MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	Unaudited			Unaudited	Unaudited		
	INDIVIDUAL QUARTER (2nd QUARTER)				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	CHANGES	
	30 September 2018	30 September 2017	Amount		30 September 2018	30 September 2017	Amount	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	253,312	202,896	50,416	24.8	483,354	375,754	107,600	28.6
Cost of Sales	(139,820)	(94,063)	(45,757)	48.6	(265,259)	(164,996)	(100,263)	60.8
Gross Profit	113,492	108,833	4,659	4.3	218,095	210,758	7,337	3.5
Other Income	2,422	1,506	916	60.8	4,113	2,287	1,826	79.8
Selling and Marketing Expenses	(8,792)	(4,889)	(3,903)	79.8	(15,329)	(14,084)	(1,245)	8.8
Administrative and general expenses	(31,716)	(33,781)	2,065	(6.1)	(62,587)	(63,111)	524	(0.8)
Operating Profit	75,406	71,669	3,737	5.2	144,292	135,850	8,442	6.2
Finance Costs	(981)	(659)	(322)	48.9	(1,917)	(2,849)	932	(32.7)
Profit Before Taxation	74,425	71,010	3,415	4.8	142,375	133,001	9,374	7.0
Income Tax Expenses	(21,483)	(19,184)	(2,299)	12.0	(39,281)	(35,623)	(3,658)	10.3
Profit After Taxation	52,942	51,826	1,116	2.2	103,094	97,378	5,716	5.9
Other Comprehensive Income								
- Foreign Currency Translation Differences	468	32	436	-	458	32	426	-
Total Comprehensive Income For The Period	53,410	51,858	1,552	3.0	103,552	97,410	6,142	6.3
Profit After Taxation attributable to :								
Equity Holders of the Company	52,942	51,826	1,116	2.2	103,094	97,378	5,716	5.9
Non-controlling Interest	-	-	-		-	-	-	
	52,942	51,826	1,116	2.2	103,094	97,378	5,716	5.9
Total Comprehensive Income attributable to :								
Equity Holders of the Company	53,410	51,858	1,552	3.0	103,552	97,410	6,142	6.3
Non-controlling Interest	-	-	-	-	-	-	-	-
	53,410	51,858	1,552	3.0	103,552	97,410	6,142	6.3
Earnings Per Share Attributable To Equity Holders Of The Company								
- Basic (sen)	7.04	8.64	(1.60)	(18.5)	13.70	16.54	(2.84)	(17.2)
- Diluted (sen)	6.99	8.56	(1.57)	(18.3)	13.62	16.40	(2.78)	(16.9)

Note:
1. 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 2018 and the accompanying explanatory notes attached to this interim financial statements.

MATRIX CONCEPTS HOLDINGS BERHAD

(Incorporated in Malaysia-Co. No. 414615-U)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30 September 2018 RM'000	(AUDITED) As at 31 March 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	248,186	235,046
Investment properties	441	590
Inventories	521,295	643,900
Deferred tax assets	16,559	14,603
Goodwill arising on consolidation	*	*
	786,481	894,139
Current assets		
Inventories	479,787	380,110
Trade and other receivables	291,042	309,393
Deposits, cash and bank balance	276,852	280,428
	1,047,681	969,931
TOTAL ASSETS	**1,834,162**	**1,864,070**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	800,218	796,217
Share option	-	6,489
Translation reserves	(2,649)	(3,107)
Retained profits	463,407	406,892
	1,260,976	1,206,491
Non-controlling interest	501	501
TOTAL EQUITY	1,261,477	1,206,992
Non-current liabilities		
Borrowings	143,624	181,270
Other payables	-	7,439
	143,624	188,709
Current liabilities		
Trade and other payables	236,551	286,520
Borrowings	132,699	133,801
Dividend payable	24,466	26,280
Current tax liabilities	35,345	21,768
	429,061	468,369
TOTAL LIABILITIES	572,685	657,078
TOTAL EQUITY AND LIABILITIES	**1,834,162**	**1,864,070**
Net Assets Per Share (RM) (Note 2)	1.68	1.61

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 March 2018 and the accompanying explanatory notes attached to this interim financial statements.*

2. *Based on the issued and paid-up share of 752,808,654 (2018: 750,866,178) ordinary share in Matrix ("shares")*

MATRIX CONCEPTS HOLDINGS BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

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
6 months ended 30 September 2017 (Unaudited)							
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	44,065	-	(7,045)	-	-	-	37,020
- Exercise of Warrants	1,059	-	-	-	-	-	1,059
- Bonus Issue	147,778	(43,405)	-	-	(104,373)	-	-
Profit after taxation for the period	-	-	-	-	97,378	-	97,378
Other comprehensive income for the period							
- Foreign currency translation differences	-	-	-	32	-	-	32
Total comprehensive income for the period	-	-	-	32	97,378	-	97,410
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	448	448
Dividend	-	-	-	-	(40,959)	-	(40,959)
Options granted under ESOS	-	-	-	-	-	-	-
ESOS lapsed/forfeited	-	-	(416)	-	416	-	-
As at 30 September 2017	770,024	-	5,113	2,358	340,994	448	1,118,937
6 months ended 30 September 2018 (Unaudited)							
As at 1 April 2018	796,217	-	6,489	(3,107)	406,892	501	1,206,992
Effect of MFRS 9 adoption (Note A1(b))	-	-	-	-	(1,785)	-	(1,785)
As at 1 April 2018 (Restated)	796,217	-	6,489	(3,107)	405,107	501	1,205,207
Issuance of new ordinary shares pursuant to							
- Exercise of ESOS	3,187	-	(483)	-	-	-	2,704
- Exercise of Warrants	814	-	-	-	-	-	814
Profit after taxation for the period	-	-	-	-	103,094	-	103,094
Other comprehensive income for the period							
- Foreign currency translation differences	-	-	-	458	-	-	458
Total comprehensive income for the period	-	-	-	458	103,094	-	103,552
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-	-
Dividend	-	-	-	-	(50,800)	-	(50,800)
Options granted under ESOS	-	-	-	-	-	-	-
ESOS lapsed/forfeited	-	-	(6,006)	-	6,006	-	-
As at 30 September 2018	800,218	-	-	(2,649)	463,407	501	1,261,477

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 2018

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 6 MONTHS PERIOD ENDED 30 September 2018 RM'000	(Unaudited) FOR THE 6 MONTHS PERIOD ENDED 30 September 2017 RM'000
Cash Flow From Operating Activities		
Profit before income tax	142,375	133,001
Adjustments for :-		
Depreciation	4,953	4,556
Equipment written off	-	287
Interest income	(2,899)	(1,134)
Interest expenses	1,917	2,849
Gain on disposal of property, plant and equipment	(264)	(37)
Operating profit before working capital changes	146,082	139,522
Decrease/(Increase) in inventories	22,929	(54,613)
Decrease in receivables	16,566	36,245
Decrease in payables	(57,407)	(63,402)
Cash generated from operations	128,170	57,752
Interest received	2,899	1,134
Interest paid	(1,917)	(2,849)
Tax paid	(27,659)	(34,633)
Net cash generated from operating activities	101,493	21,404
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(1,651)	(903)
Purchase of property, plant and equipment	(18,372)	(9,807)
Proceed from disposal of property, plant and equipment	692	112
Net cash used in investing activities	(19,331)	(10,598)
Cash Flow From Financing Activities		
Proceed from issuance of share	3,518	38,080
Increase in investment of non controling interest in a subsidiary	-	448
Dividend paid	(52,614)	(41,883)
Drawdown of borrowings	-	150,000
Repayment of term loan	(50,631)	(20,049)
Hire purchase instalments paid	(160)	(156)
Net cash used in financing activities	(99,887)	126,440
Net changes in cash and cash equivalents	(17,725)	137,246
Effect of exchange rate fluctuations on cash held	458	32
Cash and cash equivalents at beginning of the period	187,395	63,866
Cash & cash equivalents at end of the period	170,128	201,144
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	276,852	247,340
Less : Fixed Deposit Pledged	(14,337)	(10,292)
Less : Fixed Deposit with maturity of more than 3 months	(53,901)	-
	208,614	237,048
Bank overdrafts	(38,486)	(35,904)
	170,128	201,144

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 2018 and the accompanying explanatory notes attached to this interim financial statements.*

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 2018 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 2018.

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 2018.

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)

MFRS 9 Financial Instruments
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140 – Transfers of Investment Property
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
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

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, except for MFRS 9. The impact of the adoption of MFRS 9 in the Group's financial statements is as follows :-

(a) Changes in accounting policies

The impact on the adoption of MFRS 9 in the Group's financial statements is as follows:-

MFRS 9 Financial Instruments (MFRS 9)
The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with MFRS 9. In accordance with the transition requirements under MFRS 9, comparative figures are not restated and the financial impact on the adoption of this Standard is recognised in retained profits as at 1 April 2018.

<u>Impairment of financial assets</u>
MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("**ECL**") model, replacing the incurred loss model under MFRS 139. The Group applied the simplified approach prescribed by MFRS 9, which requires expected lifetime losses to be recognised on the receivables.

(b) Classification and measurement of financial instruments

The following table is a reconciliation of the carrying amount of the Group’s statement of financial position from MFRS 139 to MFRS 9 as at 1 April 2018 :-

	MFRS 139	**Remeasurement**	**MFRS 9**
	Carrying amount as at 31 March 2018		**Carrying amount as at 1 April 2018**
	RM’000	**RM’000**	**RM’000**
Trade receivables and contract assets			
Opening balance	274,010	-	274,010
Impairment losses *	-	(1,785)	(1,785)
Total trade receivables and contract assets	274,010	(1,785)	272,225
Retained profits			
Opening balance	406,892	-	406,892
Impairment losses on trade receivables and contract assets	-	(1,785)	(1,785)
Total retained profits	406,892	(1,785)	405,107

* The Group applied the simplified approach in providing the ECL model.

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 but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
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 References to the Conceptual Framework in MFRS Standards	1 January 2020
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 30 September 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 30 September 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 30 September 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 30 September 2018 under review:

(i) 424,132 new ordinary shares in the Company ("**Matrix Concepts Shares**") pursuant to the exercise of warrants in the Company ("**Warrants**").

Pursuant to the above, the issued and paid-up share capital of the Company had increased from RM799,403,973, comprising of 752,384,522 Matrix Concepts Shares to RM800,218,306 comprising of 752,808,654 Matrix Concepts Shares for the current financial quarter ended 30 September 2018 under review.

A6. Dividends Paid

During the financial quarter ended 30 September 2018 under review, the Company had closed its books for its first interim single tier dividend of 3.25 sen per Matrix Concepts Share for the financial year ending 31 March 2019. The first interim single tier dividend was paid on 10 October 2018 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 September 2018.

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 RM'000	Construction RM'000	Education RM'000	Hospitality RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sale of properties	464,282	-	-	-	-	464,282
Construction / Inter-segment sales	-	151,054	-	-	(151,054)	-
School fees received	-	-	11,502	-	-	11,502
Clubhouse and hotel operator	-	-	-	7,570	-	7,570
Total	464,282	151,054	11,502	7,570	(151,054)	483,354
Other income						
Rental income	205	1	-	-	-	206
Others	3,184	344	351	28	-	3,907
Total	3,389	345	351	28	-	4,113
Results						
Segment results	135,225	17,065	(4,500)	625	(4,123)	144,292
Finance costs						(1,917)
Profit before tax						142,375
Taxation						(39,281)
Net profit for the period						103,094

For comparison purposes, the segment revenue and segment results for business segments for the corresponding FPE 30 September 2017 are as follows:

	Property development RM'000	Construction RM'000	Education RM'000	Hospitality RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sale of properties	360,062	-	-	-	-	360,062
Construction / Inter-segment sales	-	150,754	-	-	(150,754)	-
School fees received	-	-	8,427	-	-	8,427
Clubhouse operator	-	-	-	7,265	-	7,265
Total	360,062	150,754	8,427	7,265	(150,754)	375,754
Other income						
Rental income	176	-	-	-	-	176
Others	1,416	471	183	41	-	2,111
Total	1,592	471	183	41	-	2,287
Results						
Segment results	142,358	22,303	(6,358)	(1,553)	(20,900)	135,850
Finance costs						(2,849)
Profit before tax						133,001
Taxation						(35,623)
Net profit for the period						97,378

In addition to the above, the FPE 30 September 2018 is the first financial quarter that the Matrix Concepts Group has derived revenue and profits from its operating activities, from countries other than in Malaysia. As such, the geographical segmentation is as follows:

	Revenue RM’000	Profit before tax RM’000	Profit after tax RM’000	Profit attributable to the equity holders of the Company RM’000
Malaysia	401,889	131,895	95,868	95,868
Australia	81,465	10,480	7,226	7,226
Total	483,354	142,375	103,094	103,094

A8. Industry outlook

(i) Malaysian property sector

Owning a property is the aspiration of many Malaysians, as evidenced by the nation’s high homeownership rate (2016: 76.3%). This Malaysian dream, however, is becoming more elusive, as houses are now less affordable across most parts of the nation. In 2016, Malaysian house prices were on average about 5 times the annual median household income (2009: 4.4 times), making houses seriously unaffordable compared to the international affordability standard of 3.0 times. Based on the median household income of RM5,228, the maximum affordable house price in Malaysia is estimated to be RM282,000. However, actual median house price was 11% higher at RM313,000.

The deterioration in housing affordability is largely attributed to supply-demand mismatches and slower income growth. On the supply front, housing construction has consistently fallen short of household demand. Between 2014-2016, there was an average supply of 114,000 new houses, markedly lower than the formation of 154,000 new households. The undersupply of affordable homes is also exacerbated by the fact that the recent housing launches were skewed towards the higher-end property segment, which are out of reach for many Malaysians. The supply -demand mismatch, together with the societal preference towards homeownership instead of renting, has exerted further upward pressure on house prices. Fundamentally, household income growth has also not kept up with the rise in house prices. Between 2007-16, average house prices increased by 10%, but income only grew at an average of 8%. The widening gap between income and house prices worsens the perception of rising cost of living, as housing accounts for a quarter of household spending.

Investment in structures expanded at a slower pace of 2.1% (1Q 2018: 2.8%), due mainly to a slower expansion in investments in non-residential property such as office and retail space. Investment in other types of assets contracted by 2.9% (1Q 2018: -0.2%).

Domestic financial stability continued to be preserved, while overall level of risks remain contained and unchanged. Domestic financial institutions remain resilient with banks continuing to be well-capitalised, and having sufficient liquidity to support the financing needs of the real economy. Households continue to record low impairment levels amid sustained debt servicing capacity. Overall risk outlook for the business sector remains stable. Direct risks from exposures to the non-residential property segment, where certain segments continue to face an oversupply situation, remain low as banks maintain sound underwriting standards.

(Source: Bank Negara Malaysia Quarterly Bulletin for the second quarter of 2018.)

(ii) Australian residential property sector

The current residential property upswing has seen strong price inflation, up around 47% across capital cities since December 2012 (around the beginning of the current upswing nationally). Price growth has been uneven across the states, pulled along by the Sydney and Melbourne markets. In 2017, house prices fell in Perth and Darwin, linked to population movements and employment opportunities. Slower price growth in the Brisbane market also likely reflects low employment growth as well as the risks of oversupply in the apartment segment, but this may be have bottomed out now.

Household debt has escalated with house prices – Australia's household debt to income ratio is now the second highest in the world, behind only the Swiss. And while growth in debt has been most pronounced for higher income households, higher debt adds to the economy's vulnerability in the face of a shock, and could also lead to lower future growth. Regulators aiming to restrain increasing property debt amid concerns of an overheating market have targeted investor lending. Tighter lending standards and restrictions on the volume of 'interest only' loans to total new residential mortgages, have pushed up rates for investors. Market activity has begun cooling with house price growth slowing in the latter half of 2017. Despite the vulnerability, the residential market generally continues to be buoyed by other fundamentals. Underlying demand remains solid with strong (albeit uneven) population growth expected to continue into 2020, and jobs growth has been strong, especially in Victoria.

(Source: 2018 Real Estate Outlook, The Australian Perspective, February 2018, Deloitte.)

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 30 September 2018 under review.

A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 30 September 2018 under review and the financial period-to-date are as follows:

	Cumulative year-to-date 30.09.2018 RM'000
Contracted but not provided for:	
- Land held for property development	127,545
- Construction of building	3,508
Total	**131,053**

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 30 September 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 30 September 2018 that have not been reflected in this interim financial statements.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group during the financial quarter ended 30 September 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 30 September 2018.

A15. Significant Related Party Disclosures

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 30 September 2018 under review and the financial year-to-date:

	Current quarter ended 30.09.2018 RM'000	**Cumulative year-to-date 30.09.2018 RM'000**
Purchase of building materials from related parties	10,008	19,604
Agency fees and purchase of marketing material from related parties	177	330
Purchase of sundries from related parties	61	214
Rental payments made to related parties	71	142
Consultancy fees paid to related parties	445	920
Sales of development properties to related parties	4,151	4,151

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 30.09.2018 RM'000	**Corresponding quarter ended 30.09.2017 RM'000**	**Changes RM'000**	**%**
Revenue	253,312	202,896	50,416	24.8
Gross profit	113,492	108,833	4,549	4.3
Profit before tax	74,425	71,010	3,415	4.8
Profit after tax	52,942	51,826	1,116	2.2

For the quarter ended 30 September 2018, the Group recorded revenue of RM253.3 million, an increase of RM50.4 million or 24.8% from RM202.9 million in the previous year. This was mainly contributed by revenue recognition from its M.Carnegie boutique apartment project in Australia and increased revenue contribution from sales of industrial properties at Bandar Sri Sendayan. This helped offset the lower revenue contribution from Bandar Seri Impian, attributed to the delayed timing of launches.

In addition, revenue contribution from the Group's investment properties of Matrix Global Schools, d'Tempat Country Club and d'Sora Business Boutique Hotel amounted to RM9.0 million, increasing RM1.6 million or 21.3% higher from RM7.4 million in the previous year. The stronger performance was contributed by higher student enrolments, increased spending by club members, and increased occupancy rate of the hotel.

The Group also recorded higher profit before tax of RM74.4 million, an increase of RM3.4 million or 4.8% from RM71.0 million in the previous year, attributed to the enlarged revenue base. The Group's margins were moderated due to fewer higher-premium property launches in its product mix.

As at 30 September 2018, the Group's total undeveloped land bank is approximately 1,405 acres, while unbilled sales grew to RM1.4 billion compared to RM1.1 billion a year ago and RM1.2 billion as at the preceding quarter's end.

B2. Comparison with preceding quarter's results

	Current quarter ended 30.09.2018 RM'000	Preceding quarter ended 30.06.2018 RM'000	Changes RM'000	%
Revenue	253,312	230,042	23,270	10.1
Gross profit	113,492	104,603	8,889	8.5
Profit before tax	74,425	67,950	6,475	9.5
Profit after tax	52,942	50,152	2,790	5.6

The Group achieved revenue of RM253.3 million for the quarter ended 30 September 2018, or 10.1% higher compared to RM230.0 million in the preceding quarter ended 30 June 2018. The increase in revenue was mainly attributed to the recognition from the sales of the newly completed M.Carnegie in Melbourne, Australia, as well as higher sales of commercial and industrial properties.

Correspondingly, the Group noted profit before tax of RM74.4 million for the quarter ended 30 September 2018, or 9.5% higher compared to RM68.0 million in the preceding quarter, in line with the increase in revenue recognition.

B3. Prospects

Matrix Concepts is 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, Kuala Lumpur, and Australia. Altogether, the Group's ongoing developments amount to RM2.8 billion in GDV as at 30 September 2018, compared to RM2.4 billion a year ago.

The Group maintains a positive outlook on demand for its properties, and has sustained its strong track record and sales performance. The Group also cautiously assesses the market requirements, and strategically times the launches of its affordably-priced and higher-premium homes to cater to buyers' preference. The Group continuously improves its township facilities to enrich the living experience of residents and enhance the value of its townships, with the aim of being the leading developer of integrated townships.

To satiate the buyers' demand for affordable-yet-quality homes, the Group plans to launch projects with total GDV of RM1.7 billion for the current financial year ending 31 March 2019 (FY2019). Of this, the Group has successfully launched RM807.3 million worth of residential projects as at 30 September 2018, namely Ara Sendayan (Phase 3) and Tiara Sendayan 1 and 2 in Bandar Sri Sendayan (BSS), and Chambers KL, the Group's first residential high-rise condominium and maiden foray in Kuala Lumpur city centre at Jalan Putra.

For the remaining six months of FY2019, the Group's upcoming launches amount to RM900 million in GDV, including Tiara Sendayan 3 and 4 and Ara Sendayan (Phase 4) in BSS, and Impiana Bayu 3A in Bandar Seri Impian.

Overall, the Group is confident that its profitability will be sustained with the healthy 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, in addition to potential investments in the future. These properties would position Bandar Sri Sendayan as a leading community-focused township that aims to not only improve 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 30.09.2018 RM'000	**Cumulative period-to-date 30.09.2018 RM'000**
Current tax expenses	22.062	41,236
Deferred tax income	(579)	(1,955)
	21,483	**39,281**

The Group's effective tax rate of 27.6% for the financial quarter ended 30 September 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.

B6. Status of corporate proposals

(i) 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.

(ii) 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.

(iii) Joint Venture Agreement 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.

Further to the above, the Company had on 2 October 2018, announced that it had entered into a Joint Venture Agreement ("**JVA**") with PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

Please refer to the Company's announcement dated 15 May 2018 and 2 October 2018 for further information on the MOU and JVA.

B7. Status of utilisation of proceeds raised from the exercise of Warrants

As mentioned in Note A5 above, the Company had raised an aggregate of approximately RM0.8 million via the subscription of the following during the financial quarter ended 30 September 2018:

(i) 424,132 new Matrix Concepts Shares pursuant to the exercise of the Warrants at an exercise price of RM1.92 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 September 2018 are as follows:

	Unaudited as at 30.09.2018 RM’000
Short term borrowings	
Secured:	
Hire purchase creditors	347
Term loans	23,866
Bank overdrafts	38,486
	62,699
Unsecured:	
Commercial papers	50,000
Medium term notes	20,000
	70,000
Total short-term borrowings	**132,699**
Long term borrowings	
Secured:	
Hire purchase creditors	662
Term loans	82,962
	83,624
Unsecured:	
Medium term notes	60,000
Total long-term borrowings	**143,624**
Total Borrowings	**276,323**

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 14 November 2018, declared a second interim single tier dividend of 3.25 sen per Matrix Concepts Share held for the financial year ended 31 March 2019, to be paid on 9 January 2019 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 December 2018.

On 10 October 2018, a first interim single tier dividend of 3.25 sen per Matrix Concepts Share for the financial year ended 31 March 2019 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 September 2018.

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	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Profit attributable to equity holders of the Company (RM'000)	52,942	51,826	103,094	97,378
Weighted average number of ordinary shares ('000)	752,458	600,028	752,283	588,631
Basic earnings per share (sen)	7.04	8.64	13.70	16.54

(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	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Profit attributable to equity holders of the Company (RM'000)	52,942	51,826	103,094	97,378
Weighted average number of ordinary shares for the quarter ended 30 September 2018 ('000)	752,458	600,028	752,283	588,631
Effect of potential exercise of Warrants ('000)	4,633	3,762	4,633	3,762
Effect of potential exercise of ESOS ('000)	-	1,480	-	1,480
Weighted enlarged average number of ordinary shares ('000)	757,091	605,270	756,916	593,873
Diluted earnings per share(sen)	6.99	8.56	13.62	16.40

B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		**Cumulative Period-To-Date**	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included in the profit for the period are:				
- Interest income	(1,779)	(643)	(2,889)	(1,134)
- Other income including investment income	(557)	(791)	(1,008)	(977)
- Interest expenses	981	659	1,917	2,849
- Depreciation of property, plant and equipment	2,573	2,433	4,953	4,556
- 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	(43)	-	(43)	-
- Realised gain/(loss) on derivatives	-	-	-	-
- (Reversal of)/allowance for expected credit losses on receivables	(351)	-	(351)	-
- Rental income on properties	(86)	(81)	(206)	(176)

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 14 November 2018.

By order of the Board of Directors

Ho Kong Soon
Group Managing Director

Date: 14 November 2018