

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 OCTOBER 2008**

<u>Table of Contents</u>	Page
Condensed Consolidated Balance Sheet	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to the Unaudited Interim Financial Report	5 - 7
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	8 - 10

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2008  
CONDENSED CONSOLIDATED BALANCE SHEET**

	Note	<u>Group</u>	
		As at 31/10/08	As at 30/04/08 (Audited)
		RM'000	RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		205,091	210,925
Investment properties		1,314,491	1,314,491
Jointly controlled entity		7,698	7,149
Investments	B7	47,997	47,485
Intangible assets		163,314	163,865
		<u>1,738,591</u>	<u>1,743,915</u>
<b>CURRENT ASSETS</b>			
Inventories		183,453	183,492
Receivables		18,180	20,019
Deposits with licensed banks		23,607	34,829
Cash and bank balances		16,139	6,636
		<u>241,379</u>	<u>244,976</u>
<b>TOTAL ASSETS</b>		<u>1,979,970</u>	<u>1,988,891</u>
<b>EQUITY</b>			
Share capital		1,113,042	1,113,042
Share premium		258,985	258,985
Accumulated losses		(131,527)	(138,340)
Equity attributable to equity holders of the parent		<u>1,240,500</u>	<u>1,233,687</u>
Minority interests		2,035	3,078
Total equity		<u>1,242,535</u>	<u>1,236,765</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term bank borrowings		457,539	459,739
Other long term liabilities		116	130
Deferred tax liabilities		92,725	92,812
		<u>550,380</u>	<u>552,681</u>
<b>CURRENT LIABILITIES</b>			
Payables		112,230	125,358
Short term borrowings		73,400	73,485
Tax payable		1,425	602
		<u>187,055</u>	<u>199,445</u>
Total liabilities		<u>737,435</u>	<u>752,126</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,979,970</u>	<u>1,988,891</u>
<i>Net assets per share attributable to ordinary equity holders of the parent (sen)</i>		<i>111</i>	<i>111</i>

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 2008**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		6 MONTHS ENDED	
		31/10/08	31/10/07	31/10/08	31/10/07
		RM'000	RM'000	RM'000	RM'000
Revenue		75,041	80,047	147,065	154,903
Operating expenses		(55,206)	(68,095)	(118,633)	(132,700)
Profit from operations		19,835	11,952	28,432	22,203
Other income		5,438	2,356	7,025	7,694
Other expenses		(884)	(354)	(1,004)	(436)
Share of results from jointly controlled entity		183	263	549	643
Finance costs		(11,330)	(12,446)	(22,665)	(24,852)
Profit before tax		13,242	1,771	12,337	5,252
Income tax expense	B5	(2,125)	(2,165)	(3,333)	(3,542)
Profit / (loss) for the quarter / period		11,117	(394)	9,004	1,710
Attributable to:					
- Equity holders of the Parent		9,875	(2,423)	6,813	(1,535)
- Minority interests		1,242	2,029	2,191	3,245
		11,117	(394)	9,004	1,710
Earnings / (loss) per share (sen):					
Basic, for the quarter/period	B13	0.89	(0.27)	0.61	(0.17)

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 2008  
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 2007	905,050	312,621	(136,290)	1,081,381	440	1,081,821
(Loss)/profit 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
At 1 May 2008	1,113,042	258,985	(138,340)	1,233,687	3,078	1,236,765
Profit for the period, representing total recognised income and expense for the period	-	-	6,813	6,813	2,191	9,004
Dividend paid to minority interest of a subsidiary	-	-	-	-	(3,234)	(3,234)
At 31 October 2008	1,113,042	258,985	(131,527)	1,240,500	2,035	1,242,535

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 2008  
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>6 MONTHS ENDED</b>	
	<b>31/10/08</b>	<b>31/10/07</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	170,187	156,006
Payments for operating expenses (including taxes)	(142,503)	(127,125)
Other (payments)/receipts	(293)	235
Net cash generated from operating activities	<u>27,391</u>	<u>29,116</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales of plant and machinery	36	2
Acquisition of plant and machinery	(681)	(809)
Sales of other investments	-	1,771
Acquisition of other investments	(1,360)	(10,813)
Interest received	550	499
Dividend received	599	745
Net cash used in investing activities	<u>(856)</u>	<u>(8,605)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Rights Issue expenses	(35)	-
Dividend paid to minority shareholders	(3,234)	(637)
Repayment of borrowings and loan	(2,285)	(1,874)
Interest paid	(22,636)	(24,816)
Other receipts	21	55
Net cash used in financing activities	<u>(28,169)</u>	<u>(27,272)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,634)</b>	<b>(6,761)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>41,380</b>	<b>42,011</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>39,746</u></b>	<b><u>35,250</u></b>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	23,607	32,557
Cash and bank balances	16,139	2,693
	<u>39,746</u>	<u>35,250</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 2008.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2008 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"), amendments to FRSs and Interpretations, as listed in the audited financial statements for year ended 30 April 2008, which are effective for financial periods beginning on or after 1 July 2007. These FRSs have no significant impact on the financial statements of the Group upon their initial application.

- A2 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.

- A3 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 2008 except for the following:

	Current Quarter 31/10/2008 RM'000	Financial Period ended 31/10/2008 RM'000
Amortisation of intangible assets	(275)	(551)
Impairment in value of quoted investments	(806)	(848)
	<u>(1,081)</u>	<u>(1,399)</u>

- b) There were no material changes in estimates during the financial period ended 31 October 2008.

- A4 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 2008. In addition, none of the outstanding Warrants 2008/2018 were exercised in the period ended 31 October 2008.

- A5 The Company did not pay any dividend in the current quarter ended 31 October 2008.

NOTES (CONTINUED)

A6 Segmental information for the financial period ended 31 October 2008:

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
Property development and investment	42,670	-	42,670
Gaming and related activities	97,784	-	97,784
Recreation	6,611	-	6,611
Trading and others	-	1,855	1,855
Elimination : Intersegment revenue	-	(1,855)	(1,855)
Total revenue	<u>147,065</u>	<u>-</u>	<u>147,065</u>
			Total RM '000
Property development and investment			22,114
Gaming and related activities			10,358
Recreation			(2,815)
Trading and others			(932)
			<u>28,725</u>
Unallocated corporate expenses			(293)
Profit from operations			<u>28,432</u>
Other income			
- property development and investment			6,508
- gaming and related activities			356
- recreation			49
- trading and others			67
- unallocated			45
			<u>7,025</u>
Other expenses			
- gaming and related activities			(36)
- trading and others			(690)
- unallocated			(278)
			<u>(1,004)</u>
			34,453
Share of results after tax from jointly controlled entity			549
Finance costs			(22,665)
Profit before tax			<u>12,337</u>
Income tax expense			(3,333)
Profit for the period			<u>9,004</u>

A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this period.

**NOTES (CONTINUED)**

- A8 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.
- A9 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 For the Quarter**

The Group registered a revenue of RM75.04 million and pre-tax profit of RM13.24 million in the current quarter ended 31 October 2008 as compared to a revenue of RM80.05 million and pre-tax profit of RM1.77 million reported in the previous year corresponding quarter. The drop in revenue was mainly due to lower property sales reported by Berjaya Times Square Sdn Bhd ("BTSSB"). Similarly the gaming business operated by Natural Avenue Sdn Bhd ("NASB") also recorded a drop in revenue (about 4%) mainly due to having three draws less as compared to the previous year corresponding quarter.

The improved profit contribution from the property development and investment business arising from the completion of its disposal of 32 units of service suite by BTSSB had resulted in the Group recording a higher pre-tax profit in the current quarter even though NASB reported a drop in its pre-tax profit (about 39%) arising from higher prize payout as well as lower revenue as mentioned earlier as compared to previous year corresponding quarter.

**For the Six months period**

For the cumulative six months ended 31 October 2008, the Group registered a revenue of RM147.07 million and a pre-tax profit of RM12.34 million as compared to a revenue of RM154.9 million and a pre-tax profit of RM5.25 million reported in the previous year corresponding period. The decrease in revenue was mainly due to the lower revenue recorded by the gaming business, NASB (registering a drop of 6%) mainly due to having seven draws less as compared to the previous year corresponding period as well as lower sales registered by the property development and investment business.

The higher pre-tax profit in the current period under review was mainly due to the completion of its disposal of 32 units of service suite as mentioned earlier. In addition, the Group incurred a lower finance cost as a result of lower bank borrowings in the current financial period as compared to the previous year corresponding period.

**B2 Second Quarter vs First Quarter**

When compared with the preceding quarter ended 31 July 2008, the Group reported an increase of 4% in revenue from RM72.02 million to RM75.04 million. It reported a pre-tax profit of RM13.24 million as compared to a pre-tax loss of RM0.91 million in the preceding quarter. The increase in revenue was mainly due to the completion by BTSSB of its sales of the 32 units of service suite as mentioned earlier. The turnaround in profitability for this current quarter was mainly due to the improved profit contribution from BTSSB as mentioned above. In addition, NASB reported an increase of 33% in pre-tax profit for this current quarter as compared to the preceding quarter mainly due to lower prize payout.

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

**B3 Future Prospects**

Barring any unforeseen circumstances, the Directors envisage that the overall performance of the Group for the remaining financial quarters will be satisfactory. The Directors also expect the gaming business in Sarawak operated by NASB to show favourable results in the forthcoming financial quarters with the New Year and Chinese Lunar New Year festivities that fall in the second half of the financial year ending 30 April 2009.

**B4** There is no profit forecast or profit guarantee for the financial period ended 31 October 2008.

**B5** The income tax expense for the financial period ended 31 October 2008 are detailed as follows:

	Current Quarter 31/10/08 RM'000	Financial Period ended 31/10/08 RM'000
Malaysian taxation:		
Current quarter/period provision	2,169	3,420
Deferred	(44)	(87)
	<u>2,125</u>	<u>3,333</u>

The disproportionate tax charge of the Group for the period ended 31 October 2008 was mainly due to certain expenses being disallowed for tax purposes.

**B6** For the financial period ended 31 October 2008, there were 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 current quarter/period ended 31 October 2008 were as follows:

	Current Quarter 31/10/08 RM'000	Financial Period ended 31/10/08 RM'000
Cost of purchase of quoted securities	<u>-</u>	<u>1,360</u>

**(b)** Investment in quoted securities as at 31 October 2008 are as follows:

	RM'000
Quoted investment in Malaysia at cost	48,679
Quoted investment in Malaysia at carrying value	<u>46,997</u>
Quoted investment in Malaysia at market value	<u>93,478</u>

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

B7 (c) Investment in quoted Malaysian Government Securities as at 31 October 2008 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>1,050</u>

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

B9 There were no debt securities and the group borrowings as at 31 October 2008 are as follows:

Secured:	RM'000
Short term borrowings	73,400
Long term borrowings	<u>457,539</u>
Total borrowings	<u>530,939</u>

B10 There were no off balance sheet financial instruments as at the date of this announcement except for 415,982,348 Warrants 2008/2018 issued pursuant to a rights issue in the previous financial year.

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/period ended 31 October 2007 : RMNil).

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

	3 Months Ended		Period Ended	
	31/10/08	31/10/07	31/10/08	31/10/07
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the quarter/period	<u>9,875</u>	<u>(2,423)</u>	<u>6,813</u>	<u>(1,535)</u>
Weighted average number of ordinary shares ('000)	<u>1,113,042</u>	<u>905,050</u>	<u>1,113,042</u>	<u>905,050</u>
Basic earnings/(loss) per share (sen):	<u>0.89</u>	<u>(0.27)</u>	<u>0.61</u>	<u>(0.17)</u>

No diluted earnings/(loss) per share is presented for the current quarter/period as the computation based on the outstanding warrants would have an antidilutive effect.

cc: Securities Commission