

MATRIX INTERNATIONAL BERHAD
(COMPANY NO: 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JULY 2007

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MATRIX INTERNATIONAL BERHAD
(COMPANY NO : 3907-W)

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

	Note	<u>Group</u>	
		As at 31/07/07 RM'000	As at 30/04/07 (Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		211,956	214,942
Investment properties		1,305,565	1,305,915
Jointly controlled entity		6,231	6,581
Investments	B7	45,180	32,337
Intangible assets		164,691	164,966
		<u>1,733,623</u>	<u>1,724,741</u>
CURRENT ASSETS			
Inventories		196,199	196,230
Receivables		19,019	20,834
Deposits with licensed banks		28,681	37,468
Cash and bank balances		6,392	4,543
		<u>250,291</u>	<u>259,075</u>
TOTAL ASSETS		<u><u>1,983,914</u></u>	<u><u>1,983,816</u></u>
EQUITY			
Share capital		905,050	905,050
Share premium		312,621	312,621
Accumulated losses		(135,402)	(136,290)
Equity attributable to equity holders of the parent		1,082,269	1,081,381
Minority interests		1,656	440
Total equity		<u>1,083,925</u>	<u>1,081,821</u>
NON-CURRENT LIABILITIES			
Long term borrowings		531,765	533,139
Other long term liabilities		89,729	89,738
Deferred tax liabilities		66,481	66,527
		<u>687,975</u>	<u>689,404</u>
CURRENT LIABILITIES			
Payables		157,508	158,868
Short term borrowings		52,852	52,502
Tax payable		1,654	1,221
		<u>212,014</u>	<u>212,591</u>
Total liabilities		<u>899,989</u>	<u>901,995</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,983,914</u></u>	<u><u>1,983,816</u></u>
<i>Net assets per share attributable to ordinary equity holders of the parent (sen)</i>			
		120	119

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 JULY 2007
CONDENSED CONSOLIDATED INCOME STATEMENT

		3 MONTHS ENDED	
	Note	31/07/07	31/07/06
		RM'000	RM'000
<u>Continuing Operations</u>			
Revenue		74,856	74,160
Operating expenses, net		(63,805)	(64,314)
Profit from operations		11,051	9,846
Other income		4,731	619
Other expenses		(275)	(523)
Share of results from jointly controlled entity		380	251
Finance costs		(12,406)	(14,482)
Profit/(loss) before tax		3,481	(4,289)
Income tax expense	B5	(1,377)	(1,683)
Profit/(loss) for the quarter from continuing operations		2,104	(5,972)
<u>Discontinued Operation</u>			
Profit for the quarter from discontinued operation		-	1,451
Profit/(loss) for the quarter		2,104	(4,521)
Attributable to:			
- Equity holders of the Parent		888	(5,916)
- Minority interest		1,216	1,395
		2,104	(4,521)
Earnings/(loss) per share (sen):			
Basic, for the quarter from continuing operations	B13	0.10	(0.81)
Basic, for the quarter from discontinued operation	B13	-	0.16
Basic, for the quarter	B13	0.10	(0.65)

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 JULY 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 losses RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
At 1 May 2006	905,050	312,621	(23,475)	1,194,196	1,274	1,195,470
Loss for the quarter, representing total recognised income and expense for the quarter	-	-	(5,916)	(5,916)	1,395	(4,521)
At 31 July 2006	905,050	312,621	(29,391)	1,188,280	2,669	1,190,949
At 1 May 2007	905,050	312,621	(136,290)	1,081,381	440	1,081,821
Profit for the quarter, representing total recognised income and expense for the quarter	-	-	888	888	1,216	2,104
At 31 July 2007	905,050	312,621	(135,402)	1,082,269	1,656	1,083,925

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 JULY 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	3 MONTHS ENDED	
	31/07/07	31/07/06
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	74,125	76,589
Payments for operating expenses (including taxes)	(57,686)	(60,640)
Other receipts/(payments)	695	(56)
	<hr/>	<hr/>
Net cash generated from operating activities	17,134	15,893
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of plant and machinery	-	1
Acquisition of plant and machinery	(260)	(224)
Acquisition of other investments	(10,813)	-
Interest received	268	333
Dividend received	745	-
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(10,060)	110
	<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to minority shareholders	(637)	(2,842)
Bank borrowings and loan finance	-	14,344
Repayment of borrowings and loan	(1,024)	(5,230)
Interest paid	(12,405)	(14,480)
Other receipts	54	56
	<hr/>	<hr/>
Net cash used in financing activities	(14,012)	(8,152)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,938)	7,851
	<hr/>	<hr/>
OPENING CASH AND CASH EQUIVALENTS	42,011	47,523
CLOSING CASH AND CASH EQUIVALENTS	35,073	55,374
	<hr/> <hr/>	<hr/> <hr/>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	28,681	41,706
Cash and bank balances	6,392	13,668
	<hr/>	<hr/>
	35,073	55,374
	<hr/> <hr/>	<hr/> <hr/>

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 2007.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2007 have been applied in the preparation of the interim financial report under review except for the adoption of the new/revised Financial Reporting Standards ("FRS") 117: Leases and FRS 124: Related Party Disclosures which were effective for financial periods beginning on or after 1 October 2006. These FRSs have no significant impact on the financial statements of the Group upon their initial application.

- 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.
- 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 July 2007 except for the following:

	Current Quarter ended 31/7/2007 RM'000
Amortisation of intangible assets	(275)
Write back of impairment in value of quoted investments	4,429
	<u>4,154</u>

- b) There were no material changes in estimates during the financial period ended 31 July 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 July 2007.
- A6 The Company did not pay any dividend in the current period ended 31 July 2007.

NOTES (CONTINUED)

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

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
<u>Revenue from continuing operations:</u>			
Property development and investment	18,156	-	18,156
Gaming	52,883	1,006	53,889
Recreation	3,817	-	3,817
Elimination : Intersegment revenue	-	(1,006)	(1,006)
Total revenue from continuing operations	<u>74,856</u>	<u>-</u>	<u>74,856</u>
<u>Revenue from discontinued operation:</u>			
Retail and trading	-	-	-
Total revenue	<u><u>74,856</u></u>	<u><u>-</u></u>	<u><u>74,856</u></u>
<u>RESULTS</u>	Results from continuing operations RM '000	Results from discontinued operation RM '000	Total RM '000
Property development and investment	10,599	-	10,599
Gaming	5,777	-	5,777
Retail and trading	(175)	-	(175)
Recreation	(911)	-	(911)
Unallocated corporate expenses	(64)	-	(64)
	<u>15,226</u>	<u>-</u>	<u>15,226</u>
Interest income	281	-	281
Finance costs	(12,406)	-	(12,406)
Share of results of a jointly controlled entity	380	-	380
Profit before tax	<u>3,481</u>	<u>-</u>	<u>3,481</u>
Income tax expense	(1,377)	-	(1,377)
Profit for the quarter	<u><u>2,104</u></u>	<u><u>-</u></u>	<u><u>2,104</u></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 1 May 2007.
- 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.
- 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 RM74.9 million and pre-tax profit of RM3.5 million in the current quarter ended 31 July 2007 as compared to a revenue of RM84.2 million (comprised of RM74.2 million from continuing operations and RM10 million from discontinued operation) and pre-tax loss of RM2.8 million (comprised of pre-tax loss of RM4.3 million from continuing operations and pre-tax profit of RM1.5 million from discontinued operation) 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. However, the gaming business operated by Natural Avenue Sdn Bhd ("NASB") reported a higher revenue (registering 8% growth) on similar number of draws as compared to the previous year corresponding quarter.

The Group recorded a pre-tax profit in the current quarter under review mainly attributed to the writeback of impairment in value of certain quoted investments arising from improved stock market conditions. On the gaming business, NASB reported a decrease of 15% in its pre-tax profit as a result of higher prize payout in the current quarter as compared to the previous year corresponding quarter.

B2 As compared to the preceding quarter ended 30 April 2007, the Group registered a decrease in revenue from RM160.4 million to RM74.9 million and reported a pre-tax profit of RM3.5 million from a pre-tax loss of RM24.5 million (comprised of pre-tax loss of RM24.43 million from continuing operations and pre-tax loss of RM0.02 million from discontinued operation) in the current quarter under review. The drop in revenue in the current quarter as compared to preceding quarter was mainly due to the low property sales registered. In addition, in the preceding quarter ended 30 April 2007, BTSSB recorded a high revenue from the completion of its disposal of 181 units of service suites. The Group recorded a pre-tax profit in the current quarter under review mainly due to the writeback of impairment in value of certain quoted investments as explained above. In the preceding quarter, the Group incurred a non-recurring impairment in value of goodwill of RM58.9 million.

B3 In light of the country's current economy, the Directors are confident that the remaining quarters of the financial year ending 30 April 2008 will show satisfactory results. The Directors also expect the gaming business in Sarawak operated by NASB to show favourable results in the forthcoming financial quarters in view of better customer service coupled with increasing popularity of its product.

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

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

B5 The income tax expense for the financial period ended 31 July 2007 are detailed as follows:

	Current Quarter ended 31/7/2007 RM'000
Malaysian income tax:	
Current quarter provision	1,422
Deferred	(45)
	<u>1,377</u>

B6 For the financial period ended 31 July 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) The acquisition of quoted securities during the financial period ended 31 July 2007 were as follows:

	Current Quarter 31/7/2007 RM'000
Cost of purchase of quoted securities	<u>8,414</u>

(b) Investment in quoted securities as at 31 July 2007 are as follows:

	RM'000
Quoted investment in Malaysia at cost	44,479
Quoted investment in Malaysia at carrying value	<u>44,180</u>
Quoted investment in Malaysia at market value	<u>60,085</u>

(c) Investment in quoted Malaysian Government Securities as at 31 July 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>1,092</u>

B8 The Group does not have any corporate proposals at the date of this announcement save for the Proposed Rights Issue with Warrants that will be announced on even date.

**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 July 2007 are as follows:

	RM'000
Short term borrowings	52,852
Long term borrowings	531,765
Total borrowings	<u>584,617</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 July 2006 : Nil).

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

	3 Months Ended	
	31/07/07	31/07/06
	RM'000	RM'000
Profit/(loss) for the quarter from continuing operations	888	(7,367)
Profit for the quarter from discontinued operation	-	1,451
Profit/(loss) for the quarter	<u>888</u>	<u>(5,916)</u>
Weighted average number of ordinary shares ('000)	905,050	905,050
Basic earnings/(loss) per share (sen):		
Profit/(loss) from continuing operations	0.10	(0.81)
Profit from discontinued operation	-	0.16
Earnings/(loss) per share for the quarter	<u>0.10</u>	<u>(0.65)</u>

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

cc: Securities Commission