

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**


UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited				Unaudited			
	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	(4th QUARTER)							
	CURRENT	PRECEDING YEAR	CHANGES		CURRENT	PRECEDING YEAR	CHANGES	
YEAR	CORRESPONDING	Amount	%	YEAR	CORRESPONDING	Amount	%	
QUARTER	QUARTER	RM'000		TO DATE	YEAR TO DATE	RM'000		
31 March 2018	31 March 2017			31 March 2018	31 March 2017			
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	170,364	161,346	9,018	5.6	812,286	774,978	37,308	4.8
Cost of Sales	(77,829)	(66,574)	(11,255)	16.9	(314,931)	(321,858)	6,927	(2.2)
Gross Profit	92,535	94,772	(2,237)	(2.4)	497,355	453,120	44,235	9.8
Other Income	2,930	980	1,950	199.0	7,726	8,559	(833)	(9.7)
Selling and Marketing Expenses	(3,200)	(4,437)	1,237	(27.9)	(72,558)	(64,502)	(8,056)	12.5
Administrative and general expenses	(27,908)	(32,108)	4,200	(13.1)	(133,873)	(129,356)	(4,517)	3.5
Operating Profit	64,357	59,207	5,150	8.7	298,650	267,821	30,829	11.5
Finance Costs	(718)	(4,107)	3,389	(82.5)	(4,581)	(7,509)	2,928	(39.0)
Profit Before Taxation	63,639	55,100	8,539	15.5	294,069	260,312	33,757	13.0
Income Tax Expenses	(19,742)	(16,116)	(3,626)	22.5	(82,237)	(75,034)	(7,203)	9.6
Profit After Taxation	43,897	38,984	4,913	12.6	211,832	185,278	26,554	14.3
Other Comprehensive Income								
- Foreign Currency Translation Differences	(5,229)	1,534	(6,763)	(440.9)	(5,435)	2,482	(7,917)	(319.0)
Total Comprehensive Income For The Period	38,668	40,518	(1,850)	(4.6)	206,397	187,760	18,637	9.9
Profit After Taxation attributable to :								
Equity Holders of the Company	43,897	38,984	4,913	12.6	211,832	185,278	26,554	14.3
Non-controlling Interest	-	-	-	-	-	-	-	-
	43,897	38,984	4,913	12.6	211,832	185,278	26,554	14.3
Total Comprehensive Income attributable to :								
Equity Holders of the Company	38,668	40,518	(1,850)	(4.6)	206,397	187,760	18,637	9.9
Non-controlling Interest	-	-	-	-	-	-	-	-
	38,668	40,518	(1,850)	(4.6)	206,397	187,760	18,637	9.9
Earnings Per Share Attributable To								
Equity Holders Of The Company								
- Basic (sen)	5.88	6.00	(0.11)	(1.9)	31.81	28.67	3.14	10.9
- Diluted (sen)	5.82	5.95	(0.13)	(2.2)	31.41	28.45	2.96	10.4

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 March 2017 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 31 March 2018 RM'000	(AUDITED) As at 31 March 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	235,019	234,776
Investment properties	590	919
Inventories	566,077	760,775
Deferred tax assets	16,429	10,134
Goodwill arising on consolidation	*	*
	818,115	1,006,604
Current assets		
Inventories	471,715	163,781
Trade and other receivables	154,240	266,818
Deposits, cash and bank balance	277,316	117,307
	903,271	547,906
TOTAL ASSETS	1,721,386	1,554,510
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	796,217	577,122
Share premium	-	43,405
Share option	6,489	12,574
Translation reserves	(3,109)	2,326
Retained profits	405,444	388,532
	1,205,041	1,023,959
Non-controlling interest	500	*
TOTAL EQUITY	1,205,541	1,023,959
Non-current liabilities		
Borrowings	161,891	181,265
Other payables	7,485	24,546
	169,376	205,811
Current liabilities		
Trade and other payables	146,011	194,205
Borrowings	150,528	92,906
Dividend payable	26,281	20,096
Current tax liabilities	23,649	17,533
	346,469	324,740
TOTAL LIABILITIES	515,845	530,551
TOTAL EQUITY AND LIABILITIES	1,721,386	1,554,510
Net Assets Per Share (RM) (Note 2)	1.61	1.78

Notes:

* Represents RM1.00.

- 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 March 2017 and the accompanying explanatory notes attached to this interim financial statements.
- Based on the issued and paid-up share of 750,866,178 (2017: 574,164,751) ordinary share in Matrix ("shares")

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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	Non-Controlling Interest RM'000	Total RM'000
<u>12 months ended 31 March 2017 (Audited)</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	7,863	4,040	(2,129)	-	-	-	9,774
- Exercise of Warrants	5,302	7,421		-	-	-	12,723
Profit after taxation for the year	-	-	-	-	185,278	-	185,278
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	2,482	-	-	2,482
Total comprehensive income for the year	-	-	-	2,482	185,278	-	187,760
Dividend	-	-	-	-	(82,113)	-	(82,113)
Options granted under ESOS	-	-	10,621	-	-	-	10,621
ESOS lapsed/forfeited	-	-	(575)	-	575	-	-
As at 31 March 2017	577,122	43,405	12,574	2,326	388,532	*	1,023,959
<u>12 months ended 31 March 2018 (Unaudited)</u>							
As at 1 April 2017	577,122	43,405	12,574	2,326	388,532	*	1,023,959
Issuance of new ordinary shares pursuant to							
- Exercise of ESOS	70,243	-	(10,517)	-	-	-	59,726
- Exercise of Warrants	1,074	-	-	-	-	-	1,074
- Bonus Issue	147,778	(43,405)	-	-	(104,373)	-	-
Profit after taxation for the year	-	-	-	-	211,832	-	211,832
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	(5,435)	-	-	(5,435)
Total comprehensive income for the year	-	-	-	(5,435)	211,832	-	206,397
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	500	500
Dividend	-	-	-	-	(91,388)	-	(91,388)
Options granted under ESOS	-	-	5,273	-	-	-	5,273
ESOS lapsed/forfeited	-	-	(841)	-	841	-	-
As at 31 March 2018	796,217	-	6,489	(3,109)	405,444	500	1,205,541

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 March 2017

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 12 MONTHS YEAR ENDED 31 March 2018 RM'000	(Audited) FOR THE 12 MONTHS YEAR ENDED 31 March 2017 RM'000
Cash Flow From Operating Activities		
Profit before income tax	294,069	260,312
Adjustments for :-		
Bad debts written off	-	174
ESOS expenses	5,273	10,621
Depreciation	9,646	8,961
Equipment written off	331	3
Impairment loss on trade receivable	-	417
Interest income	(5,088)	(2,209)
Interest expenses	4,581	8,343
(Gain)/loss on disposal of property, plant and equipment	(266)	69
Operating profit before working capital changes	308,546	286,691
Increase in inventories	(113,237)	(106,641)
Decrease/(Increase) in receivables	112,578	(90,187)
(Decrease)/Increase in payables	(65,254)	43,120
Cash generated from operations	242,633	132,983
Interest received	5,088	2,209
Interest paid	(4,581)	(3,090)
Tax paid	(82,415)	(78,606)
Net cash provided by operating activities	160,725	53,496
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(2,454)	(3,698)
Purchase of property, plant and equipment	(10,248)	(24,549)
Proceed from disposal of property, plant and equipment	623	493
Net cash used in investing activities	(12,079)	(27,754)
Cash Flow From Financing Activities		
Proceed from issuance of share	60,801	22,497
Increase in investment of non controlling interest in a subsidiary	500	-
Dividend paid	(85,203)	(83,166)
Drawdown of borrowings	150,000	103,676
Repayment of term loan	(103,832)	(46,872)
Hire purchase instalments paid	(315)	(97)
Net cash generated from/(used in) financing activities	21,951	(3,962)
Net changes in cash and cash equivalents	170,597	21,780
Effect of exchange rate fluctuations on cash held	(5,435)	2,475
Cash and cash equivalents at beginning of the period	63,866	39,611
Cash & cash equivalents at end of the period	229,028	63,866
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	277,316	117,307
Less : Fixed Deposit Pledged	(11,843)	(9,389)
	265,473	107,918
Bank overdrafts	(36,445)	(44,052)
	229,028	63,866

Note:

1. The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 March 2017 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 FYE 31 March 2017 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 March 2017.

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 March 2017.

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 107: Disclosure Initiative
 Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
 Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

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 as issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019

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MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
<ul style="list-style-type: none"> • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value 	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The abovementioned 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 31 March 2018 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 31 March 2018 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 31 March 2018 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 31 March 2018 under review:

- (i) 7,810,934 new ordinary shares in the Company (“**Matrix Concepts Shares**”) pursuant to the exercise of employee share options (“**ESOS Options**”); and
- (ii) 6,281 new Matrix Concepts Shares pursuant to the exercise of warrants in the Company.

Pursuant to the above, the issued and paid-up share capital of the Company had increased from RM778,955,591, comprising of 743,048,963 Matrix Concepts Shares to RM796,217,218 comprising of 750,866,178 Matrix Concepts Shares for the current financial quarter ended 31 March 2018 under review.

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A6. Dividends Paid

During the financial quarter ended 31 March 2018 under review, the Company had closed its books for its third interim single tier dividend of 3.50 sen per Matrix Concepts Share for the financial year ended 31 March 2018. The third interim single tier dividend was paid on 11 April 2018 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 March 2018 respectively.

Please refer to Note B10 on dividends declared.

A7. Segmental Information

The segment revenue and segment results for business segments for the current financial year 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	777,825	-	-	-	-	777,825
Construction / Inter-segment sales	-	329,958	-	-	(329,958)	-
School fees received	-	-	19,994	-	-	19,994
Clubhouse operator	-	-	-	14,467	-	14,467
Total	777,825	329,958	19,994	14,467	(329,958)	812,286
Other income						
Rental income	442	12	-	-	-	454
Others	5,165	1,689	359	59	-	7,272
Total	5,607	1,701	359	59	-	7,726
Results						
Segment results	290,008	45,655	(13,272)	(4,380)	(19,361)	298,650
Finance costs						(4,581)
Profit before tax						294,069
Taxation						(82,237)
Net profit for the year						211,832

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For comparison purposes, the segment revenue and segment results for business segments for the corresponding financial year ended 31 March 2017 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	749,073	-	-	-	-	749,073
Construction / Inter-segment sales	-	349,758	-	-	(349,758)	-
School fees received	-	-	12,888	-	-	12,888
Clubhouse operator	-	-	-	13,017	-	13,017
Total	749,073	349,758	12,888	13,017	(349,758)	774,978
Other income						
Rental income	272	-	-	-	-	272
Others	7,652	24	288	323	-	8,287
Total	7,924	24	288	323	-	8,559
Results						
Segment results	276,012	37,557	(16,158)	(2,624)	(26,966)	267,821
Finance costs						(7,509)
Profit before tax						260,312
Taxation						(75,034)
Net profit for the year						185,278

As the revenue of the Matrix Concepts Group is solely derived from its operating activities in Malaysia, geographical segmentation is not prepared.

A8. Malaysian property sector

On an annual basis, activities in the housing market have shown some improvements. Total housing transaction volume recorded a smaller contraction of 4.2% (2Q 2017: -8.4%) with 47,501 units of houses being transacted in 3Q 2017. The value of housing transaction also showed signs of improvement, recording a positive annual growth of 8.9% (2Q 2017: -1.5%). The improvement was contributed largely by transactions of houses priced at RM500,000 and above. House prices (as measured by the Malaysian House Price Index) continued to increase at a moderate annual pace of 6.8% in 2Q 2017 (1Q 2017: +6.7%), well below previous peaks observed during the 2012-2013 period (average growth of 12.3%).

Borrowers continued to have access to home financing, especially the first-time house buyers. The growth in outstanding house financing increased to 8.9% (3Q 2017: +8.8%), while the overall housing loan approval rate for the purchase of houses priced below RM500,000 remained high at 72.3% (3Q 2017: 73.9%).

Demand for financing for speculative house purchases remained muted. During the quarter, the share of the number of housing loans settled within three years (the typical duration required to complete construction after a property is acquired) stood at 7.9% (3Q 2017: 10.5%) of total settled housing loans. The annual growth in the number of borrowers with three or more outstanding housing loans (a proxy for speculative buyers) remained low at 0.9% (3Q 2017: +0.7%). The credit quality for overall housing loans also remained sound, with delinquency and impairment ratios at 1.3% and 1.0% of total bank loans, respectively (3Q 2017: 1.2% and 1.1%, respectively).

Rental rates in the office space and shopping complex segments remained low in 3Q 2017 amid excess supply. Direct risks to banks from end-financing exposures to the office space and shopping complex segments remained small at 3.2% of total bank loans, supported by sound lending and valuation practices. The delinquency and impairment ratios for non-residential property segment remained low at 0.7% and 1.1%, respectively (3Q 2017: 0.6% and 1.2%, respectively).

(Source: Bank Negara Malaysia Quarterly Bulletin for the fourth quarter of 2017.)

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A9. 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 31 March 2018 under review.

A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 31 March 2018 under review and the financial period-to-date are as follows:

	Cumulative year-to-date 31.03.2018 RM'000
Contracted but not provided for:	
- Land held for property development	109,540
Total	<u><u>109,540</u></u>

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 31 March 2018 under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A12. Significant event during the period

There were no significant events outside the ordinary course of business during the financial quarter ended 31 March 2018 that have not been reflected in this interim financial statements.

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 31 March 2018 under review.

A14. Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities and contingent assets to be disclosed as at 31 March 2018.

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A15. Significant Related Party Disclosures

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 31 March 2018 under review and the financial year-to-date:

	Current quarter ended 31.03.2018 RM'000	Cumulative year-to-date 31.03.2018 RM'000
Purchase of building materials from related parties	10,923	37,565
Purchase of marketing material from related parties	-	124
Rental payments made to related parties	15	60
Consultancy fees paid to related parties	67	716
Sales of development properties to related parties	-	5,239

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.03.2018 RM'000	Corresponding quarter ended 31.03.2017 RM'000	Changes	
			RM'000	%
Revenue	170,364	161,346	9,018	5.6
Gross profit	92,535	94,772	(2,237)	(2.4)
Profit before tax	63,639	55,100	8,539	15.5
Profit after tax	43,897	38,984	4,913	12.6

For the quarter ended 31 March 2018, the Group recorded revenue of RM170.4 million, an increase of RM9.0 million or 5.6% from RM161.3 million in the previous year, attributed to higher revenue recognition mainly from the sales of residential properties.

Of the total Group revenue of RM170.4 million, revenue contribution from the Group’s investment properties of Matrix Global Schools and d’Tempat Country Club amounted to RM9.8 million, increasing RM3.3 million or 51.3% higher from RM6.5 million in the previous year, on higher student enrolments and increased spending by club members.

In tandem with the increase in revenue recognised for the quarter, the Group recorded higher profit before tax of RM63.6 million, an increase of RM8.5 million or 15.5% from RM55.1 million in the previous year.

For the quarter under review, unbilled sales grew to RM1.1 billion compared to RM0.9 billion a year ago.

As at 31 March 2018, the Group’s total undeveloped land bank is approximately 1,600 acres, with estimated future GDV of RM6.7 billion.

B2. Comparison with preceding quarter’s results

	Current quarter ended 31.03.2018 RM'000	Preceding quarter ended 31.12.2017 RM'000	Changes	
			RM'000	%
Revenue	170,364	266,168	(95,804)	(36.0)
Gross profit	92,535	144,268	(51,733)	(35.9)
Profit before tax	63,639	97,429	(33,790)	(34.7)
Profit after tax	43,897	70,557	(26,660)	(37.8)

The Group achieved revenue of RM170.4 million for the quarter ended 31 March 2018, or 36.0% lower compared to RM266.2 million in the preceding quarter ended 31 December 2017. The decrease in revenue was mainly attributed to higher recognition of sales of industrial and commercial development properties in the preceding quarter.

Correspondingly, the Group recorded profit before tax of RM63.6 million for the quarter ended 31 March 2018, or 34.7% lower compared to RM97.4 million in the preceding quarter, in line with lower revenue recognition from the sales of industrial and commercial development properties.

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B3. Prospects

Matrix Concepts remains focused on enhancing its township developments of Bandar Sri Sendayan in Seremban, Negeri Sembilan and Bandar Seri Impian in Kluang, Johor. The Group is also engaged in other development projects in the vicinity of Seremban, Negeri Sembilan, such as the Residensi SIGC project.

The Group maintains a positive outlook on demand for its properties, and has sustained its strong track record and sales performance despite ongoing challenges in the broader property market. The Group also carefully assesses the market requirements, and times its launches accordingly to offer a strategic mix of both affordably-priced and higher-premium homes in line with market demand. The Group continuously improves its township facilities to enhance the vibrancy and value of its townships, with objectives of securing the top spot as a leading developer of integrated townships.

During the quarter ended 31 March 2018, the Group continued to build earnings sustainability by launching more development projects with a total GDV of RM401.5 million, namely Ara Sendayan (Phase 2), Hijayu Resort Homes (Phase 3) and Hijayu Resort Homes (Phase 4) in Bandar Sri Sendayan. The Group’s ongoing developments as at 31 March 2018 soared to a new high of RM2.59 billion in GDV, significantly more than RM1.79 billion in the previous year. This would amount to an estimated RM1.23 billion in total launches for FY2018.

Additionally, the Group has upcoming launches with GDV of RM1.56 billion for the financial year ending 31 March 2019 (FY2019), including its first residential high-rise condominium, Chambers Kuala Lumpur, at Jalan Putra. The Group is confident that its profitability will be sustained with the significant amount of new launches and sales progress of ongoing developments.

Furthermore, the Group’s other investments comprise 34-acre X Park, d’Sora Boutique Business Hotel, and potential future investments. These properties would position Bandar Sri Sendayan as a leading community-focused township that aims to not only enrich the living experience for everyone, but also to create a rising and recurring revenue stream from investment properties.

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 31.03.2018 RM’000	Cumulative period-to-date 31.03.2018 RM’000
Current tax expenses	22,800	88,351
Deferred tax income	(3,058)	(6,114)
	19,742	82,237

The Group’s effective tax rate of 28.0% for the financial quarter ended 31 March 2018 under review was higher than the statutory corporate tax rate of 24.0% as 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) Memorandum of understanding between Matrix Concepts and Changhua Christian Hospital, Republic of China (Taiwan)

The Company had on 1 March 2017 announced that it had entered into a Memorandum of Understanding (“MOU”) with Changhua Christian Hospital, Republic of China (Taiwan) (“CCH”) for the proposed establishment of a medical and specialist healthcare service provider in Bandar Sri Sendayan, Negeri Sembilan to be known as Matrix Global Specialist Centre. On 30 August 2017, the Company had announced that the Company and CCH had mutually agreed to extend the MOU for a period of a further 6 months until 28 February 2018. Please refer to the Company’s announcement dated 1 May 2017 and 30 August 2017 for further information on Changhua Christian Hospital.

On 28 February 2018, the Company had announced that the MOU has not been further extended and has deemed to have ceased to have any effect from 28 February 2018.

(ii) Proposed issuance of Islamic Commercial Papers and/or Islamic Medium Term Notes (collectively referred to as Sukuk Wakalah) under the Sukuk Wakalah Programme with a combined programme limit of up to RM250.0 million in nominal value (“Sukuk Wakalah Programme”)

The Company had on 22 May 2017, lodged with the Securities Commission Malaysia to establish the Sukuk Wakalah Programme. The said programme will have a tenure of 7 years and its first issuance will be within 60 days from the date of lodgment. Proceeds from the Sukuk Wakalah Programme will be utilized to finance future investments, working capital requirements, capital expenditure, other general corporate purposes and/or to defray expenses arising from the said programme.

The Company had on 15 August 2017 further announced the maiden issuance of Sukuk Wakalah under the Sukuk Wakalah Programme, comprising RM50.0 million in nominal value of Islamic Commercial Papers and RM100.0 million in nominal value of Islamic Medium Term Notes. Please refer to the Company’s announcement on 15 August 2017 for further information.

(iii) Proposed acquisition of vacant agriculture land held under separate individual titles, located within Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus by BSS Development Sdn Bhd (“Proposed PD Acquisition”)

The Company had on 4 August 2017 announced that its wholly-owned subsidiary, BSS Development Sdn Bhd, had between the period of 28 June 2017 and 4 August 2017, entered into separate Sale and Purchase Agreements with individual land owners or their administrators to acquire 21 parcels of vacant agriculture land held under separate titles situated in Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus measuring in total, approximately 53.43 hectares for an aggregate cash consideration of RM56,993,678.

On 19 October 2017, the Company had announced that BSS Development Sdn Bhd had further entered into separate Sales and Purchase Agreements for the acquisition of a further 10 parcels of vacant agriculture land under separate titles located within Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus. Following thereto, the total aggregate parcels of lands to be acquired is 31 parcels measuring 76.57 hectares with an aggregate cash consideration of RM84,052,319.

Please refer to the Company’s announcement dated 4 August 2017 and 19 October 2017 for further information on the Proposed PD Acquisition.

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(iv) Education Joint Collaboration Agreement (“EJCA”) between Matrix Global Education Sdn Bhd and Hengshui Yizhong Education Group Sdn Bhd

The Company had on 18 September 2017, announced that its wholly owned subsidiary, Matrix Global Education Sdn Bhd (“MGE”) had entered into a EJCA with Hengshui Yizhong Education Group Sdn Bhd (“HYE”) for the advancement of education for students from China whereby HYE is to ensure a minimum of 200 new students are enrolled with MGE for the next 3 academic years with the first academic year commencing from 20 March 2018.

The EJCA will not have an immediate impact to the financial performance of the Group for the upcoming financial year ending 31 March 2018. However, with the increase in student enrolment to be contributed by the EJCA, it is expected that the EJCA will contribute positively to the future earnings of the Group.

Please refer to the Company announcement dated 18 September 2017 for further information on the EJCA.

(v) Memorandum of Understanding between Matrix Concepts Holdings Berhad, PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia

The Company had on 15 May 2018, announced that the Company had entered into a Memorandum of Understanding with PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta, Indonesia (“MOU”). The purpose of the MOU is to create a platform for the parties to commit their intention and to strengthen the mutual understanding to set up a collaboration for a proposed joint venture for the said development. It is anticipated that the definitive joint venture agreement will be executed within 6 months from the date of the MOU. In the event the parties are unable to execute the definitive joint venture agreement at the expiry of 6 months, the MOU shall be terminated by mutual consent of all parties.

Please refer to the Company’s announcement dated 15 May 2018 for further information on the MOU.

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 RM15.1 million via the subscription of the following during the financial quarter ended 31 March 2018:

- (i) 7,810,934 new Matrix Concepts Shares pursuant to the exercise of the ESOS Options, whereby 106,762 ESOS Options were exercised at a subscription price of RM1.46 per new Matrix Concepts Share, 249,554 ESOS Options were exercised at a subscription price of RM1.66 per new Matrix Concepts Share, 2,973,095 ESOS Options were exercised at a subscription price of RM1.87 per new Matrix Concepts Share and 4,481,523 ESOS Options were exercised at a subscription price of RM1.99 per new Matrix Concepts Share; and
- (ii) 6,281 new Matrix Concepts Shares pursuant to the exercise of Warrants at a subscription price of RM1.92 per new Matrix Concepts Share.

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

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B8. Group borrowings and debt securities

The Group’s borrowings as at 31 March 2018 are as follows:

	Unaudited as at 31.03.2018 RM’000
Short term borrowings	
<u>Secured:</u>	
Hire purchase creditors	342
Term loans	23,741
Bank overdrafts	36,445
	<hr/> 60,528 <hr/>
<u>Unsecured:</u>	
Commercial papers	50,000
Medium term notes	40,000
	<hr/> 90,000 <hr/>
Total short-term borrowings	<hr/> 150,528 <hr/>
Long term borrowings	RM’000
<u>Secured:</u>	
Hire purchase creditors	825
Term loans	101,066
	<hr/> 101,891 <hr/>
<u>Unsecured:</u>	
Medium term notes	60,000
Total long-term borrowings	<hr/> 161,891 <hr/>
Total Borrowings	<hr/> 312,419 <hr/>

The Group’s borrowings are denominated solely in Malaysian Ringgit.

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 23 May 2018, declared a fourth interim single tier dividend of 3.50 sen per Matrix Concepts Share held for the financial year ended 31 March 2018, to be paid on 11 July 2018 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 June 2018.

On 11 April 2018, a third interim single tier dividend of 3.50 sen per Matrix Concepts Share for the financial year ended 31 March 2018 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 March 2018.

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B11. 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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit attributable to equity holders of the Company (RM'000)	43,897	38,984	211,832	185,278
Weighted average number of ordinary shares ('000)	746,105	650,157	665,883	646,135
Basic earnings per share (sen)	5.88	6.00	31.81	28.67

(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		Cumulative Period-To-Date	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit attributable to equity holders of the Company (RM'000)	43,897	38,984	211,832	185,278
Weighted average number of ordinary shares for the quarter ended 31 March 2018 ('000)	746,105	650,157	665,883	646,135
Effect of potential exercise of Warrants ('000)	6,654	2,127	6,654	2,127
Effect of potential exercise of ESOS ('000)	2,216	2,950	2,216	2,950
Weighted enlarged average number of ordinary shares ('000)	754,975	655,234	674,753	651,212
Diluted earnings per share(sen)	5.82	5.95	31.41	28.45

* The comparative basis and diluted earnings per share have been restated taken into account the effect of bonus issue on the basis of one share for every four existing ordinary share held in financial year 2018.

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B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		Cumulative Period-To-Date	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Included in the profit for the period are:				
- Interest income	(1,936)	(447)	(5,088)	(2,014)
- Other income including investment income	(858)	(446)	(2,184)	(6,273)
- Interest expenses	718	4,107	4,581	7,509
- Depreciation of property, plant and equipment	2,759	2,555	9,646	8,883
- 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	(136)	(87)	(454)	(272)

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

B13. Auditors' report

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

B14. 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 23 May 2018.

By order of the Board of Directors

Dato' Lee Tian Hock
Group Managing Director

Date: 23 May 2018