

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**


UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited INDIVIDUAL QUARTER (4th QUARTER)				Unaudited Audited CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	CHANGES	
	31 March 2019	31 March 2018	Amount	%	31 March 2019	31 March 2018	Amount	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	278,945	170,364	108,581	63.7	1,047,949	818,477	229,472	28.0
Cost of Sales	(151,654)	(67,499)	(84,155)	124.7	(540,350)	(345,157)	(195,193)	56.6
Gross Profit	127,291	102,865	24,426	23.7	507,599	473,320	34,279	7.2
Other Income	6,047	2,930	3,117	106.4	12,833	7,470	5,363	71.8
Selling and Marketing Expenses	(19,054)	(12,634)	(6,420)	50.8	(62,368)	(52,256)	(10,112)	19.4
Administrative and general expenses	(31,769)	(28,804)	(2,965)	10.3	(158,725)	(128,208)	(30,517)	23.8
Operating Profit	82,515	64,357	18,158	28.2	299,339	300,326	(987)	(0.3)
Finance Costs	971	(718)	1,689	(235.2)	(1,725)	(5,098)	3,373	(66.2)
Profit Before Taxation	83,486	63,639	19,847	31.2	297,614	295,228	2,386	0.8
Income Tax Expenses	(17,621)	(19,742)	2,121	(10.7)	(80,050)	(81,947)	1,897	(2.3)
Profit After Taxation	65,865	43,897	21,968	50.0	217,564	213,281	4,283	2.0
Other Comprehensive Income								
- Foreign Currency Translation Differences	(855)	(5,229)	4,374	-	(3,498)	(5,433)	1,935	(35.6)
Total Comprehensive Income For The Period	65,010	38,668	26,342	68.1	214,066	207,848	6,218	3.0
Profit After Taxation attributable to :								
Equity Holders of the Company	65,865	43,897	21,968	50.0	217,564	213,280	4,284	2.0
Non-controlling Interest	-	-	-	-	-	1	(1)	(100.0)
	65,865	43,897	21,968	50.0	217,564	213,281	4,283	2.0
Total Comprehensive Income attributable to :								
Equity Holders of the Company	65,010	38,668	26,342	68.1	214,066	207,847	6,219	3.0
Non-controlling Interest	-	-	-	-	-	1	(1)	(100.0)
	65,010	38,668	26,342	68.1	214,066	207,848	6,218	3.0
Earnings Per Share Attributable To Equity Holders Of The Company								
- Basic (sen)	8.75	5.88	2.87	48.7	28.91	32.03	(3.12)	(9.7)
- Diluted (sen)	8.73	5.81	2.92	50.2	28.85	31.59	(2.74)	(8.7)

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 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
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	(UNAUDITED) As at 31 March 2019 RM'000	(AUDITED) As at 31 March 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	255,441	235,046
Investment properties	243	590
Inventories	721,561	643,900
Deferred tax assets	23,045	14,603
Goodwill arising on consolidation	*	*
	1,000,290	894,139
Current assets		
Inventories	449,029	380,110
Trade and other receivables	314,959	309,393
Deposits, cash and bank balance	256,828	280,428
	1,020,816	969,931
TOTAL ASSETS	2,021,106	1,864,070
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	800,220	796,217
Share option	-	6,489
Translation reserves	(6,605)	(3,107)
Retained profits	532,612	406,892
	1,326,227	1,206,491
Non-controlling interest	991	501
TOTAL EQUITY	1,327,218	1,206,992
Non-current liabilities		
Borrowings	201,894	181,270
Other payables	-	7,439
	201,894	188,709
Current liabilities		
Trade and other payables	285,900	286,520
Borrowings	160,570	133,801
Dividend payable	22,584	26,280
Current tax liabilities	22,940	21,768
	491,994	468,369
TOTAL LIABILITIES	693,888	657,078
TOTAL EQUITY AND LIABILITIES	2,021,106	1,864,070
Net Assets Per Share (RM) (Note 2)	1.76	1.61

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 2018 and the accompanying explanatory notes attached to this interim financial statements.
- Based on the issued and paid-up share of 752,809,487 (2018: 750,866,178) 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 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	-	-	-	-	213,280	1	213,281
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	(5,433)	-	-	(5,433)
Total comprehensive income for the year	-	-	-	(5,433)	213,280	1	207,848
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	(3,107)	406,892	501	1,206,992
<u>12 months ended 31 March 2018 (Unaudited)</u>							
As at 1 April 2018	796,217	-	6,489	(3,107)	406,892	501	1,206,992
Issuance of new ordinary shares pursuant to							
- Exercise of ESOS	3,187	-	(483)	-	-	-	2,704
- Exercise of Warrants	816	-	-	-	-	-	816
Profit after taxation for the year	-	-	-	-	217,564	-	217,564
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	(3,498)	-	-	(3,498)
Total comprehensive income for the year	-	-	-	(3,498)	217,564	-	214,066
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	490	490
Dividend	-	-	-	-	(97,850)	-	(97,850)
ESOS lapsed/forfeited	-	-	(6,006)	-	6,006	-	-
As at 31 March 2019	800,220	-	-	(6,605)	532,612	991	1,327,218

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 12 MONTHS YEAR ENDED 31 March 2019 RM'000	(Audited) FOR THE 12 MONTHS YEAR ENDED 31 March 2018 RM'000
Cash Flow From Operating Activities		
Profit before income tax	297,614	295,228
Adjustments for :-		
Bad debts written off	-	78
Depreciation of property, plant and equipment	10,459	9,638
Depreciation of investment property	7	17
Equipment written off	-	331
ESOS expenses	-	5,273
Impairment loss on trade receivable	-	408
Interest expenses	1,725	5,966
Interest income	(5,522)	(5,846)
Gain on disposal of investment property	(290)	(194)
Gain on disposal of property, plant and equipment	(220)	(14)
Operating profit before working capital changes	303,773	310,885
Increase in inventories	(128,555)	(82,540)
Increase in receivables	(5,567)	(42,208)
(Decrease)/Increase in payables	(8,058)	71,253
Cash generated from operations	161,593	257,390
Interest received	5,522	4,993
Interest paid	(19,749)	(18,926)
Tax paid	(87,320)	(82,181)
Net cash generated from operating activities	60,046	161,276
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(1,988)	(3,297)
Purchase of property, plant and equipment	(31,310)	(11,273)
Withdrawal/(Placement) of deposits with licensed bank more than 3 months	27,901	(53,901)
Proceed from disposal of property, plant and equipment	677	1,042
Proceed from disposal of investment property	629	506
Net cash used in investing activities	(4,091)	(66,923)
Cash Flow From Financing Activities		
Proceed from issuance of share	3,520	60,800
Increase in investment of non controlling interest in a subsidiary	490	500
Dividend paid	(101,546)	(85,203)
Drawdown of borrowings	100,000	186,323
Repayment of term loan	(61,597)	(127,503)
Hire purchase instalments paid	(320)	(315)
Net cash (used in)/generated from financing activities	(59,453)	34,602
Net changes in cash and cash equivalents	(3,498)	128,955
Effect of exchange rate fluctuations on cash held	(3,498)	(5,426)
Cash and cash equivalents at beginning of the period	187,395	63,866
Cash & cash equivalents at end of the period	180,399	187,395
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	256,828	280,428
Less : Fixed Deposit Pledged	(14,674)	(12,686)
Less : Fixed Deposit more than 3 months	(26,000)	(53,901)
	216,154	213,841
Bank overdrafts	(35,755)	(26,446)
	180,399	187,395

Note:

- 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.

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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 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.

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 3 : Definition of a Business	1 January 2020
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 101 and MFRS 108 : Definition of Material	1 January 2020
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

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MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 31 March 2019 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 2019 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 2019 under review and the financial period-to-date.

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

There were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the financial quarter ended 31 March 2019 under review.

A6. Dividends Paid

During the financial quarter ended 31 March 2019 under review, the Company had closed its books for its third interim single tier dividend of 3.00 sen per Matrix Concepts Share for the financial year ended 31 March 2019. The third interim single tier dividend was paid on 10 April 2019 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 March 2019.

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 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	1,010,588	-	-	-	-	1,010,588
Construction / Inter-segment sales	-	368,639	-	-	(368,639)	-
School fees	-	-	21,613	-	-	21,613
Clubhouse and hotel operator	-	-	-	15,748	-	15,748
Total	1,010,588	368,639	21,613	15,748	(368,639)	1,047,949
Other income						
Rental income	846	3	-	-	-	849
Others	7,125	1,260	3,448	151	-	11,984
Total	7,971	1,263	3,448	151	-	12,833
Results						
Segment results	271,063	41,339	(11,305)	2,471	(4,229)	299,339
Finance costs						(1,725)
Profit before tax						297,614
Taxation						(80,050)
Net profit for the year						217,564

For comparison purposes, the segment revenue and segment results for business segments for the corresponding FYE 31 March 2018 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	786,092	-	-	-	-	786,092
Construction / Inter-segment sales	-	329,958	-	-	(329,958)	-
School fees	-	-	18,806	-	-	18,806
Clubhouse and hotel operator	-	-	-	13,579	-	13,579
Total	786,092	329,958	18,806	13,579	(329,958)	818,477
Other income						
Rental income	442	12	-	-	-	454
Others	4,909	1,689	359	59	-	7,016
Total	5,351	1,701	359	59	-	7,470
Results						
Segment results	290,573	45,815	(13,272)	(4,380)	(18,410)	300,326
Finance costs						(5,098)
Profit before tax						295,228
Taxation						(81,947)
Net profit for the year						213,281

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In addition to the above, the FYE 31 March 2019 is only the third 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	961,773	283,825	206,103	206,103
Australia	86,176	13,789	11,461	11,461
Total	1,047,949	297,614	217,564	217,564

A8. Industry outlook

(i) Malaysian property sector

The residential subsector is expected to grow at a marginal pace following the mismatch between supply and demand. Towards this end, the Government suspended the development of residential properties, serviced apartments and luxury condominiums priced over RM1.0 million in prime areas, effective November 2017. In addition, the developers are focusing on sales of existing projects to address the overhang issues. Meanwhile, the Government will continue to provide affordable housing for the low and middle income groups through various programmes.

The non-residential subsector is projected to decline following oversupply and overhang of high-end shops and shopping complexes as well as downward trend in the incoming supply of commercial buildings. However, the demand for commercial buildings in prime areas is anticipated to remain stable supported by residential development projects in Klang Valley suburbs, particularly in areas along MRT and LRT routes; as well as in major cities such as Johor Bahru, Melaka and Pulau Pinang.

(Source: Economic Outlook 2019, Ministry of Finance, Malaysia.)

(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 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. 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.)

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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 2019 under review.

A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 31 March 2019 under review and the financial period-to-date are as follows:

	Cumulative year-to-date 31.03.2019 RM'000
Contracted but not provided for:	
- Land held for property development	168,758
- Share of capital commitment of joint ventures	<u>130,201</u>
	<u>298,959</u>

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 31 March 2019 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 2019 that have not been reflected in this interim financial statements.

A13. Changes in the Composition of the Group

Save as disclosed below, there were no changes to the composition of the Group during the financial quarter ended 31 March 2019 under review:

- (i) On 3 January 2019, Matrix Global Education Sdn Bhd (“**MGE**”), a wholly-owned subsidiary of the Company, had incorporated a new wholly-owned subsidiary, Matrix Educare Sdn Bhd (“**MEC**”). The issued and paid-up share capital of MEC is RM100 comprising 100 ordinary shares. MEC’s intended principal activity is the provision of education services and operation of educational institution. Further to the joint venture cum shareholders’ agreement announced on 16 January 2019 between Bonanza Educare Sdn Bhd (formerly known as Ipoh Learning & Training Institute Sdn Bhd) (“**BESB**”) and MGE, MEC had on 28 February 2019 completed the issuance and allotment of new shares to BESB. Following thereto, MEC is now a 51% owned by MGE.

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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 2019.

A15. Significant Related Party Disclosures

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 31 March 2019 under review and the financial year-to-date:

	Current quarter ended 31.03.2019 RM'000	Cumulative year-to-date 31.03.2019 RM'000
Purchase of building materials from related parties	17,430	50,412
Agency fees and purchase of marketing material from related parties	4	512
Purchase of sundries from related parties	8	321
Rental payments made to related parties	71	284
Consultancy fees paid to related parties	596	1,626
Sales of development properties to related parties	-	5,391

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.03.2019 RM'000	Corresponding quarter ended 31.03.2018 RM'000	Changes	
			RM'000	%
Revenue	278,945	170,364	108,581	63.7
Gross profit	127,291	102,865	24,426	23.7
Profit before tax	83,486	63,639	19,847	31.2
Profit after tax	65,865	43,897	21,968	50.0

For the quarter ended 31 March 2019, the Group recorded revenue of RM278.9 million, an increase of RM108.5 million or 63.7% from RM170.4 million in the previous year. This was achieved mainly from higher revenue recognition from residential properties in Bandar Sri Sendayan.

Revenue contribution from the Group's investment properties of Matrix Global Schools, d'Tempat Country Club and d'Sora Business Boutique Hotel increased 19.5% to RM9.2 million for the current financial quarter under review from RM7.7 million in the previous year.

In line with the overall increase in revenue, the Group recorded higher profit before tax of RM83.5 million, an increase of RM19.8 million or 31.2% from RM63.6 million in the previous year.

Backed by higher amount of new launches and healthy sales performance, the Group's unbilled sales stood at a commendable level of RM1.2 billion compared to RM1.1 billion a year ago and RM1.4 billion as at the preceding quarter's end.

B2. Comparison with preceding quarter's results

	Current quarter ended 31.03.2019 RM'000	Preceding quarter ended 31.12.2018 RM'000	Changes	
			RM'000	%
Revenue	278,945	285,650	(6,705)	(2.3)
Gross profit	127,291	128,271	(980)	(0.8)
Profit before tax	83,486	71,753	11,733	16.4
Profit after tax	65,865	48,605	17,260	35.5

The Group achieved revenue of RM278.9 million for the quarter ended 31 March 2019, or 2.3% marginal decrease from the preceding quarter ended 31 December 2018.

Notwithstanding the above, the Group had recorded an increase in profit before tax of RM11.7 million from RM71.8 million in the previous financial quarter to RM83.5 million in the current financial period under review. This was mainly due to favourable sales mix in the current quarter.

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B3. Prospects

Matrix Concepts’ focal point remains on further 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, and had additionally expanded into Kuala Lumpur as well as Australia, effectively expanding its geographical reach to capture various growth opportunities. Altogether, the Group’s ongoing developments stood at a healthy level of RM2.60 billion in gross development value (GDV) as at 31 March 2019, from RM2.59 billion in GDV as at 31 March 2018.

To satiate the need for affordable-yet-quality homes, the Group launched a total of RM1.5 billion worth of projects for the financial year ended 31 March 2019 (FY2019). This includes residential and commercial projects, such as Ara Sendayan (Phase 3, 4&5), Tiara Sendayan (1, 2&3), Lobak Commercial Centre Phase 2, and Sub Centre @ Sendayan Tech Valley 1A in Bandar Sri Sendayan (BSS), and Chambers KL, the Group’s first high-rise condominium and maiden project in the city centre of Kuala Lumpur.

For the financial year ending 31 March 2020 (FY2020), the Group has earmarked RM1.3 billion worth of properties to launch, which includes residential properties such as Hijayu Residence (Phase 1&2), Hijayu Aman, and Tiara Sendayan 4 (Precint 3) in BSS.

The Group maintains a positive view on the demand for its properties going forward, backed by a strong track record in sales performance, in addition to its strong lineup of launches for FY2020. The Group continuously invests into enhancing its townships’ facilities to further enrich the living experience of residents and increase the value and demand of its townships, with the goal of becoming one of the leading developers of integrated townships in Malaysia.

Despite current cautious sentiment of the property sector, barring any unforeseen circumstances, the Group is optimistic of maintaining its profitability in FY2020 based on a healthy number of new launches and encouraging sales progress of ongoing developments.

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 31.03.2019 RM’000	Cumulative period-to-date 31.03.2019 RM’000
Current tax expenses	23,014	88,007
Deferred tax income	(5,393)	(7,957)
	17,621	80,050

The Group’s effective tax rate of 26.9% for the financial quarter ended 31 March 2019 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 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.

(ii) 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 Securitas Indonesia to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

On 2 April 2019, the Company together with PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia had entered into a supplemental agreement to extend the period for the capital injection by the respective parties (“**Supplemental Agreement**”).

Please refer to the Company’s announcement dated 15 May 2018, 2 October 2018 and 2 April 2019 for further information on the MOU, JVA and Supplemental Agreement.

(iii) Joint Venture cum Shareholders Agreement between MGE and BESB

The Company had on 16 January 2019, announced that MGE, a wholly-owned subsidiary of the Company, had entered into a Joint Venture cum Shareholders Agreement (“**JVSA**”) with BESB with a mutual objective to provide efficient operations and management of Matrix Global Schools based on an agreed business plan.

On 28 February 2019, MEC, being identified as the joint venture company, had completed its issuance of shares to BESB. Pursuant to the terms of the JVSA, MEC’s shareholdings is now 51% held by MGE while the remaining 49% is held by BESB.

Please refer to the Company’s announcement dated 16 January 2019 and 28 February 2019 for further information on the joint venture.

(iv) Joint venture between Matrix Concepts (Southern) Sdn Bhd (“MCS”) and Koperasi Kemajuan Tanah Negeri Johor Berhad (“KKTNJB”)

The Company had on 2 May 2019, announced that MCS, a wholly-owned subsidiary of the Company, had entered into a Joint Venture Agreement with KKTNJB with a mutual objective and purpose of carrying out mixed development projects on part of the land owned by KKTNJB under the land title details of HS(D) 56852, PTD 74731 in the Mukim and District of Kluang and State of Johor measuring approximately 407.6 acres.

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The said mixed development projects to be carried out will cover approximately 309.5 acres within the abovementioned land with the development costs to be borne by MCS. In return for the exclusive and irrevocable right granted by KKTNJB for MCS to develop the said land, MCS shall pay a cash consideration of RM91,679,338 based on a payment scheduled agreed upon between the parties.

Please refer to the Company’s announcement dated 2 May 2019 for further information on the joint venture.

(v) Private placement of up to 75,000,000 new MCHB Shares

On behalf of the Company, Maybank Investment Bank Berhad (“**Maybank IB**”) had on 12 March 2019, announced that the Company proposed to undertake a private placement of up to 75,000,000 new MCHB Shares (“**Private Placement**”) pursuant to the general mandate applicable for the period granted by the shareholders of MCHB under Sections 75 and 76 of the Act. The listing application for the Private Placement was submitted to Bursa Securities on 13 March 2019 and approved on 18 March 2019.

On 2 May 2019, Maybank IB had on behalf of the Company, announced the price fixing of the first tranche which entails the issuance of 21,000,000 new MCHB Shares at RM1.986 per share to be issued pursuant to the Private Placement (“**First Tranche Placement**”). The First Tranche Placement was completed on 10 May 2019.

On 15 May 2019, Maybank IB had on behalf of the Company, announced the price fixing of the second tranche which entails the issuance of 13,000,000 new MCHB Shares at RM2.00 per share to be issued pursuant to the Private Placement (“**Second Tranche Placement**”). The Second Tranche Placement was completed on 27 May 2019.

Please refer to the Company’s announcement dated 12 March 2019, 13 March 2019, 14 March 2019, 19 March 2019, 2 May 2019, 10 May 2019, 15 May 2019 and 27 May 2019 for further information on the Private Placement.

B7. Status of utilisation of proceeds raised

During the financial quarter under review, the Company had not raised any new proceeds from the issuance of new securities.

B8. Group borrowings and debt securities

The Group’s borrowings as at 31 March 2019 are as follows:

	Unaudited as at 31.03.2019 RM’000
Short term borrowings	
<u>Secured:</u>	
Hire purchase creditors	350
Term loans	34,465
Bank overdrafts	35,755
	<hr/> 70,570
<u>Unsecured:</u>	
Commercial papers	50,000
Medium term notes	40,000
	<hr/> 90,000
Total short-term borrowings	<hr/> 160,570

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	Unaudited as at 31.03.2019
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	498
Term loans	61,396
	<hr/> 61,894
<u>Unsecured:</u>	
Medium term notes	140,000
Total long-term borrowings	<hr/> 201,894
Total Borrowings	<hr/> 362,464 <hr/>

The Group’s borrowings are denominated in Malaysian Ringgit and Australian Dollar, the breakdown of which is as follows:

	Unaudited as at 31.03.2019 RM’000
Malaysian Ringgit	353,764
Australian Dollar	8,700
Total	<hr/> 362,464 <hr/>

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 31 May 2019, declared a fourth interim single tier dividend of 3.00 sen as well as a special single tier dividend of 0.25 sen per Matrix Concepts Share held for the financial year ended 31 March 2019, to be paid on 10 July 2019 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 June 2019.

On 10 April 2019, a third interim single tier dividend of 3.00 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 March 2019.

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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Profit attributable to equity holders of the Company (RM’000)	65,865	43,897	217,564	213,280
Weighted average number of ordinary shares (‘000)	752,804	746,105	752,542	665,889
Basic earnings per share (sen)	8.75	5.88	28.91	32.03

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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		Cumulative Period-To-Date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Profit attributable to equity holders of the Company (RM'000)	65,865	43,897	217,564	213,280
Weighted average number of ordinary shares for the quarter ended 31 March 2019 ('000)	752,804	746,105	752,542	665,889
Effect of potential exercise of Warrants ('000)	1,623	7,362	1,623	7,362
Effect of potential exercise of ESOS ('000)	-	1,977	-	1,977
Weighted enlarged average number of ordinary shares ('000)	754,427	755,444	754,165	675,228
Diluted earnings per share(sen)	8.73	5.81	28.85	31.59

B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		Cumulative Period-To-Date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Included in the profit for the period are:				
- Interest income	(1,358)	(1,936)	(5,522)	(5,846)
- Other income including investment income	(4,220)	(858)	(6,462)	(1,170)
- Interest expenses	(971)	718	1,725	5,098
- Depreciation of property, plant and equipment	2,721	2,759	10,466	9,655
- 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	-
- Realised gain/(loss) on derivatives	-	-	-	-
- (Reversal of)/allowance for expected credit losses on receivables	-	-	-	-
- Rental income on properties	(469)	(136)	(849)	(454)

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

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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 31 May 2019.

By order of the Board of Directors

Ho Kong Soon
Group Managing Director

Date: 31 May 2019