revenue (registering a decrease of 3%) due to having two draws less as compared to the previous year corresponding quarter.

The Group's higher pre-tax loss in the current quarter under review was mainly due to a loss on disposal of plant and equipment incurred from the cessation of business by BTS Department and Shasta Supermarket. On the gaming business, NASB reported an increase of 9% in its pre-tax profit as a result of lower prize payout ratio in the current quarter as compared to the previous year corresponding quarter.

As for the cumulative six months ended 31 October 2006, the Group registered a revenue of RM148.5 million and a pre-tax loss of RM12.9 million as compared to a revenue of RM156.6 million and a pre-tax loss of RM15.3 million reported in the previous year corresponding period. The drop in revenue was mainly due to the cessation of the two wholly owned subsidiaries as mentioned above, mitigated by the higher revenue achieved by NASB in spite of having two draws less in this financial period under review. The lower pre-tax loss was mainly attributed to the writeback of impairment in value of certain quoted investments in the current financial period.

B2 As compared to the preceding quarter ended 31 July 2006, the Group registered a drop in revenue from RM84.2 million to RM64.3 million whilst it reported a higher pre-tax loss of RM10.1 million from RM2.8 million in the current quarter under review. The drop in revenue was mainly due to lower sales (registering 41% reduction) recorded by BTSSB Group after the cessation of business by two of its wholly owned subsidiaries as mentioned in Note B1. In addition, NASB also reported 11% drop in revenue mainly due to having three draws less compared to the preceding quarter. The Group incurred a loss on disposal of plant and equipment from the cessation of business by BTS Department and Shasta Supermarket which gave rise to a higher pre-tax loss in the current quarter as compared to preceding quarter, coupled with the lower pre-tax profit registered by NASB arising from its lower sales.

B3 The Board envisaged that the financial performance of the Group will show improvement with targetted sale of properties in the second half of the financial year ending 30 April 2007. The Board also expects the gaming business in Sarawak operated by NASB to register favourable results in the forthcoming financial quarters.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 October 2006.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B5 The taxation charge for the financial period ended 31 October 2006 is detailed as follows:

	Current Quarter 31-10-06 RM'000	Financial Period ended 31-10-06 RM'000
Malaysian taxation:		
Current quarter/period provision	1,366	3,097
Deferred	(49)	(97)
	<u>1,317</u>	<u>3,000</u>

The tax charge of the Group for the quarter ended 31 October 2006 relates to the chargeable income of certain subsidiaries.

B6 For the financial period ended 31 October 2006, there are no gains on disposal of properties and unquoted investments except for the subsidiary company with principal activity of property development.

B7 (a) Investment in quoted securities as at 31 October 2006 are as follows:

	RM'000
Quoted investment in Malaysia at cost	<u>28,029</u>
Quoted investment in Malaysia at carrying value	<u>15,256</u>
Quoted investment in Malaysia at market value	<u>15,320</u>

(b) Investment in quoted Malaysian Government Securities as at 31 October 2006 are as follows:

	RM'000
Total quoted investment in Malaysia at cost	<u>1,000</u>
Total quoted investment in Malaysia at carrying value	<u>1,000</u>
Total quoted investment in Malaysia at market value	<u>1,003</u>

B8 The Company does not have any outstanding corporate proposals at the date of this announcement.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B9 There were no debt securities and the group borrowings as at 31 October 2006 are as follows:

	RM'000
Short term borrowings	73,400
Long term borrowings	<u>603,289</u>
Total borrowings	<u><u>676,689</u></u>

B10 There were no financial instruments with off balance sheet risk as at the date of this announcement.

B11 There was no pending material litigation since the last annual balance sheet date to the date of this announcement.

B12 The Board does not recommend any dividend in the current quarter (previous year corresponding quarter ended 31 October 2005 : Nil).

B13 The loss per share is calculated by dividing loss attributable to equity holders of the Parent by the number of ordinary shares in issue.

<b>Basic loss per share</b>	<b>3 MONTHS ENDED</b>		<b>PERIOD ENDED</b>	
	<b>31/10/06</b>	<b>31/10/05</b>	<b>31/10/06</b>	<b>31/10/05</b>
Net loss for the period (RM'000)	(12,316)	(9,775)	(18,232)	(20,547)
Weighted average number of ordinary shares ('000)	905,050	905,050	905,050	905,050
Basic loss per share (sen)	(1.36)	(1.08)	(2.01)	(2.27)

No diluted loss per share is presented for the current quarter as there is no potential ordinary shares outstanding.

cc: Securities Commission