

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|---|
| | CURRENT PERIOD QUARTER 30 June 2015 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30 June 2014 RM'000 | CURRENT YEAR TO DATE 30 June 2015 RM'000 | PRECEDING YEAR CORRESPONDING YEAR TO DATE 30 June 2014 RM'000 |
| Revenue | 120,438 | 163,747 | 438,047 | 298,447 |
| Cost of Sales | (57,431) | (89,184) | (187,892) | (156,097) |
| Gross Profit | 63,007 | 74,563 | 250,155 | 142,350 |
| Other Income | 979 | 786 | 1,804 | 1,457 |
| Selling and Marketing Expenses | (4,121) | (2,551) | (13,213) | (5,923) |
| Administrative and general expenses | (16,915) | (13,894) | (39,769) | (24,583) |
| Operating Profit | 42,950 | 58,904 | 198,977 | 113,301 |
| Finance Costs | (1,598) | (354) | (2,241) | (793) |
| Profit Before Taxation | 41,352 | 58,550 | 196,736 | 112,508 |
| Income Tax Expenses | (11,501) | (16,103) | (51,436) | (31,511) |
| Profit For The Period | 29,851 | 42,447 | 145,300 | 80,997 |
| Profit attributable to : | | | | |
| Equity Holders of the Company | 29,851 | 42,447 | 145,300 | 80,997 |
| Minority Interest | - | - | - | - |
| | 29,851 | 42,447 | 145,300 | 80,997 |
| Earnings Per Share Attributable To Equity Holders Of The Company | | | | |
| - Basic (sen) | 6.5 | 14.0 | 31.6 | 26.7 |
| - Diluted (sen) | 6.3 | 13.6 | 30.7 | 26.0 |

Note:

- The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | (UNAUDITED) As at 30 June 2015 RM'000 | (AUDITED) As at 31 December 2014 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 222,688 | 190,512 |
| Investment properties | 1,092 | 1,092 |
| Development properties | 39,899 | 38,540 |
| Deferred tax assets | 4,399 | 6,510 |
| Goodwill arising on consolidation | * | * |
| | 268,078 | 236,654 |
| Current assets | | |
| Development properties in progress | 597,226 | 565,029 |
| Inventories | 2,292 | 2,093 |
| Trade and other receivables | 149,385 | 135,351 |
| Deposits, cash and bank balance | 112,601 | 96,739 |
| | 861,504 | 799,212 |
| TOTAL ASSETS | 1,129,582 | 1,035,866 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 463,787 | 457,084 |
| Share premium | 10,835 | 1,218 |
| Share option | 4,335 | 6,270 |
| Retained profits | 295,267 | 199,186 |
| | 774,224 | 663,758 |
| Non-controlling interest | * | * |
| TOTAL EQUITY | 774,224 | 663,758 |
| Non-current liabilities | | |
| Borrowings | 75,789 | 28,409 |
| | 75,789 | 28,409 |
| Current liabilities | | |
| Trade and other payables | 140,985 | 256,894 |
| Borrowings | 74,239 | 49,790 |
| Dividend payable | 19,711 | 17,141 |
| Current tax liabilities | 44,634 | 19,874 |
| | 279,569 | 343,699 |
| TOTAL LIABILITIES | 355,358 | 372,108 |
| TOTAL EQUITY AND LIABILITIES | 1,129,582 | 1,035,866 |
| Net Assets Per Share (RM) | 1.67 | 1.45 |

Notes:

* Represents RM1.00.

1. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share Capital RM'000 | Share Premium RM'000 | Share Option RM'000 | Retained Profits RM'000 | Capital Reserve RM'000 | Non-Controlling Interest RM'000 | Total RM'000 |
|---|----------------------------|----------------------------|---------------------------|-------------------------------|------------------------------|---------------------------------------|-----------------|
| <u>6 months ended 30 June 2014 (Unaudited)</u> | | | | | | | |
| As at 1 January 2014 | 301,173 | 69,229 | 899 | 179,424 | 303 | * | 551,028 |
| Issuance of new ordinary shares pursuant to - Exercise of ESOS | 2,980 | 6,661 | (1,728) | | | | 7,913 |
| Total comprehensive income for the year | - | - | - | 80,997 | - | - | 80,997 |
| Dividend | - | - | - | (30,356) | - | - | (30,356) |
| Options granted under ESOS | - | - | 3,899 | - | - | - | 3,899 |
| ESOS lapsed/forfeited | - | - | (20) | 20 | - | - | - |
| As at 30 June 2014 | 304,153 | 75,890 | 3,050 | 230,085 | 303 | * | 613,481 |
| <u>6 months ended 30 June 2015 (Unaudited)</u> | | | | | | | |
| As at 1 January 2015 | 457,084 | 1,218 | 6,270 | 199,186 | - | * | 663,758 |
| Issuance of new ordinary shares pursuant to - Exercise of ESOS | 6,703 | 9,617 | (2,948) | | | | 13,372 |
| Total comprehensive income for the year | - | - | - | 145,300 | - | - | 145,300 |
| Dividend | - | - | - | (49,705) | - | - | (49,705) |
| Options granted under ESOS | - | - | 1,499 | - | - | - | 1,499 |
| ESOS lapsed/forfeited | - | - | (486) | 486 | - | - | - |
| As at 30 June 2015 | 463,787 | 10,835 | 4,335 | 295,267 | - | * | 774,224 |

Notes:

* Represents RM1.00.

1. The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2014

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | (Unaudited) FOR THE 6 MONTHS PERIOD ENDED 30 June 2015 RM'000 | (Audited) FOR THE 12 MONTHS YEAR ENDED 31 December 2014 RM'000 |
|--|--|---|
| Cash Flow From Operating Activities | | |
| Profit before income tax | 196,736 | 244,586 |
| Adjustments for :- | | |
| ESOS Expenses | 1,499 | 7,485 |
| Depreciation | 1,318 | 2,858 |
| Interest Income | (1,357) | (2,859) |
| Interest expenses | 2,241 | 2,721 |
| Gain on disposal of property, plant and equipment | (68) | (227) |
| Property development cost written off | - | 101 |
| Operating profit before working capital changes | 200,369 | 254,665 |
| Increase in inventories | (199) | (1,319) |
| Increase in development cost | (33,557) | (75,528) |
| (Increase)/Decrease in receivables | (14,034) | 11,649 |
| (Decrease)/Increase in payables | (115,909) | 9,517 |
| Cash (used in)/generated from operations | 36,670 | 198,984 |
| Interest received | 1,357 | 2,859 |
| Interest paid | (2,241) | (2,721) |
| Tax paid | (24,564) | (62,929) |
| Net cash (used in)/provided by operating activities | 11,222 | 136,193 |
| Cash Flow From Investing Activities | | |
| Purchase of property, plant and equipment | (33,494) | (116,353) |
| Proceed from disposal of unit trusts | - | 15,000 |
| Proceed from disposal of property, plant and equipment | 68 | 1,682 |
| Net cash used in investing activities | (33,426) | (99,671) |
| Cash Flow From Financing Activities | | |
| Proceed from issuance of share | 13,373 | 9,528 |
| Dividend paid | (47,134) | (77,606) |
| Proceed from term loan | 77,000 | 38,000 |
| Repayment of term loan | (3,744) | (16,597) |
| Hire purchase instalments paid | (40) | (216) |
| Net cash generated from/(used in) financing activities | 39,455 | (46,891) |
| Net changes in cash and cash equivalents | 17,251 | (10,369) |
| Cash and cash equivalents at beginning of year | 58,423 | 68,792 |
| Cash & cash equivalents at end of year | 75,674 | 58,423 |
| Cash and cash equivalents comprise of :- | | |
| Cash and bank balance | 112,601 | 96,739 |
| Bank overdrafts | (36,927) | (38,316) |
| | 75,674 | 58,423 |

Note:

1. The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2014.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS 134):

A1. Accounting Policies and Basis of Preparation

The interim financial report is unaudited and is prepared in accordance with MFRS134 “Interim Financial Reporting” and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Matrix Concepts Holdings Berhad (“**Company**”) and its subsidiaries (“**Group**”) for the FYE 31 December 2014 and the explanatory notes attached therein. These explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2014 except for the adoption of the following new MFRSs, Amendments to MFRSs, and IC Interpretations that are effective for the Group from 1 January 2015.

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
 Annual Improvements to MFRSs 2010 – 2012 Cycle
 Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group’s financial statements.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

| | Effective Date |
|--|-----------------------|
| MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |

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A1. Accounting Policies and Basis of Preparation (Cont'd)

| MFRSs and/or IC Interpretations (Including The Consequential Amendments) | Effective Date |
|---|-----------------------|
| Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants | 1 January 2016 |
| Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements | 1 January 2016 |
| Annual Improvements to MFRSs 2012 – 2014 Cycle | 1 January 2016 |

The above mentioned accounting standards and interpretations (including the consequential amendments) are not expected to have any significant financial impact on the Group's financial statements upon their initial application.

A2. Seasonal or Cyclical Factors

The results for the current financial quarter ended 30 June 2015 under review and the financial period-to-date were not materially affected by seasonal or cyclical factors.

A3. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current financial quarter ended 30 June 2015 under review and the financial period-to-date.

A4. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter ended 30 June 2015 under review and the financial period-to-date.

A5. Issuance, cancellations, repurchase, resale and repayments of debts and equity securities

Save for the issuance of 2,354,333 new ordinary shares of RM1.00 each in Matrix Concepts (“**Matrix Concepts Shares**”) pursuant to the exercise of employee share options (“**ESOS Options**”), there were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the financial quarter ended 30 June 2015 under review.

Pursuant to the above, the issued and paid-up share capital of the Company had increased from RM461,432,629 comprising of 461,432,629 Matrix Concepts Shares to RM463,786,962 comprising of 463,786,962 Matrix Concepts Shares for the current financial quarter ended 30 June 2015 under review.

A6. Dividends Paid

During the financial quarter ended 30 June 2015 under review, the Company had paid its fourth interim single tier dividend of 5.25 sen and a special single tier dividend of 1.25 sen per Matrix Concepts Share for the financial year ended 31 December 2014, which was paid on 9 April 2015 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 31 March 2015.

Please refer to Note B10 on dividends declared.

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A7. Segmental Information

The segment revenue and segment results for business segments for the current financial period to date are as follows:

| | Property development RM'000 | Education RM'000 | Clubhouse operations RM'000 | Elimination RM'000 | Consolidated RM'000 |
|----------------------------------|--|-----------------------------|--|-------------------------------|--------------------------------|
| Revenue | | | | | |
| Sale of properties | 432,560 | - | - | - | 432,560 |
| School fees received | - | 2,565 | - | - | 2,565 |
| Clubhouse operator | - | - | 2,922 | - | 2,922 |
| Total | 432,560 | 2,565 | 2,922 | - | 438,047 |
| Other income | | | | | |
| Rental income | 135 | - | - | - | 135 |
| Others | 1,510 | - | 159 | - | 1,669 |
| Total | 1,645 | - | 159 | - | 1,804 |
| Results | | | | | |
| Segment results | 203,633 | (3,894) | (762) | - | 198,977 |
| Finance costs | | | | | (2,241) |
| Profit before tax | | | | | 196,736 |
| Taxation | | | | | (51,436) |
| Net profit for the period | | | | | 145,300 |

As the Matrix Concepts Group carries out its business activities solely in Malaysia, geographical segmentation is not prepared.

A8. Valuation of property, plant and equipment

There were no valuations carried out on property, plant and equipment of the Group during the financial quarter ended 30 June 2015 under review.

A9. Commitments

The commitments of the Company as at the end of the financial quarter ended 30 June 2015 under review and the financial period-to-date are as follows:

| | Current quarter ended 30.06.2015 RM'000 | Cumulative period-to-date 30.06.2015 RM'000 |
|--------------------------------------|--|--|
| Contracted but not provided for: | | |
| - Land held for property development | 85,500 | 129,193 |
| Total | 85,500 | 129,193 |

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A10. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 30 June 2015 under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A11. Significant event during the period

There were no significant events outside the ordinary course of business during the financial quarter ended 30 June 2015 that have not been reflected in this interim financial statements.

A12. Changes in the Composition of the Group

Save for the changes in the composition of the Group as below, there were no changes in the composition of the Group during the financial quarter ended 30 June 2015 under review:

- (i) The Company had on 25 May 2015 incorporated a wholly-owned subsidiary in Australia, namely Matrix Concepts (Australia) Pty Ltd (“MCAPL”) which comprises of 1,200 shares of AUD1.00 each. MCAPL is presently dormant and its intended principal business shall be that of property development.

A13. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 30 June 2015.

Details of contingent liabilities of the Group for the financial period-to-date are as follows:

| | Cumulative period-to-date 30.06.2015 RM'000 | Audited 31.12.2014 RM'000 |
|--|--|--|
| Corporate guarantees given to financial institutions and a third party for facilities utilised by certain subsidiaries | 158,635 | 86,590 |

A14. Significant Related Party Disclosures

Save as disclosed below, there was no other significant related party transactions during the financial quarter ended 30 June 2015 under review and the financial period-to-date:

| | Current quarter ended 30.06.2015 RM'000 | Cumulative period-to-date 30.06.2015 RM'000 |
|---|--|--|
| Purchase of building materials from related parties | 9,820 | 20,916 |
| Rental payments made to related parties | 40 | 80 |
| Sales of development properties to related parties | - | 7,184 |

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

For the financial quarter ended 30 June 2015 under review, the Group recorded revenues of RM120.4 million which represents a decrease of RM43.3 million or 26.4% as compared to the revenue recorded in the financial quarter ended 30 June 2014 of RM163.7 million. Further, the profit before tax of RM41.4 million achieved for the financial quarter ended 30 June 2015 represents a decrease of RM17.2 million or 29.4% as compared to the profit before tax of RM58.6 million recorded for the financial quarter ended 30 June 2014.

The decrease in the Group's results for the current quarter under review as compared to the preceding year's corresponding quarter was mainly due to the decrease in revenue recognition from the sales of industrial properties which generally command a higher profit margin. The Group had also managed to supplement its revenue streams through 2 new revenue segments, namely that of the revenues received from its education segment and clubhouse operations. In tandem with the decrease in revenue, the Group had experienced a decrease in profit before tax.

B2. Comparison with preceding quarter's results

The Group had achieved a revenue of RM120.4 million during the financial quarter ended 30 June 2015 under review, as compared to a revenue of RM317.6 million achieved for the financial quarter ended 31 March 2015, being the immediate preceding financial quarter. The decrease in revenue for the current quarter under review was due to the accelerated project completion of the Group's launched residential projects as well as substantial increase in revenue recognition from the Group's sale of industrial properties which commanded a higher margin in the immediate preceding financial quarter.

The Group had also recorded a profit before tax of RM41.4 million during the financial quarter ended 30 June 2015 under review, as compared to a profit before tax of RM155.4 million achieved in the immediate preceding financial quarter. The decrease in profit before taxation during the financial quarter under review was in line with the decrease in revenue generated during the financial quarter ended 30 June 2015 under review.

B3. Prospects

The Group is currently focused on the development of its township development projects in Bandar Sri Sendayan in Seremban, Negeri Sembilan and Bandar Seri Impian in Kluang, Johor. The Group had launched its Hijayu 2- Resort Hone (Phase 1) and Hijayu 3B development projects in Bandar Sri Sendayan, Seremban, Negeri Sembilan and Impiana Bayu 2 (Phase 1) development project in Bandar Seri Impian, Kluang, Johor and targets to launch its Suriaman (Phase 1) and Residensi SIGC development projects, which are located in Seremban, Negeri Sembilan, in the second half of the financial year ending 31 December 2015.

In addition to the above, the Group's clubhouse in the Bandar Sri Sendayan township known as d'Tempat Country Club is fully operational since July 2015. The clubhouse together with the Matrix International School and Matrix Private School, which commenced operation in September 2014, are expected to enhance the attractiveness of the Group's township development.

Premised on the above, the Group is confident that the profitability of the Group will be sustained through the launches of the development projects as well as the continuous sales of the development projects which have been launched as mentioned above. The operations of the Matrix Global Schools as well as the d'Tempat Country Club is expected to continuously add to the appeal of the Group's Bandar Sri Sendayan township as well as various intangible factors which is expected to positively contribute to the Group's profitability, amongst others, the greater marketability of the Group's future projects within the vicinity.

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B4. Profit guarantee or profit forecast

No profit guarantee or profit forecast has been issued by the Group previously in any public document.

B5. Taxation

| | Current quarter ended 30.06.2015 RM'000 | Cumulative period-to-date 30.06.2015 RM'000 |
|-----------------------|--|--|
| Current tax expenses | 12,292 | 49,325 |
| Deferred tax expenses | (791) | 2,111 |
| | 11,501 | 51,436 |

The Group's effective tax rate of 26.1% for the financial quarter ended 30 June 2015 under review was slightly higher than the statutory corporate tax rate of 25.0% due to certain non-deductible expenses for tax purposes.

B6. Status of corporate proposals

(i) Proposed acquisition of vacant agriculture lands held under separate titles, located within Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus by BSS Development ("Proposed Labu Agricultural Lands Acquisition")

The Company had on 12 March 2015 announced that BSS Development had between 18 June 2014 and 12 March 2015, entered into separate Sale and Purchase Agreements with individual land owners to acquire 15 parcels of vacant agriculture land located within Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus for an aggregate cash consideration of RM27,546,296.75. Please refer to the Company's announcement dated 12 March 2015 for further details on the individual owners and the said lands being the subject matter of the Proposed Labu Agricultural Lands Acquisition.

Barring any unforeseen circumstances, the estimated time frame for the completion for the Proposed Labu Agricultural Lands Acquisition is 3 months calculated from the date of the receipt of the consent to transfer from the state authority favouring BSS Development.

(ii) Proposed bonus issue of up to 77,832,315 new Matrix Concepts Shares ("Bonus Shares") on the basis of 1 Bonus Share for every 6 existing Matrix Concepts Shares held on an entitlement date to be determined later ("Proposed Bonus Issue of Shares") and proposed bonus issue of up to 77,832,315 free warrants ("Bonus Warrants") in the Company on the basis of 1 Warrant for every 6 exiting Matrix Concepts Shares held on the same entitlement date as the Proposed Bonus Issue of Shares ("Proposed Bonus Issue of Warrants")

On behalf of the Board of Directors of the Company, Kenanga Investment Bank Berhad ("**Kenanga IB**") had on 15 April 2015 announced that the Company proposes to undertake the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants.

On 24 July 2015, Kenanga IB, on behalf of the Board of Directors of the Company, had further announced the successful listing of the Bonus Shares and Bonus Warrants, thus marking the completion of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants.

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(iii) **Proposed acquisition of residential land held under title HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor (“Puchong Land”) by Matrix Concepts (Central) Sdn Bhd (“MCCSB”) (“Proposed Puchong Land Acquisition”)**

The Company had on 21 April 2015 announced that MCCSB had on 21 April 2015 entered into a Sale and Purchase Agreement to acquire a parcel of land held under HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor measuring 21,318.29 square meters on an “as is where is” basis from IRDK Ventures Sdn Bhd for a cash consideration of RM95 million. Presently, the Puchong Land is in the midst of being developed by its present owners, IRDK Ventures Sdn Bhd, under a project known as IRDK Residences. However, upon the completion of the Proposed Puchong Land Acquisition, certain amendments will be made to the development plan by MCCSB. Please refer to the Company’s announcement dated 21 April 2015 for further information on the Proposed Puchong Land Acquisition.

Further to the above, the Company had on 1 June 2015 announced that all conditions precedent as set out in the sales and purchase agreement have been duly satisfied. Barring any unforeseen circumstances, the estimated time frame for the completion for the Proposed Puchong Land Acquisition is 3 months calculated from 1 June 2015, being the date of the fulfillment of the said conditions precedent.

B7. Status of utilisation of proceeds raised from the exercise of ESOS Options

As mentioned in Note A5 above, the Company had raised an aggregate of approximately RM5.01 million via the subscription of 2,354,333 new Matrix Concepts Shares pursuant to the exercise of the ESOS Options, whereby 428,886 ESOS Options were exercised at a subscription price of RM1.46 per new Matrix Concepts Share, 1,213,690 ESOS Options were exercised at a subscription price of RM2.17 and 711,757 ESOS Options were exercised at a subscription price of RM2.46 per new Matrix Concepts Shares during the financial quarter ended 30 June 2015 under review.

The Company has since fully utilised the proceeds raised as working capital for the Group.

B8. Group borrowings and debt securities

The Group’s borrowings as at 30 June 2015 are as follows:

| Short term borrowings | RM’000 |
|---------------------------------|--|
| <u>Secured:</u> | |
| Hire purchase creditors | 88 |
| Term loans | 37,224 |
| Bank overdrafts | 36,927 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> 74,239 |
| Long term borrowings | |
| <u>Secured:</u> | |
| Term loans | 75,789 |
| Total Borrowings | <hr style="width: 100%; border: 0.5px solid black;"/> 150,028 |

The Group does not have any borrowings that are denominated in foreign currency.

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B9. Changes in Material Litigation

There was no material litigation involving the Group as at the date of this report.

B10. Dividends

The Board of Directors of the Company has on 10 August 2015, declared a second interim single tier dividend of 3.50 sen per Matrix Concepts Share held for the financial year ending 31 December 2015, to be paid on 9 October 2015 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 25 September 2015.

On 9 July 2015, a first interim single tier dividend of 4.25 sen per Matrix Concepts Share for the financial year ended 31 December 2015 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 26 June 2015.

B11. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group is as follows:

| | Unaudited as at 30.06.2015 RM'000 |
|---|--|
| Total retained profits of the Group | |
| - Realised | 327,317 |
| - Unrealised | 14,314 |
| | <u>341,631</u> |
| Less: Consolidation adjustments | (46,364) |
| Total Group retained profits as per Statement of Financial Position | <u>295,267</u> |

B12. Earnings Per Share

(i) Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company and divided by the weighted average number of ordinary shares in issue during the period under review.

| | Current Quarter Ended | | Cumulative Period-To-Date | |
|---|------------------------------|-------------------|----------------------------------|-------------------|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Profit attributable to equity holders of the Company (RM'000) | 29,851 | 42,447 | 145,300 | 80,997 |
| Weighted average number of ordinary shares ('000) | 462,235 | 303,523 | 460,429 | 302,810 |
| Basic earnings per share (sen) | 6.5 | 14.0 | 31.6 | 26.7 |

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(ii) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to equity holders of the Company and divided by the weighted average number of ordinary shares that would have been in issue upon full exercise of the ESOS Options granted, adjusted for the number of such shares that would have been issued at fair value during the period under review.

| | Current Quarter Ended | | Cumulative Period-To-Date | |
|--|------------------------------|-------------------|----------------------------------|-------------------|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Profit attributable to equity holders of the Company (RM'000) | 29,851 | 42,447 | 145,300 | 80,997 |
| Weighted average number of ordinary shares for the quarter ended 30 June 2015 ('000) | 462,235 | 303,523 | 460,429 | 302,810 |
| Effect of potential exercise of ESOS | 13,019 | 8,172 | 13,019 | 8,172 |
| Weighted enlarged average number of ordinary shares ('000) | 475,254 | 311,695 | 473,448 | 310,982 |
| Diluted earnings per share(sen) | 6.3 | 13.6 | 30.7 | 26.0 |

B13. Notes to the Statement of Comprehensive Income

| | Current Quarter Ended | | Cumulative Period-To-Date | |
|---|------------------------------|-------------------|----------------------------------|-------------------|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Included in the profit for the period are: | | | | |
| - Interest income | (805) | (375) | (1,357) | (929) |
| - Other income including investment income | (105) | (317) | (312) | (411) |
| - Interest expenses | 1,598 | 354 | 2,241 | 793 |
| - Depreciation of property, plant and equipment | 713 | 426 | 1,319 | 1,012 |
| - Receivables written off | - | - | - | - |
| - Inventories written off | - | - | - | - |
| - Gain/(loss) on disposal of quoted or unquoted investments or properties | - | - | - | - |
| - Impairment of assets | - | - | - | - |
| - Realised gain/(loss) on foreign exchange | - | - | - | - |
| - Realised gain/(loss) on derivatives | - | - | - | - |
| - Rental income on properties | (69) | (94) | (135) | (117) |

There were no exceptional items for the current quarter under review.

B14. Auditors' report

The auditors' report for the preceding audited financial statements was not subject to any qualification.

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B15. Authority For Issue

The interim financial statements were reviewed by the Audit Committee of the Company and duly authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 10 August 2015.

By order of the Board of Directors

Dato' Lee Tian Hock
Group Managing Director / Chief Executive Officer

Date: 10 August 2015