MATRIX CONCEPTS HOLDINGS BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
	31 December 2018	31 December 2017	Amount		31 December 2018	31 December 2017	Amount	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	285,650	266,168	19,482	7.3	769,004	641,922	127,082	19.8
Cost of Sales	(157,379)	(121,900)	(35,479)	29.1	(422,638)	(286,896)	(135,742)	47.3
Gross Profit	128,271	144,268	(15,997)	(11.1)	346,366	355,026	(8,660)	(2.4)
Other Income	2,674	2,509	165	6.6	6,786	4,796	1,990	41.5
Selling and Marketing Expenses	(6,615)	(5,713)	(902)	15.8	(21,944)	(19,797)	(2,147)	10.8
Administrative and general expenses	(51,798)	(42,621)	(9,177)	21.5	(114,383)	(105,732)	(8,651)	8.2
Operating Profit	72,532	98,443	(25,911)	(26.3)	216,825	234,293	(17,468)	(7.5)
Finance Costs	(779)	(1,014)	235	(23.2)	(2,696)	(3,863)	1,167	(30.2)
Profit Before Taxation	71,753	97,429	(25,676)	(26.4)	214,129	230,430	(16,301)	(7.1)
Income Tax Expenses	(23,148)	(26,872)	3,724	(13.9)	(62,429)	(62,495)	66	(0.1)
Profit After Taxation	48,605	70,557	(21,952)	(31.1)	151,700	167,935	(16,235)	(9.7)
Other Comprehensive Income								
- Foreign Currency Translation Differences	(3,101)	(238)	(2,863)	-	(2,643)	(206)	(2,437)	-
Total Comprehensive Income For The Period	45,504	70,319	(24,815)	(35.3)	149,057	167,729	(18,672)	(11.1)
Profit After Taxation attributable to :								
Equity Holders of the Company	48,605	70,557	(21,952)	(31.1)	151,700	167,935	(16,235)	(9.7)
Non-controlling Interest	-	-	-		-	-	-	
	48,605	70,557	(21,952)	(31.1)	151,700	167,935	(16,235)	(9.7)
Total Comprehensive Income attributable to :								
Equity Holders of the Company	45,504	70,319	(24,815)	(35.3)	149,057	167,729	(18,672)	(11.1)
Non-controlling Interest	-	-	-	-	-	-	-	-
	45,504	70,319	(24,815)	(35.3)	149,057	167,729	(18,672)	(11.1)
Earnings Per Share Attributable To Equity Holders Of The Company								
- Basic (sen)	6.46	9.52	(3.06)	(32.2)	20.16	26.26	(6.10)	(23.2)
- Diluted (sen)	6.44	9.40	(2.96)	(31.5)	20.10	25.87	(5.77)	(22.3)

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 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31 December 2018 RM'000	(AUDITED) As at 31 March 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	254,035	235,046
Investment properties	262	590
Inventories	580,896	643,900
Deferred tax assets	15,805	14,603
Goodwill arising on consolidation	*	*
	850,998	894,139
Current assets		
Inventories	650,316	380,110
Trade and other receivables	221,343	309,393
Deposits, cash and bank balance	234,784	280,428
	1,106,443	969,931
TOTAL ASSETS	**1,957,441**	**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	(5,750)	(3,107)
Retained profits	487,547	406,892
	1,282,017	1,206,491
Non-controlling interest	501	501
TOTAL EQUITY	1,282,518	1,206,992
Non-current liabilities		
Borrowings	197,040	181,270
Other payables	-	7,439
	197,040	188,709
Current liabilities		
Trade and other payables	273,099	286,520
Borrowings	149,037	133,801
Dividend payable	24,466	26,280
Current tax liabilities	31,281	21,768
	477,883	468,369
TOTAL LIABILITIES	674,923	657,078
TOTAL EQUITY AND LIABILITIES	**1,957,441**	**1,864,070**
Net Assets Per Share (RM) (Note 2)	1.70	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 752,809,487 (2018: 750,866,178) 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 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
9 months ended 31 December 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	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	778,956	-	9,116	2,120	387,403	448	1,178,043
9 months ended 31 December 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	816	-	-	-	-	-	816
Profit after taxation for the period	-	-	-	-	151,700	-	151,700
Other comprehensive income for the period							
- Foreign currency translation differences	-	-	-	(2,643)	-	-	(2,643)
Total comprehensive income for the period	-	-	-	(2,643)	151,700	-	149,057
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-	-
Dividend	-	-	-	-	(75,266)	-	(75,266)
Options granted under ESOS	-	-	-	-	-	-	-
ESOS lapsed/forfeited	-	-	(6,006)	-	6,006	-	-
As at 31 December 2018	800,220	-	-	(5,750)	487,547	501	1,282,518

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 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE 9 MONTHS PERIOD ENDED 31 December 2018 RM'000	(Unaudited) FOR THE 9 MONTHS PERIOD ENDED 31 December 2017 RM'000
Cash Flow From Operating Activities		
Profit before income tax	214,129	230,430
Adjustments for :-		
ESOS expenses	-	5,273
Depreciation	7,745	6,956
Equipment written off	-	287
Interest income	(4,164)	(3,152)
Interest expenses	2,696	3,863
Gain on disposal of property, plant and equipment	(498)	(241)
Operating profit before working capital changes	219,908	243,416
Increase in inventories	(207,201)	(48,769)
Decrease/(Increase) in receivables	86,266	(15,030)
Decrease in payables	(20,861)	(75,104)
Cash generated from operations	78,112	104,513
Interest received	4,164	3,152
Interest paid	(2,696)	(3,863)
Tax paid	(54,118)	(61,561)
Net cash generated from operating activities	25,462	42,241
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(1,651)	(1,206)
Purchase of property, plant and equipment	(27,049)	(10,275)
Withdrawal of deposits with licensed bank more than 3 months	53,901	-
Proceed from disposal of property, plant and equipment	1,140	574
Net cash generated from/(used in) investing activities	26,341	(10,907)
Cash Flow From Financing Activities		
Proceed from issuance of share	3,520	45,741
Increase in investment of non controling interest in a subsidiary	-	448
Dividend paid	(77,080)	(61,054)
Drawdown of borrowings	100,000	150,000
Repayment of term loan	(61,961)	(59,240)
Hire purchase instalments paid	(240)	(237)
Net cash used in/(generated from) financing activities	(35,761)	75,658
Net changes in cash and cash equivalents	16,042	106,992
Effect of exchange rate fluctuations on cash held	(2,643)	(206)
Cash and cash equivalents at beginning of the period	187,395	63,866
Cash & cash equivalents at end of the period	200,794	170,652
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	234,784	221,400
Less : Fixed Deposit Pledged	(14,337)	(10,595)
	220,447	210,805
Bank overdrafts	(19,653)	(40,153)
	200,794	170,652

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 31 December 2018 under review and the financial period-to-date were not materially affected by seasonal or cyclical factors.

A3. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current financial quarter ended 31 December 2018 under review and the financial period-to-date.

A4. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter ended 31 December 2018 under review and the financial period-to-date.

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

Save as disclosed below, there were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the financial quarter ended 31 December 2018 under review:

(i) 833 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 RM800,218,306, comprising of 752,808,654 Matrix Concepts Shares to RM800,219,906 comprising of 752,809,487 Matrix Concepts Shares for the current financial quarter ended 31 December 2018 under review.

A6. Dividends Paid

During the financial quarter ended 31 December 2018 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 2019. The second interim single tier dividend was 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.

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	740,865	-	-	-	-	740,865
Construction / Inter-segment sales	-	255,528	-	-	(255,528)	-
School fees received	-	-	16,312	-	-	16,312
Clubhouse and hotel operator	-	-	-	11,827	-	11,827
Total	740,865	255,528	16,312	11,827	(255,528)	769,004
Other income						
Rental income	369	11	-	-	-	380
Others	5,353	506	509	38	-	6,406
Total	5,722	517	509	38	-	6,786
Results						
Segment results	194,505	27,008	(7,822)	1,213	1,921	216,825
Finance costs						(2,696)
Profit before tax						214,129
Taxation						(62,429)
Net profit for the period						151,700

For comparison purposes, the segment revenue and segment results for business segments for the corresponding FPE 31 December 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	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	(228769)	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

In addition to the above, the FPE 31 December 2018 is only the second 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	685,378	203,071	144,044	144,044
Australia	83,626	11,058	7,656	7,656
Total	769,004	214,129	151,700	151,700

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 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 31 December 2018 under review.

A10. Commitments

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

	Cumulative year-to-date 31.12.2018 RM'000
Contracted but not provided for:	
- Land held for property development	157,637

A11. Material subsequent event

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

A12. Significant event during the period

There were no significant events outside the ordinary course of business during the financial quarter ended 31 December 2018 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 December 2018 under review:

(i) On 5 October 2018, Matrix Concepts (Central) Sdn Bhd, a wholly-owned subsidiary of the Company, had acquired 100 ordinary shares in NZA Power Properties Sdn Bhd ("**NZAPP**"), representing 100% equity interest, for a total cash consideration of RM100. NZAPP has yet to commence activity and has an intended principal activity of property development;

(ii) On 16 October 2018, the Company had incorporated a new wholly-owned subsidiary, namely PT Matrix Perkasa Indonesia ("**PT Matrix**"). PT Matrix has an authorized share capital of Rp. 10.000.000.000/- comprising 10,000 shares of Rp.1.000.000/- each which has been fully paid-up. PT Matrix's intended principal activity is property development.

(iii) On 25 October 2018, Matrix Development (Australia) Pty Ltd, a wholly-owned subsidiary of the Company, had incorporated a new wholly-owned subsidiary, Matrix 333 St Kilda (Australia) Pty Ltd ("**M 333**"). The issued and paid-up share capital of M 333 is AUD1,200 comprising 1,200 shares of AUD1.00 each. M 333's intended principal activity is property development.

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 2018.

A15. Significant Related Party Disclosures

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

	Current quarter ended 31.12.2018 RM'000	Cumulative year-to-date 31.12.2018 RM'000
Purchase of building materials from related parties	13,378	32,982
Agency fees and purchase of marketing material from related parties	168	498
Purchase of sundries from related parties	99	313
Rental payments made to related parties	71	213
Consultancy fees paid to related parties	110	1,030
Sales of development properties to related parties	1,240	5,391

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.12.2018 RM'000	Corresponding quarter ended 31.12.2017 RM'000	Changes RM'000	%
Revenue	285,650	266,168	19,482	7.3
Gross profit	128,271	144,268	(15,997)	(11.1)
Profit before tax	71,753	97,429	(25,676)	(26.4)
Profit after tax	48,605	70,557	(21,952)	(31.1)

For the quarter ended 31 December 2018, the Group recorded revenue of RM285.7 million, an increase of RM19.5 million or 7.3% from RM266.2 million in the previous year. This was achieved on the back of higher revenue recognition from the sales of residential and commercial development properties. Revenue contribution from the Group's investment properties of Matrix Global Schools, d'Tempat Country Club and d'Sora Business Boutique Hotel sustained at RM9.1 million for the current financial quarter under review, similar to that of the previous year.

Notwithstanding the above, the Group recorded lower profit before tax of RM71.8 million, a decrease of RM25.7 million or 26.4% from RM97.4 million in the previous year. This was due to the Group's product mix comprising more affordably-priced residential properties compared to a mix with significant contribution from industrial properties in the same quarter last year which fetched better margin.

As at 31 December 2018, the Group's total undeveloped land bank is approximately 1,320 acres. Backed by higher amount of new launches and healthy sales performance, the Group's unbilled sales stood at a commendable level of RM1.4 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 31.12.2018 RM'000	Preceding quarter ended 30.09.2018 RM'000	Changes RM'000	%
Revenue	285,650	253,312	32,338	12.8
Gross profit	128,271	113,492	14,779	13.0
Profit before tax	71,753	74,425	(2,672)	(3.6)
Profit after tax	48,605	52,942	(4,337)	(8.2)

The Group achieved revenue of RM285.7 million for the quarter ended 31 December 2018, or 12.8% higher compared to RM253.3 million in the preceding quarter ended 30 September 2018. The increase in revenue was mainly attributed to the higher contribution from the sale of residential properties.

Notwithstanding the above, the Group noted profit before tax of RM48.6 million for the quarter ended 31 December 2018, or 8.2% lower compared to RM52.9 million in the preceding quarter, mainly due to the Group's product mix comprising more affordably priced products in the financial quarter under review.

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 diversifying its geographical reach to capture various growth opportunities. Altogether, the Group's ongoing developments amount to RM2.8 billion in gross development value (GDV) as at 31 December 2018, growing from RM2.4 billion in GDV as at 31 December 2017.

To meet demand for affordable-yet-quality homes, the Group aims to launch a total of RM1.7 billion worth of projects for the current financial year ending 31 March 2019 (FY2019). Of this, the Group has successfully launched RM1.1 billion worth of residential, commercial and industrial projects for the nine-month period ended 31 December 2018 (9M FY18), comprising Ara Sendayan (Phase 3&4), Tiara Sendayan 1 and 2, 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 remaining three months of FY2019, the Group targets to launch projects worth RM620.9 million in GDV, comprising Tiara Sendayan 3 and 4 and Ara Sendayan (Phase 5) in BSS, and Impiana Bayu 3A in Bandar Seri Impian.

The Group maintains a positive outlook on demand for its properties going forward, backed by a strong track record in sales performance, in addition to positive purchaser sentiment received in its recent property launches. The Group continuously invests into improving its townships' facilities to further enrich the living experience of residents and increase the value and demand of its townships, with the goal of being one of the leading developers of integrated townships in Malaysia.

The Group also carefully assesses prevailing market requirements, and strategically times the launches of its affordably-priced and higher-premium homes to cater to buyers' preference. Despite current cautious sentiment of the property sector, barring any unforeseen circumstances the Group is optimistic of maintaining its profitability in FY2019 based on a healthy number of new launches and 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 31.12.2018 RM'000	Cumulative period-to-date 31.12.2018 RM'000
Current tax expenses	23,757	64,993
Deferred tax income	(609)	(2,564)
	23,148	**62,429**

The Group's effective tax rate of 29.2% for the financial quarter ended 31 December 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.

The Company had on 19 November 2018 announced the second issuance of Sukuk Wakalah under the abovementioned programme, comprising RM100.0 million in nominal value of Islamic Medium Term Notes. Please refer to the Company's announcement on 19 November 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.

(iv) Joint Venture cum Shareholders Agreement between Matrix Global Education Sdn Bhd and Bonanza Educare Sdn Bhd

The Company had on 16 January 2019, announced that Matrix Global Education Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a Joint Venture cum Shareholders Agreement (“**JVSA**”) with Bonanza Educare Sdn Bhd (formerly known as Ipoh Learning & Training Institute Sdn Bhd) with a mutual objective to provide efficient operations and management of Matrix Global Schools based on an agreed business plan.

Please refer to the Company’s announcement dated 16 January 2019 for further information on the JVSA.

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 RM1,599 via the subscription of the following during the financial quarter ended 31 December 2018:

(i) 833 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 31 December 2018 are as follows:

	Unaudited as at 31.12.2018 RM’000
Short term borrowings	
Secured:	
Hire purchase creditors	346
Term loans	39,037
Bank overdrafts	19,654
	59,037

	Unaudited as at 31.12.2018
Unsecured:	
Commercial papers	50,000
Medium term notes	40,000
	90,000
Total short-term borrowings	**149,037**
Long term borrowings	
Secured:	
Hire purchase creditors	581
Term loans	56,459
	57,040
Unsecured:	
Medium term notes	140,000
Total long-term borrowings	**197,040**
Total Borrowings	**346,077**

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 20 February 2019, declared a third interim single tier dividend of 3.00 sen per Matrix Concepts Share held for the financial year ended 31 March 2019, to be 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.

On 9 January 2019, a second 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 December 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	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Profit attributable to equity holders of the Company (RM'000)	48,605	70,557	151,700	167,935
Weighted average number of ordinary shares ('000)	752,803	741,073	752,457	639,629
Basic earnings per share (sen)	6.46	9.52	20.16	26.26

(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**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Profit attributable to equity holders of the Company (RM'000)	48,605	70,557	151,700	167,935
Weighted average number of ordinary shares for the quarter ended 30 September 2018 ('000)	752,803	741,073	752,457	639,629
Effect of potential exercise of Warrants ('000)	2,197	6,463	2,197	6,463
Effect of potential exercise of ESOS ('000)	-	3,016	-	3,016
Weighted enlarged average number of ordinary shares ('000)	755,000	750,552	754,654	649,108
Diluted earnings per share(sen)	6.44	9.40	20.10	25.87

B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		**Cumulative Period-To-Date**	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Included in the profit for the period are:				
- Interest income	(1,265)	(2,018)	(4,164)	(3,152)
- Other income including investment income	(1,237)	(262)	(2,242)	(1,326)
- Interest expenses	779	1,014	2,696	3,863
- Depreciation of property, plant and equipment	2,792	2,321	7,745	6,956
- 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	-	-	(351)	-
- Rental income on properties	(173)	(142)	(380)	(318)

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 20 February 2019.

By order of the Board of Directors

Ho Kong Soon
Group Managing Director

Date: 20 February 2019