

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 199601042262)
**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited				Unaudited			
	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	CURRENT	PRECEDING YEAR	CHANGES		CURRENT	PRECEDING YEAR	CHANGES	
	YEAR	CORRESPONDING	Amount	%	YEAR	CORRESPONDING	Amount	%
QUARTER	QUARTER	RM'000		TO DATE	YEAR TO DATE	RM'000		
31 December 2022	31 December 2021			31 December 2022	31 December 2021			
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	363,810	233,094	130,716	56.1	815,416	636,008	179,408	28.2
Cost of Sales	(213,063)	(96,909)	(116,154)	119.9	(441,846)	(305,372)	(136,474)	44.7
Gross Profit	150,747	136,185	14,562	10.7	373,570	330,636	42,934	13.0
Other Income	3,051	3,687	(636)	(17.2)	8,546	7,579	967	12.8
Selling and Marketing Expense	(38,267)	(19,078)	(19,189)	100.6	(78,471)	(53,740)	(24,731)	46.0
Administrative and general expenses	(40,648)	(38,917)	(1,731)	4.4	(96,742)	(89,333)	(7,409)	8.3
Operating Profit	74,883	81,877	(6,994)	(8.5)	206,903	195,142	11,761	6.0
Finance Costs	(1,904)	(247)	(1,657)	670.9	(4,477)	(1,659)	(2,818)	169.9
Share of results in joint venture, net of tax	493	923	(430)	(46.6)	1,391	2,117	(726)	(34.3)
Profit Before Taxation	73,472	82,553	(9,081)	(11.0)	203,817	195,600	8,217	4.2
Income Tax Expenses	(19,826)	(23,469)	3,643	(15.5)	(54,252)	(55,625)	1,373	(2.5)
Profit After Taxation	53,646	59,084	(5,438)	(9.2)	149,565	139,975	9,590	6.9
Other Comprehensive Income								
- Foreign Currency Translation Differences	(8,506)	1,461	(9,967)	(682.2)	(10,659)	(487)	(10,172)	2,088.7
Total Comprehensive Income For The Period	45,140	60,545	(15,405)	(25.4)	138,906	139,488	(582)	(0.4)
Profit After Taxation attributable to :								
Equity Holders of the Company	54,374	60,454	(6,080)	(10.1)	151,979	143,943	8,036	5.6
Non-controlling Interest	(728)	(1,370)	642	(46.9)	(2,414)	(3,968)	1,554	(39.2)
	53,646	59,084	(5,438)	(9.2)	149,565	139,975	9,590	6.9
Total Comprehensive Income attributable to :								
Equity Holders of the Company	45,868	61,915	(16,047)	(25.9)	141,320	143,456	(2,136)	(1.5)
Non-controlling Interest	(728)	(1,370)	642	(46.9)	(2,414)	(3,968)	1,554	(39.2)
	45,140	60,545	(15,405)	(25.4)	138,906	139,488	(582)	(0.4)
Earnings Per Share Attributable To								
Equity Holders Of The Company								
- Basic (sen)	4.35	4.83	(0.49)	(10.1)	12.15	11.50	0.64	5.6
- Diluted (sen)	N/A	N/A			N/A	N/A		

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 2022 and the accompanying explanatory notes attached to this interim financial statements.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31 December 2022 RM'000	(AUDITED) As at 31 March 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	213,300	219,048
Right-of-use assets	3,095	2,996
Investment properties	30	62
Investment in joint venture company	137,214	140,402
Inventories	823,299	802,960
Other receivables, deposits and prepayments	39,850	38,734
Deferred tax assets	22,695	22,455
	1,239,483	1,226,657
Current assets		
Inventories	361,639	463,192
Trade and other receivables	793,061	714,362
Deposits, cash and bank balance	251,725	202,138
	1,406,425	1,379,692
TOTAL ASSETS	2,645,908	2,606,349
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	961,315	961,315
Translation reserves	(5,960)	4,699
Retained profits	1,015,006	944,365
	1,970,361	1,910,379
Non-controlling interest	(13,769)	(11,505)
TOTAL EQUITY	1,956,592	1,898,874
Non-current liabilities		
Borrowings	123,917	114,587
Lease liabilities	2,153	2,201
Other payables, deposits, accruals and provision	24,211	22,148
	150,281	138,936
Current liabilities		
Trade and other payables	342,856	381,017
Borrowings	175,136	168,274
Lease liabilities	1,128	863
Dividend payable	25,027	31,284
Current tax liabilities	(5,112)	(12,899)
	539,035	568,539
TOTAL LIABILITIES	689,316	707,475
TOTAL EQUITY AND LIABILITIES	2,645,908	2,606,349
Net Assets Per Share (RM) (Note 2)	1.56	2.28

Notes:

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 2022 and the accompanying explanatory notes attached to this interim financial statements.*
2. *Based on the issued and paid-up share of 1,251,347,717 (FYE2022: 834,232,356) ordinary share in Matrix ("shares")*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Translation Reserves RM'000	Retained Profits RM'000	Attributable To Owner of The Company RM'000	Non-Controlling Interest RM'000	Total RM'000
<u>9 months ended 31 December 2021 (Unaudited)</u>						
As at 1 April 2021	961,315	934	845,486	1,807,735	(11,243)	1,796,492
Profit after taxation for the year	-	-	143,943	143,943	(3,968)	139,975
Other comprehensive income for the year - Foreign currency translation differences	-	(487)	-	(487)	-	(487)
Total comprehensive income for the year	-	(487)	143,943	143,456	(3,968)	139,488
Contribution by and distribution to owners of the Company - Dividends	-	-	(75,081)	(75,081)	-	(75,081)
Total transactions with owners	-	-	(75,081)	(75,081)	-	(75,081)
As at 31 December 2021	961,315	447	914,348	1,876,110	(15,211)	1,860,899
<u>9 months ended 31 December 2022 (Unaudited)</u>						
As at 1 April 2022	961,315	4,699	944,365	1,910,379	(11,505)	1,898,874
Profit after taxation for the year	-	-	151,979	151,979	(2,414)	149,565
Other comprehensive income for the year - Foreign currency translation differences	-	(10,659)	-	(10,659)	-	(10,659)
Total comprehensive income for the year	-	(10,659)	151,979	141,320	(2,414)	138,906
Contribution by and distribution to owners of the Company - Share of net assets arising from the acquisition of a subsidiary - Dividends	-	-	-	-	150	150
	-	-	(81,338)	(81,338)	-	(81,338)
Total transactions with owners	-	-	(81,338)	(81,338)	150	(81,188)
As at 31 December 2022	961,315	(5,960)	1,015,006	1,970,361	(13,769)	1,956,592

Notes:

* Represents RM300.00.

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 2022

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE FINANCIAL PERIOD ENDED 31 December 2022 RM'000	(Unaudited) FOR THE FINANCIAL PERIOD ENDED 31 December 2021 RM'000
Cash Flow From Operating Activities		
Profit before income tax	203,817	195,600
Adjustments for :-		
Depreciation of property, plant and equipment and right of use assets	7,044	8,277
Depreciation of investment property	1	2
Interest expenses	8,178	9,310
Interest income	(3,498)	(1,997)
Gain on disposal of investment property	(36)	(49)
Gain on disposal of property, plant and equipment	(1,274)	(437)
Share of results in joint venture, net of tax	(1,391)	(2,117)
Operating profit before working capital changes	212,841	208,589
Decrease in inventories	85,306	51,409
(Increase)/Decrease in receivables	(79,815)	93,815
Decrease in payables	(36,097)	(205,404)
Cash generated from operations	182,235	148,409
Interest received	3,498	1,997
Interest paid	(12,271)	(11,883)
Tax paid	(46,705)	(56,537)
Net cash generated from operating activities	126,757	81,986
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(2,075)	(298)
Withdrawal/(Placement) of deposits with licensed bank more than 3 months	25,255	26,057
Purchase of property, plant and equipment	(1,311)	(707)
Proceed from disposal of property, plant and equipment	1,597	732
Proceed from disposal of investment property	67	100
Net cash generated from investing activities	23,533	25,884
Cash Flow From Financing Activities		
Increase in investment of non-controlling interest in a subsidiary	150	-
Advance from non-controlling interest shareholders	-	5,127
Dividend paid	(87,594)	(75,081)
Drawdown of borrowings	70,000	31,784
Repayment of term loan	(72,526)	(113,222)
Repayment of lease liabilities	(190)	(382)
Net cash used in financing activities	(90,160)	(151,774)
Net changes in cash and cash equivalents	60,130	(43,904)
Effect of exchange rate fluctuations on cash held	(6,081)	(4,340)
Cash and cash equivalents at beginning of the year	150,288	185,567
Cash & cash equivalents at end of the period	204,337	137,323
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	251,725	163,462
Less : Fixed Deposit Pledged	(28,669)	(26,139)
	223,056	137,323
Bank overdrafts	(18,719)	-
	204,337	137,323

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 2022 and the accompanying explanatory notes attached to this interim financial statements.

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("FPE") 31 DECEMBER 2022**

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 financial year ended ("**FYE**") 31 March 2022 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 FYE 31 March 2022.

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 FYE 31 March 2022.

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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 17 Insurance Contracts	1 January 2023
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities arising from Single Transaction	1 January 2023

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A2. Seasonal or cyclical factors

The results for the current financial quarter ended 31 December 2022 under review and the financial year-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 2022 under review and the financial year-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 2022 under review and the financial year-to-date.

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

There was no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the financial quarter ended 31 December 2022 under review.

A6. Dividends Paid

During the financial quarter ended 31 December 2022 under review, the Company had closed its books for its second interim single tier dividend of 2.00 sen per Matrix Concepts Share for the FYE 31 March 2023. The second interim single tier dividend was paid on 12 January 2023 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 December 2022.

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	785,273	-	-	-	-	785,273
Construction / Inter-segment sales	-	201,238	-	-	(201,238)	-
School fees	-	-	9,247	-	-	9,247
Clubhouse and hotel operator	-	-	-	19,016	-	19,016
Others	1,880	-	-	-	-	1,880
Total	787,153	201,238	9,247	19,016	(201,238)	815,416
Other income						
Rental income	1,804	28	-	-	-	1,832
Others	5,400	876	229	209	-	6,714
Total	7,204	904	229	209	-	8,546
Results						
Segment results	172,914	12,014	(5,610)	7,348	20,237	206,903
Finance costs						(4,477)
Share of results in joint venture, net of tax						1,391
Profit before tax						203,817
Taxation						(54,252)
Net profit for the year						149,565

For comparison purposes, the segment revenue and segment results for business segments for the corresponding financial period ended 31 December 2021 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	613,793	-	-	-	-	613,793
Construction / Inter-segment sales	-	180,293	-	-	(180,293)	-
School fees	-	-	8,457	-	-	8,457
Clubhouse and hotel operator	-	-	-	12,052	-	12,052
Others	1,706	-	-	-	-	1,706
Total	615,499	180,293	8,457	12,052	(180,293)	636,008
Other income						
Rental income	1,460	-	-	-	-	1,460
Others	4,458	1,164	390	107	-	6,119
Total	5,918	1,164	390	107	-	7,579
Results						
Segment results	156,037	28,017	(4,059)	2,827	12,320	195,142
Finance costs						(1,659)
Share of results in joint venture, net of tax						2,117
Profit before taxation						195,600
Taxation						(55,625)
Net profit for the year						139,975

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Geographical segmentation of the revenue of the Matrix Concepts Group for the current financial year to date is as follows:

Country	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000
Malaysia	750,332	194,694	141,418
Australia	65,084	9,123	8,147
	815,416	203,817	149,565

A8. Industry outlook – Malaysian property sector

The property market showed signs of recovery following the implementation of various stimulus provided by the government, via Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara (PENJANA) and Prihatin Rakyat Economic Stimulus Package (PRIHATIN). The Stimulus helped to sustain the confidence of the industry and households at large in coping with the impact of pandemic. In addition, initiatives introduced under Budget 2021 remained supportive to the property market. Among the initiatives included:

1. An allocation of RM1.2 billion for providing comfortable and quality housing, especially for the low-income group:
 - a. RM500 million to build 14,000 units low-cost housing under Program Perumahan Rakyat.
 - b. RM315 million for the construction of 3,000 units of Rumah Mesra Rakyat by Syarikat Perumahan Negara Berhad.
 - c. RM125 million for the maintenance of low cost and medium-low stratified housing as well as assistance to repair dilapidated house and those damaged by natural disasters; and
 - d. RM310 million for the Malaysia Civil Servants Housing Program (PPAM).
2. Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025, effective for sale and purchase executed from 1 January 2021 to 31 December 2025.
3. Stamp duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT).
4. Collaboration with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA hoses with a total value of more than RM1 billion.

The property market performance showed a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. More than 300,000 transactions worth nearly RM145 billion were recorded, indicating an increase of 1.5% in volume and 21.7% in value compared to last year.

The residential, commercial and industrial sub-sectors saw an increase of 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively. Value of transactions recorded higher increase for residential, commercial, industrial and development land sub-sectors each at 16.7%, 43.1%, 32.9% and 33.2% whereas agriculture recorded otherwise, decreased by 5.1%.

The residential sub-sector led the overall property market with 66.2% contribution in volume. This was followed by agriculture (18.9%), commercial (7.5%), development land and others (5.6%) and industrial (1.9%). The residential sub-sector again took the lead with 53.1% share of total transaction value, followed by commercial (19.3%), industrial (11.7%), agriculture (8.2%) and development land and others (7.7%).

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Residential property

There were 198,812 transactions worth RM76.90 billion recorded in 2021, increased by 3.9% in volume and 16.7% in value as compared with 2020. Demand continued to focus on terraced houses, formed around 43.0% of the total residential transactions, followed by vacant plots and high-rise units, each with nearly 15% market share. The affordable price range of RM300,000 and below accounted for 55.9% of the total, followed by RM300,001 to RM500,000 (24.6%), RM501,000 to RM1,000,000 (14.8%) and more than RM1,000,000 (4.8%). The primary market saw lesser release of new launches. There were nearly 44,000 units launched in 2021, against 47,178 units in 2020. The decline was expected as developers held back on the new launches due to the softening property market and increasing numbers of unsold inventories. Sales performance was moderate at 39.3% in 2021. The residential overhang situation was less encouraging, with volume amounting to nearly 37,000 units worth RM22.79 billion as at year-end, increased by 24.7% and 20.5% in volume and value respectively against last year.

Commercial property

The commercial sub-sector saw a better performance in 2021. There were 22,428 transactions worth RM27.94 billion recorded in 2021, increased by 10.7% in volume and 43.1% in value as compared with 2020. The improved market was contributed by the increased activity recorded in most states and the major transactions involving shopping complex and purpose-built office recorded in the review period. Shop segment recorded 11,574 transactions worth RM9.6 billion, dominating 51.6% of the commercial property transactions volume and 34.3% of the total value. Market performance recorded an increase of 10.5% in volume and 12.7% in value against 2020. Shop overhang situation improved slightly. The numbers decreased to 6,612 units with a value of RM5.78 billion, down by 4.2% in volume through value up by 2.3% against 2020. Similarly, the unsold under construction shops declined by 27.6% to 3,899 units while unsold not constructed increased by 97.5% to 401 units.

Industrial property

The industrial sub-sector recorded 5,595 transactions worth RM16.96 billion in 2021. Compared to 2020, the market activity increased by 17.6% in volume and 32.9% in value. The industrial overhang remained manageable. The overhang volume decreased to 1,130 units worth RM1.58 billion, down by 18.1% volume and 27.5% in value against 2020. Likewise the unsold under construction and not constructed decreased to 654 units and 22 units, down by 7.8% and 69.4% respectively.

The property market is expected to regain its momentum in 2022 though the environment remained challenging. The health of the residential sector is paramount to the overall performance of the property market. To ensure the vitality of this sector as well as improving the livelihood of the nation, various initiatives are outlined under Budget 2022. In addition, the Ministry of Housing and Local Government alongside the Ministry of Finance is planning to organise a Home Ownership Program (HOPE) with special focus for B40 and M40 groups in providing home financing facilities to these groups.

(Source: Property Market Report 2021, Valuation & Property Services Department Malaysia, Ministry of Finance.)

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 2022 under review.

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A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 31 December 2022 under review and the financial year-to-date are as follows:

	Cumulative year-to-date 31.12.2022 RM'000
Contracted but not provided for:	
- Land held for property development	563,026

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 31 December 2022 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 2022 that have not been reflected in these interim financial statements.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group during the financial quarter ended 31 December 2022 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 2022.

A15. Significant Related Party Disclosures

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 31 December 2022 under review and the financial year-to-date:

	Current quarter ended 31.12.2022 RM'000	Cumulative year-to-date 31.12.2022 RM'000
Purchase of building materials from related parties	6,822	18,510
Agency fees and purchase of marketing material from related parties	84	416
Rental payments made to related parties	75	225
Consultancy fees paid to related parties	135	1,568
Sales of property to related party	-	-

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.12.2022 RM'000	Corresponding quarter ended 31.12.2021 RM'000	Changes RM'000	%
Revenue	363,810	233,094	130,716	56.1
Gross profit	150,747	136,185	14,562	10.7
Profit before tax	73,472	82,553	(9,081)	(11.0)
Profit after tax	53,646	59,084	(5,438)	(9.2)

For the third quarter ended 31 December 2022, the Group recorded revenue of RM363.8 million, an increase of 56.1% from RM233.1 million in the previous corresponding quarter. The higher revenue was mainly attributed to the recognitions of recent project completions, namely The Chambers, the Group’s maiden high rise development in Klang Valley, and M. Greenvale, its second development project in Melbourne, Australia. Revenue contribution from The Chambers improved to RM52.7 million for the quarter compared to RM13.0 million in the previous corresponding quarter, while M. Greenvale contributed RM65.1 million, representing full recognition of the project’s revenue post-completion in line with Australia’s accounting standards.

Revenue from the Group’s flagship Sendayan Developments amounted to RM219.3 million during the quarter, compared to RM200.7 million reported previously, representing an increase of 9.3% year-on-year. Meanwhile, the Group’s Kluang township, Bandar Seri Impian, saw a significant jump of 55.0% in revenue contribution to RM14.8 million for the quarter under review from RM9.6 million reported last year.

Residential properties remain the Group’s strongest revenue contributor at RM341.3 million or 93.8% of total revenue for the quarter, as homebuyers remain attracted by the value proposition of the Group’s product offerings, particularly at its flagship Sendayan Developments. In addition, the Group’s commercial and industrial offerings provided RM12.2 million in revenue, rising by 84.9% from RM6.6 million reported in the previous year.

As for the Group’s other business units, comprising its hospitality and education units, total revenue for the quarter came in at RM9.8 million, an improvement of 41.8% compared to the previous year’s corresponding quarter. This is in line with the full opening of the economy and increased social activities which has seen the encouraging return of guests at the Group’s hospitality offerings, while its education unit enjoyed a positive, gradual increase in student enrolment over the past 12 months.

The Group’s gross profit improved to RM150.7 million for the quarter compared to RM136.2 million in the previous corresponding quarter, representing an increase of 10.7%. Gross margin was at 41.4% for the quarter, lower than the 58.4% recorded in the previous year, due to the recognition of its Klang Valley and Australia developments that provided lower contribution compared to the Group’s township developments.

Meanwhile, profit after tax for the quarter under review amounted to RM53.6 million, lower by 9.2% from RM59.1 million recorded previously. Net profit margin also decreased to 14.7% for the quarter compared to 25.3% reported in the previous year.

While construction activities continued to be hampered by insufficient labour force, the Group continued to secure RM340.3 million of new property sales for the quarter, driven by healthy demand for its new launches at Sendayan Developments. In addition, the Group’s unbilled sales of RM1.5 billion as at 31 December 2022 provides secure earnings visibility over the next 15-18 months.

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B2. Comparison with preceding quarter’s results

	Current quarter ended 31.12.2022 RM’000	Preceding quarter ended 30.09.2022 RM’000	Changes RM’000	%
Revenue	363,810	222,350	141,460	63.6
Gross profit	150,747	113,552	37,195	32.8
Profit before tax	73,472	66,533	6,939	10.4
Profit after tax	53,646	49,725	3,921	7.9

The Group reported revenue of RM363.8 million for the third quarter ended 31 December 2022, a healthy increase of 63.6% from RM222.4 million in the preceding quarter ended 30 September 2022. This was mainly attributed to the increase in revenue recognised from the Group’s recently completed high-rise and overseas developments, namely The Chambers and M. Greenvale respectively.

Meanwhile, revenue contribution from the Group’s residential properties amounted to RM341.3 million, increasing by 64.9% compared to the preceding quarter, while revenue contribution from commercial and industrial properties recorded a significant rise of 129.7% to RM12.2 million.

The Group’s education and hospitality units continued to show an improvement trend with revenue contribution of RM3.2 million and RM6.6 million respectively or equivalent to an increase of 1.8% and 5.8% respectively.

In line with improvements in revenue, gross profit improved to RM150.7 million, an increase of 32.8% from RM113.6 million in the preceding quarter. Notwithstanding the above, gross margin for the quarter under review was at 41.4%, lower than the gross margin achieved in the previous quarter of 51.1%, due to the mix of products recognised, namely The Chambers and M. Greenvale development projects.

Profit after tax during the quarter also improved to RM53.6 million, 7.9% higher than RM49.7 million reported in the preceding quarter, in line with higher gross profit and lower tax expenses.

B3. Prospects

The Group’s new property sales performance has underpinned its consistent growth in the past two years, despite challenging operating conditions as businesses grapple with the unprecedented COVID-19 pandemic. Even prior to the pandemic, the Group successfully navigated through the slowdown in Malaysia’s property market as it builds on the growing demand at its townships, particularly Sendayan Developments.

The Group expects to continue recording healthy demand trend moving forward, with growing inclination for Klang Valley residents to relocate outside of the city centre, made easier by well-developed road networks and connectivity, as well as remote and flexible working arrangements. Supported also by an established and broadened sales channel through the use of digital solutions such as social media platforms, the Group intends to capitalise on the strong demand driven by the strong value proposition of its residential properties, particularly those within the RM600,000 price range.

While the foreign worker supply issue has affected its construction activities levels in the past 12 months, the Group is positive on swiftly converting the growing unbilled sales to revenue, which has now exceeded RM1.5 billion from RM1.1 billion last year. With a proven track record in ramping up construction activities, the Group is cautiously optimistic on the recovery of its revenue recognition in due time.

Going forward, the Group remains dedicated on enhancing its township developments of Sendayan Developments, comprising Bandar Sri Sendayan, Ara Sendayan and Tiara Sendayan in Negeri Sembilan, and Bandar Seri Impian (BSI) in Kluang, Johor. This includes improvement to amenities and infrastructure to support vibrant community living, and landbanking efforts to expand future launch pipeline.

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Internationally, following on from the success of the Group’s fully-sold and recently completed second residential development in Australia – M. Greenvale in Melbourne, the Group is currently focused on the development of M333 St. Kilda, which was launched in May 2022 with an estimated GDV of AUD80 million. The eight-storey mixed development is the Group’s largest development in Australia to date and is located within walking distance of iconic landmarks.

Meanwhile, the Group’s Indonesian development, Menara Syariah in Pantai Indah Kapuk 2, Jakarta, Indonesia, undertaken via a joint venture with Indonesian conglomerates Agung Sedayu Group and Salim Group, is targeted for completion in the first quarter of the financial year ending 31 March 2024 (FY2024).

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 31.12.2022 RM’000	Cumulative period-to-date 31.12.2022 RM’000
Current tax expenses	18,888	52,607
Over provision of income tax in prior years	(2,878)	(2,878)
Deferred tax income	3,816	4,523
	19,826	54,252

The Group’s effective tax rate of 28.0% for the financial period ended 31 December 2022 under review was higher than the statutory corporate tax rate of 24.0% due to the non-recognition of deferred tax assets for certain temporary differences and non-deductible expenses for tax purposes.

B6. Status of corporate proposals

(i) Proposed acquisition of vacant agriculture and held under separate individual titles, located within Bandar Sri Sendayan, Negeri Sembilan Darul Khusus by Matrix Concepts (NS) Sdn Bhd (“MCNS”) (“Proposed BSS Acquisition”)

The Company had on 22 November 2019 announced that MCNS, a wholly-owned subsidiary of Matrix Concepts has between the period of 28 September 2018 to 22 November 2019, entered into separate Sale and Purchase Agreements with the individual land owners or their Administrators to acquire 86 parcels of vacant agriculture land of various sizes held under separate land titles situated in Bandar Sri Sendayan, Negeri Sembilan Darul Khusus measuring altogether approximately 68.24 hectares for an aggregate cash consideration of approximately RM73.4 million.

The Company had on 26 February 2020 announced that MCNS has entered into separate Sale and Purchase Agreements with the individual land owners or their Administrators to acquire 84 parcels of vacant agriculture land of various sizes held under separate land titles situated in Bandar Sri Sendayan, Negeri Sembilan Darul Khusus measuring altogether approximately 67.94 hectares for an aggregate cash consideration of approximately RM73.1 million.

Please refer to the Company’s announcements dated 22 November 2019, 27 November 2019 and 26 February 2020 for further information on the Proposed BSS Acquisition.

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- (ii) **Memorandum of understanding between MCHB Development (NS) Sdn Bhd ("MCNS") and NS Corporation ("NSCorp") ("MOU"), proposed acquisition of freehold agriculture land located in Mukim Labu, Daerah Seremban, Negeri Sembilan by N9 Matrix Development Sdn Bhd ("N9 Matrix") and joint venture agreement between MCNS, N9 Matrix and NS Corporation ("NS Corp")**

The Company had on 28 April 2022 announced that MCNS, a wholly-owned subsidiary of Matrix Concepts, entered into the MOU with NSCorp with the objective to collaborate and to carry out and implement the development of certain parts of the lands within the Malaysia Vision Valley 2.0 ("MVV 2.0"). The MVV 2.0 is an area spanning 153,411 hectares within the districts of Seremban and Port Dickson which has been identified for the extension of the Greater Klang Valley conurbation.

Further to the above, the Company had on 24 August 2022, announced that MCNS had entered into a joint venture agreement ("JVA") with NS Corp and N9 Matrix to collaborate to jointly acquire and develop certain parts of land in MVV 2.0 and to regulate their rights as shareholders of the same upon the terms and subject to the conditions as contained in the JVA wherein N9 Matrix will serve as the special purpose vehicle for this purpose.

In addition, on 24 August 2022, the Company had also announced that N9 Matrix had entered into a sale and purchase agreement ("SPA") with NS Corp to acquire freehold agriculture lands measuring approximately 1,382.208 acres located in Mukim Labu, Daerah Seremban, Negeri Sembilan forming part of the lands located in MVV 2.9 for a total cash consideration of RM460,000,000.

Please refer to the Company's announcement dated 28 April 2022 for further information on the MOU and announcements dated 24 August 2022 for further information on the JVA and SPA.

B7. Status of utilisation of proceeds raised

The Company did not raise any proceeds from the issuance of new securities during the financial quarter ended 31 December 2022.

B8. Group borrowings and debt securities

The Group's borrowings as at 31 December 2022 are as follows:

	Unaudited as at 31.12.2022 RM'000
Short term borrowings	
<u>Secured:</u>	
Term loans	26,417
Bank overdrafts	18,719
	<u>45,136</u>
<u>Unsecured:</u>	
Commercial papers	60,000
Medium term notes	70,000
	<u>130,000</u>
Total short-term borrowings	<u>175,136</u>
Long term borrowings	
<u>Secured:</u>	
Term loans	123,917
<u>Unsecured:</u>	
Medium term notes	-
Total long-term borrowings	<u>123,917</u>

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	Unaudited as at 31.12.2022
Total Borrowings	299,053

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

	Unaudited as at 31.12.2022 RM’000
Malaysian Ringgit	284,669
Australian Dollar	14,384
Total	299,053

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 had on 28 February 2023, declared a third interim single tier dividend of 2.00 sen per Matrix Concepts Share held for the financial year ending 31 March 2023, to be paid on 6 April 2023 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 March 2023.

On 12 January 2023, a second interim single tier dividend of 2.00 sen per Matrix Concepts Share for the financial year ending 31 March 2023 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 December 2022.

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to equity holders of the Company (RM’000)	54,374	60,454	151,979	143,943
Weighted average number of ordinary shares (‘000)	1,251,348	1,251,348	1,251,348	1,251,348
Earnings per share (sen)	4.35	4.83	12.15	11.50

(ii) Diluted earnings per share

The diluted earnings per share is equal to basic earnings per share for the financial period ended 31 December 2022 and 31 December 2021 as the Company does not have any convertible securities.

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B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		Cumulative Period-To-Date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Included in the profit for the period are:				
- Interest income	(1,182)	(1,120)	(3,498)	(1,997)
- Other income including investment income	(1,194)	(3,326)	(3,216)	(4,122)
- Interest expenses	1,904	247	4,477	1,659
- Depreciation of property, plant and equipment and right of use assets	2,270	2,823	7,045	8,279
- Property, plant and equipment written off	-	-	-	-
- Receivables written off	-	-	-	-
- Inventories written off	-	-	-	-
- Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
- (Reversal)/Impairment of assets	-	-	-	-
- Realised gain/(loss) on foreign exchange	-	-	-	-
- Realised gain/(loss) on derivatives	-	-	-	-
- (Reversal of)/allowance for expected credit losses on receivables	-	-	-	-
- Rental income on properties	(675)	759	(1,832)	(1,460)

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 28 February 2023.

By order of the Board of Directors

Ho Kong Soon
Group Managing Director

Date: 28 February 2023