

MATRIX INTERNATIONAL BERHAD
(COMPANY NO: 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JANUARY 2007

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MATRIX INTERNATIONAL BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JANUARY 2007
CONDENSED CONSOLIDATED BALANCE SHEET**

		Group	
	Note	As at 31/01/07	As at 30/04/06
		RM'000	(Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		217,991	238,464
Investment properties		1,305,875	1,304,962
Jointly controlled entity		6,242	5,438
Investments	B7	22,954	13,178
Goodwill on consolidation		218,486	219,124
Other intangible asset		5,692	5,880
		1,777,240	1,787,046
CURRENT ASSETS			
Inventories		267,433	284,176
Receivables		17,901	23,232
Deposits with licensed banks		40,977	38,141
Cash and bank balances		2,592	9,382
		328,903	354,931
TOTAL ASSETS		2,106,143	2,141,977
EQUITY			
Share capital		905,050	905,050
Share premium		312,621	312,621
Accumulated loss		(42,967)	(23,475)
Equity attributable to equity holders of the parent		1,174,704	1,194,196
Minority interest		4,557	1,274
Total equity		1,179,261	1,195,470
NON-CURRENT LIABILITIES			
Long term bank borrowings		532,789	590,015
Other long term liabilities		89,747	89,817
Deferred tax liabilities		17,485	17,630
		640,021	697,462
CURRENT LIABILITIES			
Payables		156,392	175,071
Short term borrowings		129,400	72,550
Provision for taxation		1,069	1,424
		286,861	249,045
TOTAL EQUITY AND LIABILITIES		2,106,143	2,141,977
<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 JANUARY 2007
CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		9 MONTHS ENDED	
		31/01/07	31/01/06	31/01/07	31/01/06
		RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>					
Revenue		90,043	135,534	227,404	273,844
Operating expenses, net		(82,306)	(106,782)	(203,819)	(231,039)
Profit from operations		7,737	28,752	23,585	42,805
Results arising from investing activities		7,379	4,210	10,771	3,535
Share of results from jointly controlled entity		334	198	805	445
Finance costs		(14,312)	(14,080)	(43,295)	(42,871)
Profit/(Loss) before taxation		1,138	19,080	(8,134)	3,914
Taxation	B5	(1,220)	(1,434)	(4,220)	(4,472)
(Loss)/Profit for the period from continuing operations		(82)	17,646	(12,354)	(558)
<u>Discontinued Operations</u>					
(Loss)/Profit for the period from discontinued operations		(234)	1,036	(3,855)	885
(Loss)/Profit for the period		(316)	18,682	(16,209)	327
Attributable to:					
- Equity holders of the Parent		(1,260)	17,440	(19,492)	(3,107)
- Minority interest		944	1,242	3,283	3,434
		(316)	18,682	(16,209)	327
(Loss)/Profit per share (sen):					
Basic, for the period from continuing operations	B13	(0.11)	1.81	(1.73)	(0.44)
Basic, for the period from discontinued operations	B13	(0.03)	0.11	(0.43)	0.10
Basic, for the period	B13	(0.14)	1.93	(2.15)	(0.34)

Note: Certain comparative figures have been reclassified to conform to current financial period's presentation.

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 JANUARY 2007
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 period	-	-	(3,107)	(3,107)	3,434	327
Dividend paid	-	-	-	-	(2,014)	(2,014)
At 31 January 2006	905,050	312,621	(10,091)	1,207,580	3,074	1,210,654
At 1 May 2006	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
Net loss for the period	-	-	(19,492)	(19,492)	3,283	(16,209)
At 31 January 2007	905,050	312,621	(42,967)	1,174,704	4,557	1,179,261

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 JANUARY 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	9 MONTHS ENDED	
	31/01/07	31/01/06
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	223,863	255,019
Payments for operating expenses (including taxes)	(178,232)	(189,646)
Other payments	(56)	(310)
	<hr/>	<hr/>
Net cash generated from operating activities	45,575	65,063
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of plant and machinery	5,847	427
Acquisition of plant and machinery	(1,056)	(1,982)
Interest received	1,228	429
Dividend received	413	413
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	6,432	(713)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to minority shareholders	(2,842)	(4,102)
Bank borrowings and loan finance	15,123	18,877
Repayment of borrowings and loan	(15,500)	(50,000)
Repayment of other borrowings	(9,444)	-
Interest paid	(43,257)	(13,842)
Other (payments)/receipts	(41)	47
	<hr/>	<hr/>
Net cash used in financing activities	(55,961)	(49,020)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,954)	15,330
OPENING CASH AND CASH EQUIVALENTS	47,523	32,882
CLOSING CASH AND CASH EQUIVALENTS	<hr/> <hr/>	<hr/> <hr/>
	43,569	48,212
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	40,977	42,743
Cash and bank balances	2,592	5,469
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	43,569	48,212

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 5: Non-current Assets Held for Sale and Discontinued Operations

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

- (b) 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.

- (c) 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 January 2007 except for the following:

	Current Quarter RM'000	Financial Period ended 31-01-07 RM'000
Impairment in value of goodwill	(212)	(638)
Write back of impairment in value of quoted investments	6,699	9,827
	<u>6,487</u>	<u>9,189</u>

b) There were no material changes in estimates during the financial period ended 31 January 2007.

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 January 2007.

A6 The Company did not pay any dividend in the current period ended 31 January 2007.

A7 Segmental information for the financial period ended 31 January 2007:

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
<u>Revenue from continuing operations:</u>			
Property development and investment	71,001	-	71,001
Gaming	145,776	2,771	148,547
Recreation	10,627	-	10,627
Elimination : Intersegment revenue	-	(2,771)	(2,771)
Total revenue from continuing operations	<u>227,404</u>	<u>-</u>	<u>227,404</u>
<u>Revenue from discontinued operations:</u>			
Retail and trading	11,142	-	11,142
Total revenue	<u>238,546</u>	<u>-</u>	<u>238,546</u>

NOTES (CONTINUED)

Segmental information (cont'd)	Results from continuing operations RM '000	Results from discontinued operations RM '000	Total RM '000
<u>RESULTS</u>			
Property development and investment	12,020	-	12,020
Gaming	16,011	-	16,011
Retail and trading	(527)	(3,885)	(4,412)
Recreation	(3,102)	-	(3,102)
Unallocated corporate expenses	(817)	-	(817)
Operating profit/(loss)	<u>23,585</u>	<u>(3,885)</u>	<u>19,700</u>
Results from investing activities			
- Interest income	<u>1,009</u>	<u>44</u>	<u>1,053</u>
- Others	<u>9,762</u>	<u>-</u>	<u>9,762</u>
	<u>10,771</u>	<u>44</u>	<u>10,815</u>
	34,356	(3,841)	30,515
Finance costs	(43,295)	(14)	(43,309)
Share of results after tax from jointly controlled entity	<u>805</u>	<u>-</u>	<u>805</u>
Loss before taxation	<u>(8,134)</u>	<u>(3,855)</u>	<u>(11,989)</u>
Income taxes	(4,220)	-	(4,220)
Net loss after taxation	<u><u>(12,354)</u></u>	<u><u>(3,855)</u></u>	<u><u>(16,209)</u></u>

- 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.

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

B1 The Group registered a revenue of RM90 million and pre-tax profit of RM0.9 million in the current quarter ended 31 January 2007 as compared to a revenue of RM148 million and pre-tax profit of RM20.1 million reported in the previous year corresponding quarter. The drop in revenue was mainly due to lower property sales registered by Berjaya Times Square Sdn Bhd ("BTSSB") and the cessation of business by two wholly owned subsidiaries of BTSSB, namely BTS Department Store Sdn Bhd ("BTS Department") and Shasta Supermarket Sdn Bhd ("Shasta Supermarket") in August 2006 (The vacated space by BTS Department and Shasta Supermarket has now been tenanted to the major local retailers, namely Metrojaya and Cold Storage respectively). However, the gaming business operated by Natural Avenue Sdn Bhd ("NASB") reported a higher revenue (registering an increase of 3%) due to having an additional draw as compared to the previous year corresponding quarter.

The lower Group pre-tax profit registered in the current quarter under review was mainly due to lower property sales having low margin coupled with the previous year corresponding quarter having received a one time special dividend income from certain quoted investments. On the gaming business, NASB reported a decrease of 25% in its pre-tax profit as a result of higher prize payout in the current quarter as compared to the previous year corresponding quarter. The lower pre-tax profit was partly mitigated by the writeback of impairment of value of certain quoted investments in the current quarter.

For the cumulative nine months ended 31 January 2007, the Group registered a revenue of RM238.5 million and a pre-tax loss of RM12 million as compared to a revenue of RM304.9 million and a pre-tax profit of RM4.8 million reported in the previous year corresponding period. The drop in revenue was mainly due to lower property sales and the cessation of the two wholly owned subsidiaries as mentioned above, mitigated by the higher revenue achieved by NASB in spite of having one draw less in this financial period under review. The pre-tax loss of the current financial period was mainly attributed to lower recorded property sales coupled with the loss incurred on disposal of plant and equipment from the cessation of its two wholly owned subsidiaries and the lack of non recurring special dividend income from certain quoted investments, mitigated by the writeback of impairment of value of certain quoted investments as mentioned in the above paragraph.

B2 As compared to the preceding quarter ended 31 October 2006, the Group registered an increase in revenue from RM64.3 million to RM90 million whilst it reported a pre-tax profit of RM0.9 million from a pre-tax loss of RM10.1 million in the current quarter under review. The increase in revenue was mainly due to improved properties sales recorded by BTSSB Group and a 22% increase in revenue by NASB with its four additional draws in the quarter under review. Other than the improved revenue that contributed to the pre-tax profit for this current quarter, the Group also had a writeback of impairment in value of certain quoted investments.

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

B3 The Directors envisage that after taking into account the expected completion of the proposed disposal as detailed in Note B8 in the forthcoming quarter, the overall financial performance of the Group will remain satisfactory. The Directors also expect the gaming business in Sarawak operated by NASB to register favourable results in the forthcoming financial quarter which have the benefit of sales from the Chinese Lunar New Year festive season in the month of February 2007.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2007.

B5 The taxation charge for the financial period ended 31 January 2007 is detailed as follows:

	Current Quarter 31-01-07 RM'000	Financial Period ended 31-01-07 RM'000
Malaysian taxation:		
Current quarter/period provision	1,260	4,357
Under provision in prior years	8	8
Deferred	(48)	(145)
	<u>1,220</u>	<u>4,220</u>

The tax charge of the Group for the quarter and financial period ended 31 January 2007 relates to the chargeable income of certain subsidiaries.

B6 For the financial period ended 31 January 2007, 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 January 2007 are as follows:

	RM'000
Quoted investment in Malaysia at cost	28,029
Quoted investment in Malaysia at carrying value	<u>21,954</u>
Quoted investment in Malaysia at market value	<u>22,714</u>

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

(b) Investment in quoted Malaysian Government Securities as at 31 January 2007 are as follows:

	RM'000
Total quoted investment in Malaysia at cost	1,000
Total quoted investment in Malaysia at carrying value	<u>1,000</u>
Total quoted investment in Malaysia at market value	<u><u>1,079</u></u>

B8 On 14 December 2006, the Company announced the proposed disposal by Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly owned subsidiary of the Company of 175 units of fully furnished service suite and 6 units of penthouse service suite in Berjaya Times Square, Jalan Imbi, Kuala Lumpur to Dian Kristal Sdn Bhd ("Dian Kristal"), a wholly owned subsidiary of Berjaya Vacation Club Berhad which in turn is a wholly owned subsidiary of Berjaya Land Berhad for a total cash consideration of RM90.0 million ("Proposed Disposal"). The Group is expected to realise a gross gain on disposal of approximately RM18.37 million based on the net book value of the service suites and penthouses as at 30 April 2006 of RM71.63 million.

On 28 December 2006, the Board announced the signing of 181 sale and purchase agreements and a master supplemental agreement between BTSSB and Dian Kristal in respect of the Proposed Disposal. The cash consideration is payable within 3 months from the date of the sale and purchase agreements or 14 days from the date of the last approval is obtained, whichever is later.

The shareholders' approval of the Company was obtained at an extraordinary general meeting held on 8 March 2007 and the aforesaid proposal is now pending completion.

B9 There were no debt securities and the group borrowings as at 31 January 2007 are as follows:

	RM'000
Short term borrowings	129,400
Long term borrowings	<u>532,789</u>
Total borrowings	<u><u>662,189</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 January 2006 : Nil).

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

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

Basic (loss)/profit per share	3 MONTHS ENDED		PERIOD ENDED	
	31/01/07	31/01/06	31/01/07	31/01/06
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period from continuing operations	(1,026)	16,404	(15,637)	(3,992)
(Loss)/Profit for the period from discontinued operations	<u>(234)</u>	<u>1,036</u>	<u>(3,855)</u>	<u>885</u>
Net (loss)/profit for the period	<u>(1,260)</u>	<u>17,440</u>	<u>(19,492)</u>	<u>(3,107)</u>
Weighted average number of ordinary shares ('000)	905,050	905,050	905,050	905,050
Basic (loss)/profit per share (sen):				
(Loss)/Profit from continuing operations	(0.11)	1.81	(1.73)	(0.44)
(Loss)/Profit from discontinued operations	<u>(0.03)</u>	<u>0.11</u>	<u>(0.43)</u>	<u>0.10</u>
Net (loss)/profit per share for the period	<u>(0.14)</u>	<u>1.93</u>	<u>(2.15)</u>	<u>(0.34)</u>

No diluted (loss)/profit per share is presented for the current quarter as there are no potential ordinary shares outstanding.

cc: Securities Commission