

MATRIX CONCEPTS HOLDINGS BERHAD*(Incorporated in Malaysia-Co. No. 414615-U)***QUARTERLY REPORT ON CONSOLIDATED RESULTS****FOR THE 3-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2016**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30 June 2016 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30 June 2016 RM'000
Revenue	196,227	196,227
Cost of Sales	(90,603)	(90,603)
Gross Profit	105,624	105,624
Other Income	803	803
Selling and Marketing Expenses	(5,634)	(5,634)
Administrative and general expenses	(29,614)	(29,614)
Operating Profit	71,179	71,179
Finance Costs	(740)	(740)
Profit Before Taxation	70,439	70,439
Income Tax Expenses	(18,515)	(18,515)
Profit For The Period	51,924	51,924
Profit attributable to :		
Equity Holders of the Company	51,924	51,924
Minority Interest	-	-
	51,924	51,924
Earnings Per Share Attributable To Equity Holders Of The Company		
- Basic (sen)	9.2	9.2
- Diluted (sen)	8.2	8.2

Note:

1. *The Company changed its financial year end from 31st December to 31st March. The last set of audited financial statements were for 15 months ended 31st March 2016. As such there is no comparative figures for the current quarter for the three months ended 30th June 2016 and year to date for the period ended 30th June 2016. The income statement for the corresponding 1st quarter for the financial period ended 31st March 2015 however is attached for reference.*
2. *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended ("FPE") 31st March 2016 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 2016 RM'000	(AUDITED) As at 31 March 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	229,005	218,113
Investment properties	1,000	1,000
Inventories	459,907	459,907
Deferred tax assets	8,237	6,387
Goodwill arising on consolidation	*	*
	698,149	685,407
Current assets		
Inventories	378,944	358,008
Trade and other receivables	231,845	180,259
Deposits, cash and bank balance	71,490	77,860
	682,279	616,127
TOTAL ASSETS	1,380,428	1,301,534
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	565,298	563,957
Share premium	33,767	31,944
Share option	4,267	4,657
Translation reserves	(156)	(156)
Retained profits	311,844	284,792
	915,020	885,194
Non-controlling interest	*	*
TOTAL EQUITY	915,020	885,194
Non-current liabilities		
Borrowings	107,345	107,669
Other payables	28,492	28,492
	135,837	136,161
Current liabilities		
Trade and other payables	169,640	144,923
Borrowings	107,777	96,750
Dividend payable	24,873	21,148
Current tax liabilities	27,281	17,358
	329,571	280,179
TOTAL LIABILITIES	465,408	416,340
TOTAL EQUITY AND LIABILITIES	1,380,428	1,301,534
Net Assets Per Share (RM)	1.62	1.57

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 period ended ("FPE") 31 March 2016 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	Translation Reserves RM'000	Retained Profits RM'000	Capital Reserve RM'000	Non-Controlling Interest RM'000	Total RM'000
<u>3 months ended 31 March 2016 (Restated)</u>								
As at 1 January 2016	550,532	13,250	5,709	-	258,173	-	*	827,664
Issuance of new ordinary shares pursuant to								
- Bonus issue	-	-	-	-	-	-	-	-
- Exercise of ESOS	2,338	3,169	(1,038)	-	-	-	-	4,469
- Exercise of Warrants	11,087	15,525	-	-	-	-	-	26,612
Total comprehensive income for the period	-	-	-	-	47,627	-	-	47,627
Foreign currency translation differences	-	-	-	(156)	-	-	-	(156)
Dividend	-	-	-	-	(21,147)	-	-	(21,147)
Options granted under ESOS	-	-	125	-	-	-	-	125
ESOS lapsed/forfeited	-	-	(139)	-	139	-	-	-
As at 31 March 2016	563,957	31,944	4,657	(156)	284,792	-	*	885,194
<u>3 months ended 30 June 2016 (Unaudited)</u>								
As at 1 April 2016	563,957	31,944	4,657	(156)	284,792	-	*	885,194
Issuance of new ordinary shares pursuant to								
- Exercise of ESOS	1,340	1,822	(590)	-	-	-	-	2,572
- Exercise of Warrants	1	1	-	-	-	-	-	2
Total comprehensive income for the period	-	-	-	-	51,924	-	-	51,924
Dividend	-	-	-	-	(24,872)	-	-	(24,872)
Options granted under ESOS	-	-	200	-	-	-	-	200
ESOS lapsed/forfeited	-	-	-	-	-	-	-	-
As at 30 June 2016	565,298	33,767	4,267	(156)	311,844	-	*	915,020

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 FPE 31 March 2016

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 3 MONTHS PERIOD ENDED 30 June 2016 RM'000	(Audited) FOR THE 15 MONTHS PERIOD ENDED 31 March 2016 RM'000
Cash Flow From Operating Activities		
Profit before income tax	70,439	355,737
Adjustments for :-		
ESOS Expenses	200	3,194
Depreciation	2,032	9,864
Interest Income	(424)	(10,381)
Interest expenses	740	5,184
Gain on disposal of property, plant and equipment	(44)	(173)
Operating profit before working capital changes	72,943	363,425
Increase in inventories	(20,936)	(192,246)
Increase in receivables	(51,586)	(44,082)
(Decrease)/Increase in payables	24,717	(97,561)
Cash generated from operations	25,138	29,536
Interest received	424	3,629
Interest paid	(740)	(5,184)
Tax paid	(10,442)	(97,279)
Net cash provided by/(used in) operating activities	14,380	(69,298)
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(923)	(218)
Purchase of property, plant and equipment	(12,925)	(40,243)
Proceed from disposal of property, plant and equipment	44	3,043
Net cash used in investing activities	(13,804)	(37,418)
Cash Flow From Financing Activities		
Proceed from issuance of share	2,576	66,931
Dividend paid	(21,148)	(105,375)
Proceed from term loan	-	142,867
Repayment of term loan	(3,807)	(10,790)
Hire purchase instalments paid	(20)	(100)
Net cash (used in)/generated from financing activities	(22,399)	93,533
Net changes in cash and cash equivalents	(21,823)	(13,183)
Effect of exchange rate fluctuations on cash held	-	(156)
Cash and cash equivalents at beginning of year	39,611	52,950
Cash & cash equivalents at end of year	17,788	39,611
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	71,490	77,860
Less : Fixed Deposit Pledged	(6,614)	(5,691)
Bank overdrafts	64,876	72,169
	(47,088)	(32,558)
	17,788	39,611

Note:

1. The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial period ended ("FPE") 31 March 2016 and the accompanying explanatory notes attached to this interim financial statements.

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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 15-month FPE 31 March 2016 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 period ended 31 March 2016.

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 period ended 31 March 2016.

During the interim financial statement, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any) :-

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

Amendments to MFRS 101: Presentation of Financial Statements -Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Annual Improvements to MFRSs 2012 – 2014 Cycle

Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements

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
MFRS 16 Leases	1 January 2019
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107: Disclosure Initiative	1 January 2017

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.

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A2. Seasonal or Cyclical Factors

The results for the current financial quarter ended 30 June 2016 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 2016 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 2016 under review and the financial period-to-date.

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

Save as disclosed below, there were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the financial quarter ended 30 June 2016 under review:

- (i) 1,339,335 new ordinary shares of RM1.00 each in Matrix Concepts (“**Matrix Concepts Shares**”) pursuant to the exercise of employee share options (“**ESOS Options**”); and
- (ii) 1,242 new Matrix Concepts Shares pursuant to the exercise of outstanding Warrants in Matrix Concepts (“**Warrants**”).

Pursuant to the above, the issued and paid-up share capital of the Company had increased from RM563,957,418 comprising of 563,957,418 Matrix Concepts Shares to RM565,297,995 comprising of 565,297,995 Matrix Concepts Shares for the current financial quarter ended 30 June 2016 under review.

A6. Dividends Paid

During the financial quarter ended 30 June 2016 under review, the Company had paid its fourth interim single tier dividend of 3.75 sen per Matrix Concepts Share for the financial period ended 31 March 2016, which was paid on 8 April 2016 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 31 March 2016.

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	Construction	Education	Hospitality	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Sale of properties	189,802	-	-	-	-	189,802
Construction / Inter-segment sales	-	96,961	-	-	(96,961)	-
School fees received	-	-	3,146	-	-	3,146
Clubhouse operator	-	-	-	3,279	-	3,279
Total	189,802	96,961	3,146	3,279	(96,961)	196,227
Other income						
Rental income	62	-	-	-	-	62
Others	1,048	24	-	205	(536)	741
Total	1,110	24	-	205	(536)	803
Results						
Segment results	65,161	8,225	(4,162)	(399)	1,724	70,549
Finance costs						(740)
Profit before tax						69,809
Taxation						(18,515)
Net profit for the period						51,294

As the revenue of the Matrix Concepts Group is solely derived from its operating activities 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 2016 under review.

A9. Commitments

The commitments of the Company as at the end of the financial quarter ended 30 June 2016 under review and the financial period-to-date are as follows:

	Current quarter ended 30.06.2016	Cumulative period-to-date 30.06.2016
	RM'000	RM'000
Contracted but not provided for:		
- Land held for property development	2,819	47,203
Total	2,819	47,203

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A10. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 30 June 2016 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 2016 that have not been reflected in this interim financial statements.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 30 June 2016 under review.

A13. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets to be disclosed as at 30 June 2016.

A14. Significant Related Party Disclosures

Save as disclosed below, there was no other significant related party transactions during the financial quarter ended 30 June 2016 under review and the financial period-to-date:

	Current quarter ended 30.06.2016 RM’000	Cumulative period-to-date 30.06.2016 RM’000
Purchase of building materials from related parties	14,401	14,401
Rental payments made to related parties	28	28
Consultancy fees paid to related parties	289	289
Sales of development properties to related parties	10,185	10,185

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 30.06.2016 RM'000	Current quarter ended 30.06.2015 RM'000
Revenue	196,227	120,438
Gross profits	105,624	63,007
Profit before tax	70,439	41,352

The Group changed its financial year end from 31 December to 31 March. Therefore, there are no comparative figures for the current quarter ended 30 June 2016. For reference purposes, the Board provides hereunder the comparison for the three-month period from 1 April 2016 to 30 June 2016 against 1 April 2015 to 30 June 2015.

For the quarter ended 30 June 2016, the Group recorded revenue of RM196.2 million, an increase of RM75.8 million or 63.0% from RM120.4 million in the previous year. The Group also recorded profit before tax of RM70.4 million, an increase of RM29.0 million or 70.0% from RM41.4 million in the previous year.

The increase in the Group’s results for the quarter ended 30 June 2016 compared to the previous year was mainly attributed to higher revenue recognition from our property development segment, which saw higher billings of ongoing projects and increase in new sales. Revenue contribution from this segment grew to RM178.1 million, an increase of RM61.0 million or 52.1% from RM117.1 million in the previous year. The Group also recorded higher revenue amounting to RM6.4 million from its investment properties comprising its education and clubhouse operations in line with the enlarged scale of operations, and RM11.7 million from the sale of a parcel of land. The increase in the Group’s profit before tax for the quarter under review was in line with the higher revenue.

The Group’s unbilled sales as at 30 June 2016 stood substantially higher at RM690.6 million, an increase of RM150.6 million or 27.9% from RM540.0 million in the previous year.

The Group’s new sales for the quarter rose to RM256.0 million, an increase of RM45.5 million or 21.6% compared to RM210.5 million in the previous year.

B2. Comparison with preceding quarter’s results

	Current quarter ended 31.06.2016 RM'000	Preceding quarter ended 31.03.2016 RM'000
Revenue	196,227	211,277
Gross profits	105,624	111,383
Profit before tax	70,439	70,836

The Group achieved revenue of RM196.2 million for the quarter ended 30 June 2016, compared to RM211.3 million for the preceding quarter ended 31 March 2016. The minor decrease in revenue was mainly attributed to lower revenue recognition from the Group’s sale of commercial and industrial properties.

Additionally, the Group recorded profit before tax of RM70.4 million for the quarter ended 30 June 2016, compared to RM70.8 million in the immediate preceding quarter. The change in the Group’s profit before tax was in line with the minor decrease in revenue.

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B3. Prospects

The Group is focused on its development projects in its Bandar Sri Sendayan township in Seremban, Negeri Sembilan and Bandar Seri Impian township in Kluang, Johor. The Group is also engaged in other development projects in the vicinity of Seremban, Negeri Sembilan.

During the quarter ended 30 June 2016, the Group launched its Suriaman 2B development project in Bandar Sri Sendayan, and its Residensi SIGC development project in Seremban, Negeri Sembilan. In the near term, the Group also expects to launch various new development projects, including the Suriaman 1, Suriaman 2A, and Suriaman Biz projects, amongst others, in Bandar Sri Sendayan. The Group is also expecting to launch its Impiana Indah, Impiana 2, and Impiana Damai 1 projects, amongst others, in Bandar Seri Impian.

Total new launches for the quarter ended 30 June 2016 stood at RM315 million in gross development value, with an additional RM400 million worth of launches mentioned above to be launched throughout the remainder of the current financial year ending 31 March 2017 (FY2017) and early FY2018. The Group is confident that its profitability will be sustained via these upcoming launches, and further enhanced by sales of the ongoing development projects.

The operations of Matrix Global Schools and d’Tempat Country Club are also contributing positively to the Group, while adding to the appeal of the Group’s Bandar Sri Sendayan township including various intangible factors which are expected to positively contribute to the Group’s profitability, amongst others, the greater marketability of the Group’s future projects within the vicinity. This is also reflected in the increasing revenue generated from the Group’s education and clubhouse operations. Additionally, during the quarter under review, the Group commenced the construction of Extreme Park, which features a variety of community-based leisure and team building activities. The Extreme Park is located within the Group’s Bandar Sri Sendayan township and is anticipated to be completed within the financial year ending 31 March 2017. The Extreme Park is expected to provide the township with additional leisure activities and enhance its overall profile. This in turn, is expected to increase the marketability and attractiveness of our Group’s development properties located within as well as surrounding the Bandar Sri Sendayan township.

With a large majority of the Group’s development projects carefully tailored to the market demands and priced attractively, the Board is confident of achieving strong sales, and is on track to achieve commendable growth in the current financial year ending 31 March 2017. Nonetheless, the Board is cognizant of the ongoing challenges in the Malaysian property market and as such will, to the best of their abilities, ensure that the Group takes the appropriate measures to address the challenges which lie ahead.

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 30.06.2016 RM’000	Cumulative period-to-date 30.06.2016 RM’000
Current tax expenses	20,090	20,090
Deferred tax expenses	(1,575)	(1,575)
	18,515	18,515

The Group’s effective tax rate of 26.3% for the financial quarter ended 30 June 2016 under review was slightly higher than the statutory corporate tax rate of 24.0% due to certain subsidiaries incurred losses during the financial year-to-date and non-deductible expenses for tax purposes.

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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 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 and as such the Sale and Purchase Agreement has become unconditional. Notwithstanding the above, the Company had on 8 September 2015 and 5 October 2015 announced that it had entered into a Supplemental Agreement and second Supplemental Agreement respectively to mutually agree to, amongst others, to:

- (i) extend the completion date of the abovementioned Sale and Purchase Agreement, free of interest, to 15 January 2016; and
- (ii) submit the transfer and other relevant documents to the land office for the registration of MCCSB as the registered proprietor of the Puchong Land subject to MCCSB executing an irrevocable letter of undertaking addressed to the vendor to complete the Sale and Purchase Agreement and pay the balance purchase price on or before the abovementioned completion date.

In addition, the Company had also on 8 September 2015 announced that the vendor had executed a Power of Attorney appointing MCCSB to be its lawful attorney to do all or any of the relevant acts, deeds, instruments and things within Malaysia at MCCSB’s own costs and expenses to, inter alia, attend to all the transactions, management or to carry out all and every matters requisite and necessary for the submission of any changes in the density/plot ratio of the development on the Land inclusive of all matters relating to the dealing or liaison with the land office, governmental departments, ministry and all other relevant authorities in connection thereto, the finer details of which are more particularly described in the Power of Attorney. Please refer to the Company’s announcement dated 8 September 2015 and 5 October 2015 for further information on the Supplemental Agreements and Power of Attorney.

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On 4 January 2016, the Company had announced that the balance purchase price less retention sum has been fully paid to the vendor of the Puchong Land, and as such the Proposed Puchong Land Acquisition is deemed completed.

Premised on the Sale and Purchase Agreement as well as the first and second Supplemental Agreements, the vendor was required to apply to the relevant authorities for an increase in the density of the development on the Puchong Land. However, both parties agreed not to continue with this obligation and had such on 6 April 2016, the Company had announced that it had entered into a third Supplemental Agreement whereby a portion of the retention sum, namely RM1.25 million, is released to the vendor. Please refer to the Company’s announcement dated 6 April 2016 for further information on the third Supplemental Agreement.

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

As mentioned in Note A5 above, the Company had raised an aggregate of approximately RM2.6 million via the subscription of the following during the financial quarter ended 30 June 2016:

- (i) 1,339,335 new Matrix Concepts Shares pursuant to the exercise of the ESOS Options, whereby 35,996 ESOS Options were exercised at a subscription price of RM1.23 per new Matrix Concepts Share, 725,062 ESOS Options were exercised at a subscription price of RM1.83 per new Matrix Concepts Share and 578,277 ESOS Options were exercised at a subscription price of RM2.08 per new Matrix Concepts Share; and
- (ii) 1,242 new Matrix Concepts Shares pursuant to the exercise of Warrants at an exercise price of RM2.40 per new Matrix Concepts Share.

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 2016 are as follows:

	Unaudited as at 30.06.2016 RM’000
Short term borrowings	
<u>Secured:</u>	
Hire purchase creditors	6
Term loans	60,683
Bank overdrafts	47,088
	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/>
	107,777
Long term borrowings	
<u>Secured:</u>	
Term loans	107,345
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Total Borrowings	215,122

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

B9. Changes in Material Litigation

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

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B10. Dividends

The Board of Directors of the Company has on 25 August 2016, declared a first interim single tier dividend of 3.25 sen per Matrix Concepts Share held for the financial year ending 31 March 2017, to be paid on 6 October 2016 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 September 2016.

On 1 July 2016, a fifth interim single tier dividend of 4.40 sen per Matrix Concepts Share for the financial period ended 31 March 2016 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 17 June 2016.

B11. Realised and unrealised profits/losses disclosure

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

	Unaudited as at 30.06.2016 RM'000
Total retained profits of the Group	
- Realised	348,843
- Unrealised	6,388
	<hr/> 355,231
Less: Consolidation adjustments	(43,387)
Total Group retained profits as per Statement of Financial Position	<hr/> <hr/> 311,844

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 30.06.2016	Cumulative Period-To-Date 30.06.2016
Profit attributable to equity holders of the Company (RM'000)	51,924	51,924
Weighted average number of ordinary shares ('000)	564,538	564,538
Basic earnings per share (sen)	9.2	9.2

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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 and the Warrants in issue, adjusted for the number of such shares that would have been issued at fair value during the period under review.

	Current Quarter Ended 30.06.2016	Cumulative Period-To-Date 30.06.2016
Profit attributable to equity holders of the Company (RM’000)	51,294	51,294
Weighted average number of ordinary shares for the quarter ended 30 June 2016 (‘000)	564,538	564,538
Effect of potential exercise of Warrants	55,996	55,996
Effect of potential exercise of ESOS	10,707	10,707
Weighted enlarged average number of ordinary shares (‘000)	631,241	631,241
Diluted earnings per share(sen)	8.2	8.2

B13. Notes to the Statement of Comprehensive Income

	Current Quarter Ended 30.06.2016 RM’000	Cumulative Period-To-Date 30.06.2016 RM’000
Included in the profit for the period are:		
- Interest income	(424)	(424)
- Other income including investment income	(317)	(317)
- Interest expenses	740	740
- Depreciation of property, plant and equipment	2,032	2,032
- 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	(62)	(62)

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 25 August 2016.

By order of the Board of Directors

Dato’ Lee Tian Hock
Group Managing Director

Date: 25 August 2016