

MATRIX INTERNATIONAL BERHAD
(COMPANY NO: 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 OCTOBER 2007

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MATRIX INTERNATIONAL BERHAD
(COMPANY NO : 3907-W)

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

		Group	
	Note	As at 31/10/07	As at 30/04/07
		RM'000	(Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		209,305	214,942
Investment properties		1,305,621	1,305,915
Jointly controlled entity		6,494	6,581
Investments	B7	43,175	32,337
Intangible assets		164,415	164,966
		1,729,010	1,724,741
CURRENT ASSETS			
Inventories		189,300	196,230
Receivables		25,872	20,834
Deposits with licensed banks		32,557	37,468
Cash and bank balances		2,693	4,543
		250,422	259,075
TOTAL ASSETS		1,979,432	1,983,816
EQUITY			
Share capital		905,050	905,050
Share premium		312,621	312,621
Accumulated losses		(137,825)	(136,290)
Equity attributable to equity holders of the parent		1,079,846	1,081,381
Minority interests		3,685	440
Total equity		1,083,531	1,081,821
NON-CURRENT LIABILITIES			
Long term bank borrowings		530,939	533,139
Other long term liabilities		89,726	89,738
Deferred tax liabilities		66,437	66,527
		687,102	689,404
CURRENT LIABILITIES			
Payables		153,728	158,868
Short term borrowings		52,828	52,502
Tax payable		2,243	1,221
		208,799	212,591
Total liabilities		895,901	901,995
TOTAL EQUITY AND LIABILITIES		1,979,432	1,983,816
<i>Net assets per share attributable to ordinary equity holders of the parent (sen)</i>		119	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 OCTOBER 2007
CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		6 MONTHS ENDED	
		31/10/07	31/10/06	31/10/07	31/10/06
		RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>					
Revenue		80,047	63,201	154,903	137,361
Operating expenses, net		(67,220)	(57,074)	(131,025)	(121,388)
Profit from operations		12,827	6,127	23,878	15,973
Other income		1,678	3,199	6,409	3,818
Other expenses		(551)	(28)	(826)	(551)
Share of results from jointly controlled entity		263	220	643	471
Finance costs		(12,446)	(14,501)	(24,852)	(28,983)
Profit/(loss) before tax		1,771	(4,983)	5,252	(9,272)
Income tax expense	B5	(2,165)	(1,317)	(3,542)	(3,000)
(Loss)/profit for the quarter/period from continuing operations		(394)	(6,300)	1,710	(12,272)
<u>Discontinued Operation</u>					
Loss for the quarter/period from discontinued operation		-	(5,072)	-	(3,621)
(Loss)/profit for the quarter/period		(394)	(11,372)	1,710	(15,893)
Attributable to:					
- Equity holders of the Parent		(2,423)	(12,316)	(1,535)	(18,232)
- Minority interests		2,029	944	3,245	2,339
		(394)	(11,372)	1,710	(15,893)
Loss per share (sen):					
Basic, for the quarter/period from continuing operations	B13	(0.27)	(0.80)	(0.17)	(1.61)
Basic, for the quarter/period from discontinued operation	B13	-	(0.56)	-	(0.40)
Basic, for the quarter/period	B13	(0.27)	(1.36)	(0.17)	(2.01)

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 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 period, representing total recognised income and expense for the period	-	-	(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
At 1 May 2007	905,050	312,621	(136,290)	1,081,381	440	1,081,821
Profit/(loss) for the period, representing total recognised income and expense for the period	-	-	(1,535)	(1,535)	3,245	1,710
At 31 October 2007	905,050	312,621	(137,825)	1,079,846	3,685	1,083,531

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 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	6 MONTHS ENDED	
	31/10/07	31/10/06
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	156,006	142,443
Payments for operating expenses (including taxes)	(127,125)	(117,404)
Other receipts/(payments)	235	(953)
	<hr/>	<hr/>
Net cash generated from operating activities	29,116	24,086
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales of plant and machinery	2	5,845
Acquisition of plant and machinery	(809)	(941)
Sales of other investments	1,771	-
Acquisition of other investments	(10,813)	-
Interest received	499	701
Dividend received	745	-
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(8,605)	5,605
	<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to minority shareholders	(637)	(2,842)
Bank borrowings and loan finance	-	15,123
Repayment of borrowings and loan	(1,874)	(10,444)
Interest paid	(24,816)	(28,945)
Other receipts/(payments)	55	(30)
	<hr/>	<hr/>
Net cash used in financing activities	(27,272)	(27,138)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,761)	2,553
	<hr/>	<hr/>
OPENING CASH AND CASH EQUIVALENTS	42,011	47,523
	<hr/>	<hr/>
CLOSING CASH AND CASH EQUIVALENTS	35,250	50,076
	<hr/> <hr/>	<hr/> <hr/>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	32,557	38,963
Cash and bank balances	2,693	11,113
	<hr/>	<hr/>
	35,250	50,076
	<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 are 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 October 2007 except for the following:

	Current Quarter RM'000	Financial Period ended 31/10/2007 RM'000
Amortisation of intangible assets	(276)	(551)
(Impairment)/write back of impairment in value of quoted investments	(275)	4,154
Gain on disposal of investments	41	41
	<u>(510)</u>	<u>3,644</u>

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

NOTES (CONTINUED)

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

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
<u>Revenue from continuing operations:</u>			
Property development and investment	44,099	-	44,099
Gaming	103,593	1,969	105,562
Recreation	7,211	-	7,211
Elimination : Intersegment revenue	-	(1,969)	(1,969)
Total revenue from continuing operations	<u>154,903</u>	<u>-</u>	<u>154,903</u>
<u>Revenue from discontinued operation:</u>			
Retail and trading	-	-	-
Total revenue	<u><u>154,903</u></u>	<u><u>-</u></u>	<u><u>154,903</u></u>

<u>RESULTS</u>	Total RM '000
Property development and investment	17,553
Gaming	14,380
Retail and trading	(350)
Recreation	<u>(2,251)</u>
	29,332
Unallocated corporate expenses	(368)
Interest income	497
Finance costs	(24,852)
Share of results after tax from jointly controlled entity	<u>643</u>
Profit before tax	5,252
Income tax expense	<u>(3,542)</u>
Profit for the period	<u><u>1,710</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 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 RM80 million and pre-tax profit of RM1.8 million in the current quarter ended 31 October 2007 as compared to a revenue of RM64.3 million (comprised of RM63.2 million from continuing operations and RM1.1 million from discontinued operation) and pre-tax loss of RM10.1 million (comprised of pre-tax loss of RM5 million from continuing operations and pre-tax loss of RM5.1 million from discontinued operation) reported in the previous year corresponding quarter. The improvement in revenue was mainly due to higher properties sales registered by Berjaya Times Square Sdn Bhd ("BTSSB") Group. In addition, the gaming business operated by Natural Avenue Sdn Bhd ("NASB") reported a higher revenue (registering 17% growth) mainly arising from having two additional 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 higher profit contribution from the gaming business as explained in the following sentence and lower losses from BTSSB Group arising from higher property sales as well as the cessation of loss making retail and trading business of two wholly owned subsidiaries of BTSSB, namely BTS Department Store Sdn Bhd ("BTS Department") and Shasta Supermarket Sdn Bhd ("Shasta Supermarket") in August 2006. On the gaming business, NASB reported an increase of 105% in its pre-tax profit as a result of lower prize payout coupled with two additional draws in the current quarter as compared to the previous year corresponding quarter.

As for the cumulative six months ended 31 October 2007, the Group registered a revenue of RM154.9 million and a pre-tax profit of RM5.3 million as compared to a revenue of RM148.5 million (comprised of RM137.4 million from continuing operations and RM11.1 million from discontinued operation) and a pre-tax loss of RM12.9 million (comprised of pre-tax loss of RM9.3 million from continuing operations and pre-tax loss of RM3.6 million from discontinued operation) reported in the previous year corresponding period. The increase in revenue was mainly due to the higher revenue recorded by the gaming business. The gaming business operated through NASB achieved higher revenue (registering 12% growth) mainly due to having two additional draws in this financial period under review. The turnaround in profitability for this current financial period was mainly attributed to higher pre-tax profit contribution from the gaming business (registering 34% growth) as well as the curtailment of loss in the BTSSB Group arising from the cessation of the loss making companies (ie. BTS Department and Shasta Supermarket) as explained in the preceding paragraph.

B2 As compared to the preceding quarter ended 31 July 2007, the Group registered an increase in revenue from RM74.9 million to RM80 million and reported a lower pre-tax profit of RM1.8 million from a pre-tax profit of RM3.5 million. The increase in revenue was mainly due to higher property sales registered by BTSSB in this quarter under review even though NASB recorded a 4% drop in revenue as a result of having one draw less when compared to the preceding quarter. The lower pre-tax profit recorded in the current quarter under review was mainly attributed to the preceding quarter having accounted for the higher writeback of impairment in value of certain quoted investments.

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

B3 With the country's current stable economic fundamentals and barring unforeseen circumstances, the Directors expect the operating results of the remaining quarters of the financial year ending 30 April 2008 will be satisfactory. The Directors also expect the gaming business in Sarawak operated by NASB to show favourable results in the forthcoming financial quarters as the major festivities fall in the second half of the financial year ending 30 April 2008 which traditionally record higher sales.

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

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

	Current Quarter 31/10/07 RM'000	Financial Period ended 31/10/07 RM'000
Malaysian taxation:		
Current quarter/period provision	2,612	4,034
Over provision in prior years	(402)	(402)
Deferred	(45)	(90)
	<u>2,165</u>	<u>3,542</u>

B6 For the financial period ended 31 October 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 and disposal of quoted securities during the current quarter and financial period ended 31 October 2007 were as follows:

	Current Quarter 31/10/07 RM'000	Financial Period ended 31/10/07 RM'000
Cost of purchase of quoted securities	<u>8,414</u>	<u>8,414</u>
Proceeds of quoted securities disposed	<u>1,771</u>	<u>1,771</u>
Gain on disposal of quoted securities	<u>41</u>	<u>41</u>

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

B7 (b) Investment in quoted securities as at 31 October 2007 are as follows:

	RM'000
Quoted investment in Malaysia at cost	42,749
Quoted investment in Malaysia at carrying value	<u>42,175</u>
Quoted investment in Malaysia at market value	<u><u>145,458</u></u>

(c) Investment in quoted Malaysian Government Securities as at 31 October 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>1,090</u></u>

B8 On 12 September 2007, the Company announced to undertake a proposed renounceable two-call rights issue of up to 226,262,597 new ordinary shares of RM1.00 each ("Rights Shares") together with up to 452,525,194 free detachable warrants ("Warrants"), at an issue price of RM1.00 per Rights Share, on the basis of one Rights Share together with two free Warrants for every four existing ordinary shares of RM1.00 each held.

The Controller of Foreign Exchange of Malaysia i.e. Bank Negara Malaysia, had vide its letter dated 13 November 2007 granted approval for the above proposal.

On 5 December 2007, the Company announced that the approval from Securities Commission has been obtained for the above proposal vide its letter dated 27 November 2007.

The aforesaid proposal is pending approvals from:-

- (a) Bursa Malaysia Securities Berhad;
- (b) The shareholders of the Company; and
- (c) Any other relevant authorities or parties, if required.

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

Secured:	RM'000
Short term borrowings	52,828
Long term borrowings	<u>530,939</u>
Total borrowings	<u><u>583,767</u></u>

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

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

- 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 2006 : Nil).
- B13 The loss per share is calculated by dividing loss attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue.

	3 Months Ended		Period Ended	
	31/10/07	31/10/06	31/10/07	31/10/06
	RM'000	RM'000	RM'000	RM'000
Loss for the quarter/period from continuing operations	(2,423)	(7,244)	(1,535)	(14,611)
Loss for the quarter/period from discontinued operation	-	(5,072)	-	(3,621)
Loss for the quarter/period	<u>(2,423)</u>	<u>(12,316)</u>	<u>(1,535)</u>	<u>(18,232)</u>
Weighted average number of ordinary shares ('000)	905,050	905,050	905,050	905,050
Basic loss per share (sen):				
Loss from continuing operations	(0.27)	(0.80)	(0.17)	(1.61)
Loss from discontinued operation	-	(0.56)	-	(0.40)
Loss per share for the quarter/period	<u>(0.27)</u>	<u>(1.36)</u>	<u>(0.17)</u>	<u>(2.01)</u>

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

cc: Securities Commission