

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	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	
	31 December RM'000	31 December RM'000	Amount RM'000	%	31 December RM'000	31 December RM'000	Amount RM'000	%
Revenue	266,168	198,000	68,168	34.4	641,922	619,077	22,845	3.7
Cost of Sales	(121,900)	(78,697)	(43,203)	54.9	(286,896)	(299,846)	12,950	(4.3)
Gross Profit	144,268	119,303	24,965	20.9	355,026	319,231	35,795	11.2
Other Income	2,509	813	1,696	208.6	4,796	2,344	2,452	104.6
Selling and Marketing Expenses	(5,713)	(4,624)	(1,089)	23.6	(19,797)	(14,676)	(5,121)	34.9
Administrative and general expenses	(42,621)	(41,209)	(1,412)	3.4	(105,732)	(97,727)	(8,005)	8.2
Operating Profit	98,443	74,283	24,160	32.5	234,293	209,172	25,121	12.0
Finance Costs	(1,014)	(1,355)	341	(25.2)	(3,863)	(2,988)	(875)	29.3
Profit Before Taxation	97,429	72,928	24,501	33.6	230,430	206,184	24,246	11.8
Income Tax Expenses	(26,872)	(22,480)	(4,392)	19.5	(62,495)	(57,345)	(5,150)	9.0
Profit After Taxation	70,557	50,448	20,109	39.9	167,935	148,839	19,096	12.8
Other Comprehensive Income								
- Foreign Currency Translation Differences	(238)	-	(238)	-	(206)	-	(206)	-
Total Comprehensive Income For The Period	70,319	50,448	19,871	39.4	167,729	148,839	18,890	12.7
Profit After Taxation attributable to :								
Equity Holders of the Company	70,557	50,448	20,109	39.9	167,935	148,839	19,096	12.8
Non-controlling Interest	-	-	-	-	-	-	-	-
	70,557	50,448	20,109	39.9	167,935	148,839	19,096	12.8
Total Comprehensive Income attributable to :								
Equity Holders of the Company	70,319	50,448	19,871	39.4	167,729	148,839	18,890	12.7
Non-controlling Interest	-	-	-	-	-	-	-	-
	70,319	50,448	19,871	39.4	167,729	148,839	18,890	12.7
Earnings Per Share Attributable To								
Equity Holders Of The Company								
- Basic (sen)	9.52	8.83	0.69	7.8	26.26	26.22	0.03	0.1
- Diluted (sen)	9.40	8.76	0.65	7.4	25.87	26.00	(0.13)	(0.5)

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.

MATRIX CONCEPTS HOLDINGS BERHAD*(Incorporated in Malaysia-Co. No. 414615-U)***QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31 December 2017 RM'000	(AUDITED) As at 31 March 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	237,782	234,776
Investment properties	612	919
Inventories	714,340	760,775
Deferred tax assets	13,191	10,134
Goodwill arising on consolidation	*	*
	965,925	1,006,604
Current assets		
Inventories	258,986	163,781
Trade and other receivables	281,848	266,818
Deposits, cash and bank balance	221,400	117,307
	762,234	547,906
TOTAL ASSETS	1,728,159	1,554,510
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	778,956	577,122
Share premium	-	43,405
Share option	9,116	12,574
Translation reserves	2,120	2,326
Retained profits	387,403	388,532
	1,177,595	1,023,959
Non-controlling interest	448	*
TOTAL EQUITY	1,178,043	1,023,959
Non-current liabilities		
Borrowings	172,550	181,265
Other payables	10,246	24,546
	182,796	205,811
Current liabilities		
Trade and other payables	133,401	194,205
Borrowings	188,246	92,906
Dividend payable	24,149	20,096
Current tax liabilities	21,524	17,533
	367,320	324,740
TOTAL LIABILITIES	550,116	530,551
TOTAL EQUITY AND LIABILITIES	1,728,159	1,554,510
Net Assets Per Share (RM) (Note 2)	1.59	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 743,048,963 (2017: 574,164,751) ordinary share in Matrix ("shares")

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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>9 months ended 31 December 2016 (Unaudited)</u>							
As at 1 April 2016	563,957	31,944	4,657	(156)	284,792	*	885,194
Issuance of new ordinary shares pursuant to							
- Exercise of ESOS	2,890	3,967	(1,238)	-	-	-	5,619
- Exercise of Warrants	5,301	7,421	-	-	-	-	12,722
Profit after taxation/Total comprehensive income for the year	-	-	-	-	148,839	-	148,839
Dividend	-	-	-	-	(62,017)	-	(62,017)
Options granted under ESOS	-	-	10,621	-	-	-	10,621
ESOS lapsed/forfeited	-	-	-	-	-	-	-
As at 31 December 2016	<u>572,148</u>	<u>43,332</u>	<u>14,040</u>	<u>(156)</u>	<u>371,614</u>	<u>*</u>	<u>1,000,978</u>
<u>9 months ended 31 December 2017 (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	52,994	-	(8,315)	-	-	-	44,679
- Exercise of Warrants	1,062	-	-	-	-	-	1,062
- Bonus Issue	147,778	(43,405)	-	-	(104,373)	-	-
Profit after taxation for the year	-	-	-	-	167,935	-	167,935
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	(206)	-	-	(206)
Total comprehensive income for the year	-	-	-	(206)	167,935	-	167,729
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	448	448
Dividend	-	-	-	-	(65,107)	-	(65,107)
Options granted under ESOS	-	-	5,273	-	-	-	5,273
ESOS lapsed/forfeited	-	-	(416)	-	416	-	-
As at 31 December 2017	<u>778,956</u>	<u>-</u>	<u>9,116</u>	<u>2,120</u>	<u>387,403</u>	<u>448</u>	<u>1,178,043</u>

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

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 414615-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 9 MONTHS PERIOD ENDED 31 December 2017 RM'000	(Unaudited) FOR THE 9 MONTHS PERIOD ENDED 31 December 2016 RM'000
Cash Flow From Operating Activities		
Profit before income tax	230,430	206,184
Adjustments for :-		
ESOS expenses	5,273	10,621
Depreciation	6,956	6,328
Equipment written off	287	-
Interest income	(3,152)	(1,567)
Interest expenses	3,863	2,988
Gain on disposal of property, plant and equipment	(241)	(54)
Operating profit before working capital changes	243,416	224,500
Increase in inventories	(48,769)	(58,528)
Decrease/(Increase) in receivables	(15,030)	(103,147)
(Decrease)/Increase in payables	(75,104)	17,066
Cash generated from operations	104,513	79,891
Interest received	3,152	1,567
Interest paid	(3,863)	(2,988)
Tax paid	(61,561)	(44,901)
Net cash provided by operating activities	42,241	33,569
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(1,206)	(1,640)
Purchase of property, plant and equipment	(10,275)	(22,345)
Proceed from disposal of property, plant and equipment	574	54
Net cash used in investing activities	(10,907)	(23,931)
Cash Flow From Financing Activities		
Proceed from issuance of share	45,741	18,341
Increase in investment of non controlling interest in a subsidiary	448	-
Dividend paid	(61,054)	(64,571)
Drawdown of borrowings	150,000	16,220
Repayment of term loan	(59,240)	(14,505)
Hire purchase instalments paid	(237)	(116)
Net cash generated from/(used in) financing activities	75,658	(44,631)
Net changes in cash and cash equivalents	106,992	(34,993)
Effect of exchange rate fluctuations on cash held	(206)	-
Cash and cash equivalents at beginning of the period	63,866	39,611
Cash & cash equivalents at end of the period	170,652	4,618
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	221,400	64,673
Less : Fixed Deposit Pledged	(10,595)	(7,331)
	210,805	57,342
Bank overdrafts	(40,153)	(52,724)
	170,652	4,618

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 2017 and the accompanying explanatory notes attached to this interim financial statements.

**MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017**

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

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

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 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:	
• 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
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• 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
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• 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 above mentioned accounting standards and interpretations (including the consequential amendments) are not expected to have any significant financial impact on the Group’s financial statements upon their initial application.

A2. Seasonal or Cyclical Factors

The results for the current financial quarter ended 31 December 2017 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 December 2017 under review and the financial period-to-date.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

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 December 2017 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 December 2017 under review:

- (i) 4,151,911 new ordinary shares in the Company (“**Matrix Concepts Shares**”) pursuant to the exercise of employee share options (“**ESOS Options**”); and
- (ii) 1,394 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 RM770,023,757, comprising of 738,895,658 Matrix Concepts Shares to RM778,955,591, comprising of 743,048,963 Matrix Concepts Shares for the current financial quarter ended 31 December 2017 under review.

A6. Dividends Paid

During the financial quarter ended 31 December 2017 under review, the Company had closed its books for its second interim single tier dividend of 3.25 sen per Matrix Concepts Share for the financial year ending 31 March 2018. The second interim single tier dividend was paid on 10 January 2018 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 December 2017 respectively.

Please refer to Note B10 on dividends declared.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

A7. Segmental Information

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

	Property development RM'000	Construction RM'000	Education RM'000	Hospitality RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sale of properties	617,250	-	-	-	-	617,250
Construction / Inter-segment sales	-	228,769	-	-	(228,769)	-
School fees received	-	-	13,250	-	-	13,250
Clubhouse operator	-	-	-	11,422	-	11,422
Total	617,250	228,769	13,250	11,422	(228,769)	641,922
Other income						
Rental income	318	-	-	-	-	318
Others	3,210	912	220	136	-	4,478
Total	3,528	912	220	136	-	4,796
Results						
Segment results	233,465	26,537	(12,661)	(2,767)	(10,281)	234,293
Finance costs						(3,863)
Profit before tax						230,430
Taxation						(62,495)
Net profit for the period						167,935

For comparison purposes, the segment revenue and segment results for business segments for the corresponding financial period ended 31 December 2016 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	598,286	-	-	-	-	598,286
Construction / Inter-segment sales	-	255,252	-	-	(255,252)	-
School fees received	-	-	9,563	-	-	9,563
Clubhouse operator	-	-	-	11,228	-	11,228
Total	598,286	255,252	9,563	11,228	(255,252)	619,077
Other income						
Rental income	185	-	-	-	-	185
Others	3,367	30	92	279	(1,609)	2,159
Total	3,552	30	92	279	(1,609)	2,344
Results						
Segment results	234,181	20,184	(12,636)	(542)	(32,015)	209,172
Finance costs						(2,988)
Profit before tax						206,184
Taxation						(57,345)
Net profit for the period						148,839

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

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

The housing market continued to exhibit signs of recovery in tandem with developments in the residential property market. During 2Q 2017, the housing transaction volume and value increased, on a quarter to quarter basis, by 2.5% and 0.5%, respectively (1Q 2017: -8.7% and -3.8%, respectively). The increase in activity was contributed mainly by transactions for the purchase of houses priced at RM500,000 and below, reflecting the sustained demand for affordable housing from the general public. House prices (as measured by the Malaysian House Price Index) continued to increase at a moderate annual pace of 6.7% in 1Q 2017 (4Q 2016: +7%), well below the previous peaks last observed during the 2012-2013 period (average growth of 12.3%).

Borrowers continue to have access to home financing, especially among first-time house buyers. The growth in outstanding house financing was sustained at 8.8% (2Q 2017: +8.9%), while the housing loan approval rate for the purchase of houses priced below RM500,000 remained high at 72.6% (2Q 2017: 74.1%).

Demand for financing for speculative house purchases remained muted. 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 10.5% (2Q 2017: 11%) 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 0.8% (2Q 2017: +0.8%).

Rental rates in the office space and shopping complex segments remained depressed in 2Q 2017 amid the excess supply. This situation, if left unchecked, could become a long-term structural issue with wide implications to the greater economy. 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 these exposures remained low at 0.6% and 1.2%, respectively (2Q 2017: 0.8% and 1.2%, respectively). Further discussion on this subject can be found in a box article entitled ‘Imbalances in the Property Market’ published in this report.

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

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 December 2017 under review.

A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 31 December 2017 under review and the financial period-to-date are as follows:

	Current quarter ended 31.12.2017 RM’000	Cumulative period-to-date 31.12.2017 RM’000
Contracted but not provided for:		
- Land held for property development	6,984	91,047
Total	6,984	91,047

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 31 December 2017 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 December 2017 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 December 2017 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 December 2017.

A15. Significant Related Party Disclosures

Save as disclosed below, there was no other significant related party transactions during the financial quarter ended 31 December 2017 under review and the financial period-to-date:

	Current quarter ended 31.12.2017 RM'000	Cumulative period-to-date 31.12.2017 RM'000
Purchase of building materials from related parties	8,829	26,642
Purchase of marketing material from related parties	-	124
Rental payments made to related parties	15	45
Consultancy fees paid to related parties	276	649
Sales of development properties to related parties	3,839	5,239

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.12.2017 RM'000	Corresponding quarter ended 31.12.2016 RM'000	Changes	
			RM'000	%
Revenue	266,168	198,000	68,168	34.4
Gross profit	144,268	119,303	24,965	20.9
Profit before tax	97,429	72,928	24,501	33.6
Profit after tax	70,557	50,448	20,109	39.9

For the quarter ended 31 December 2017, the Group recorded revenue of RM266.2 million, an increase of RM68.2 million or 34.4% from RM198.0 million in the previous year, attributed to higher revenue recognition from the sales of all types of development properties, namely residential, commercial, and industrial properties.

Additionally, the Group’s investment properties of Matrix Global Schools and d’Tempat Country Club reported aggregate revenue of RM9.0 million, increasing RM0.7 million or 8.4% higher from RM8.3 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 RM97.4 million, an increase of RM24.5 million or 33.6% from RM72.9 million in the previous year. At the same time, unbilled sales grew to RM1.1 billion compared to RM0.9 billion a year ago.

As at 31 December 2017, the Group’s total undeveloped land bank is approximately 1600 acres, with estimated future GDV of RM6.7 billion.

B2. Comparison with preceding quarter’s results

	Current quarter ended 31.12.2017 RM'000	Preceding quarter ended 30.09.2017 RM'000	Changes	
			RM'000	%
Revenue	266,168	202,896	63,272	31.2
Gross profit	144,268	108,833	35,435	32.6
Profit before tax	97,429	71,010	26,419	37.2
Profit after tax	70,557	51,826	18,731	36.1

The Group achieved revenue of RM266.2 million for the quarter ended 31 December 2017, or 31.2% higher compared to RM202.9 million in the preceding quarter ended 30 September 2017. The increase in revenue was mainly attributed to the recognition of sales of industrial properties in the current quarter.

Correspondingly, the Group recorded profit before tax of RM97.4 million for the quarter ended 31 December 2017, or 37.2% higher compared to RM71.0 million in the preceding quarter, in line with the higher profit recognition from the sales of industrial properties that contributed towards better margins.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

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 an optimistic outlook on demand for its properties, and has maintained 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 invests into improving township facilities to enhance the vibrancy and value of its townships to potential buyers and commercial property investors, as well as secure its spot as a leading developer of integrated townships.

During the quarter ended 31 December 2017, the Group continued to build earnings sustainability by launching more development projects with a total GDV of RM198.6 million, namely Ara Sendayan (Phase 1B) in Bandar Sri Sendayan and Impiana Casa 3A in Bandar Seri Impian. The Group’s ongoing developments as at 31 December 2017 grew to a new high of RM2.48 billion in GDV, substantially more than RM2.13 billion in the previous year. Additionally, the Group has upcoming launches with GDV of RM584.0 million for the remaining three months of the current financial year ending 31 March 2018 (FY2018). This would amount to an estimated RM1.41 billion in total launches for FY2018. The Group is confident that its profitability will be sustained with the significant amount of new launches and sales progress of ongoing developments.

Additionally, 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 31.12.2017 RM’000	Cumulative period-to-date 31.12.2017 RM’000
Current tax expenses	24,913	65,552
Deferred tax income	1,959	(3,057)
	26,872	62,495

The Group’s effective tax rate of 27.1% for the financial quarter ended 31 December 2017 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.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

B6. Status of corporate proposals

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

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

On 2 February 2018, the company had announced that it had received notification from its solicitors that the registration of the Memorandum of Transfer for all 15 parcels of land have been finalised marking the completion of the Proposed Labu Agricultural Lands Acquisition.

- (ii) **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.

As at the date of this announcement, the relevant reviews and feasibility studies for the construction and development of Matrix Global Specialist Centre is being conducted. Upon establishment, Matrix Global Specialist Centre shall be the first hospital to be built in Bandar Sri Sendayan, to cater for the current population of more than 30,000 residents with a future target of more than 120,000 by 2022.

- (iii) **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.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

- (iv) **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.

- (v) **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.

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 RM7.7 million via the subscription of the following during the financial quarter ended 31 December 2017:

- (i) 4,151,911 new Matrix Concepts Shares pursuant to the exercise of the ESOS Options, whereby 101,494 ESOS Options were exercised at a subscription price of RM0.98 per new Matrix Concepts Share, 234,051 ESOS Options were exercised at a subscription price of RM1.46 per new Matrix Concepts Share, 342,560 ESOS Options were exercised at a subscription price of RM1.66 per new Matrix Concepts Shares, 2,200,492 ESOS Options were exercised at a subscription price of RM1.87 per new Matrix Concepts Share and 1,273,314 ESOS Options were exercised at a subscription price of RM1.99 per new Matrix Concepts Share; and
- (ii) 1,394 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.

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

B8. Group borrowings and debt securities

The Group’s borrowings as at 31 December 2017 are as follows:

	Unaudited as at 31.12.2017 RM’000
Short term borrowings	
<u>Secured:</u>	
Hire purchase creditors	340
Term loans	57,753
Bank overdrafts	40,153
	<u>98,246</u>
<u>Unsecured:</u>	
Commercial papers	50,000
Medium term notes	40,000
	<u>90,000</u>
Total short-term borrowings	<u>188,246</u>
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	904
Term loans	111,646
	<u>112,550</u>
<u>Unsecured:</u>	
Medium term notes	60,000
Total long-term borrowings	<u>172,550</u>
Total Borrowings	<u>360,796</u>

The Group’s borrowings are denominated in 2 currencies, namely Malaysian Ringgit and Australian Dollar, the breakdown of which are as follows:

	RM’000
Malaysian Ringgit	325,498
Australian Dollar	35,298
Total Borrowings	<u>360,796</u>

The Group’s borrowings denominated in Australian Dollar represent short term secured term loans of which as at 31 December 2017, AUD11.1 million remain outstanding. The foreign exchange rate recorded by the Group was RM3.1659 : AUD1.00. The Group has not hedged its Australian Dollar denominated borrowings against the Malaysian Ringgit due to the immateriality of borrowings drawn down.

B9. Changes in Material Litigation

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

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

B10. Dividends

The Board of Directors of the Company has on 28 February 2018, declared a third interim single tier dividend of 3.50 sen per Matrix Concepts Share held for the financial year ending 31 March 2018, to be 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.

On 10 January 2018, a second interim single tier dividend of 3.25 sen per Matrix Concepts Share for the financial year ending 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 22 December 2017.

B11. Realised and unrealised profits/losses disclosure

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

	Unaudited as at 31.12.2017 RM'000
Total retained profits of the Group	
- Realised	444,183
- Unrealised	1,498
	<u>445,681</u>
Less: Consolidation adjustments	(58,278)
Total Group retained profits as per Statement of Financial Position	<u><u>387,403</u></u>

B12. Earnings Per Share

(i) Basic earnings per share

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

	Current Quarter Ended		Cumulative Period-To-Date	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to equity holders of the Company (RM'000)	70,557	50,448	167,935	148,839
Weighted average number of ordinary shares ('000)	741,073	571,340	639,629	567,634
Basic earnings per share (sen)	9.52	8.83	26.26	26.22

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

(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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to equity holders of the Company (RM'000)	70,557	50,448	167,935	148,839
Weighted average number of ordinary shares for the quarter ended 31 December 2017 ('000)	741,073	571,340	639,629	567,634
Effect of potential exercise of Warrants	6,463	1,625	6,463	1,625
Effect of potential exercise of ESOS	3,016	3,235	3,016	3,235
Weighted enlarged average number of ordinary shares ('000)	750,552	576,200	649,108	572,494
Diluted earnings per share(sen)	9.40	8.76	25.87	26.00

B13. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		Cumulative Period-To-Date	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Included in the profit for the period are:				
- Interest income	(2,018)	(759)	(3,152)	(1,567)
- Other income including investment income	(349)	7	(1,326)	(592)
- Interest expenses	1,014	1,355	3,863	2,988
- Depreciation of property, plant and equipment	2,400	2,225	6,956	6,328
- 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	(142)	(61)	(318)	(185)

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

B14. Auditors' report

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

MATRIX CONCEPTS HOLDINGS BERHAD (Company No: 414615-U)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
(“FPE”) 31 DECEMBER 2017

B15. Authority For Issue

The interim financial statements were reviewed by the Audit Committee of the Company and duly authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 February 2018.

By order of the Board of Directors

Dato’ Lee Tian Hock
Group Managing Director

Date: 28 February 2018