MATRIX CONCEPTS HOLDINGS BERHAD

(Incorporated in Malaysia-Co. No. 199601042262)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	Unaudited			Unaudited	Unaudited		
	INDIVIDUAL QUARTER (1ST QUARTER)				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER 31 December 2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 December 2022 RM'000	CHANGES Amount RM'000	%	CURRENT YEAR TO DATE 31 December 2023 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31 December 2022 RM'000	CHANGES Amount RM'000	%
Revenue	295,978	363,810	(67,832)	(18.6)	986,759	815,416	171,343	21.0
Cost of Sales	(136,440)	(213,063)	76,623	(36.0)	(518,272)	(441,846)	(76,426)	17.3
Gross Profit	159,538	150,747	8,791	5.8	468,487	373,570	94,917	25.4
Other Income	7,290	3,051	4,239	138.9	14,118	8,546	5,572	65.2
Selling and Marketing Expense	(34,822)	(38,267)	3,445	(9.0)	(109,819)	(78,471)	(31,348)	39.9
Administrative and general expenses	(54,514)	(40,648)	(13,866)	34.1	(120,221)	(96,742)	(23,479)	24.3
Operating Profit	77,492	74,883	2,609	3.5	252,565	206,903	45,662	22.1
Finance Costs	(550)	(1,904)	1,354	(71.1)	(4,673)	(4,477)	(196)	4.4
Share of results in joint venture, net of tax	(817)	493	(1,310)	(265.7)	(732)	1,391	(2,123)	(152.6)
Profit Before Taxation	76,125	73,472	2,653	3.6	247,160	203,817	43,343	21.3
Income Tax Expenses	(19,458)	(19,826)	368	(1.9)	(63,682)	(54,252)	(9,430)	17.4
Profit After Taxation	56,667	53,646	3,021	5.6	183,478	149,565	33,913	22.7
Other Comprehensive Income								
- Foreign Currency Translation Differences	3,335	(8,506)	11,841	(139.2)	8,881	(10,659)	19,540	(183.3)
Total Comprehensive Income For The Period	60,002	45,140	14,862	32.9	192,359	138,906	53,453	38.5
Profit After Taxation attributable to :								
Equity Holders of the Company	57,238	54,374	2,864	5.3	185,870	151,979	33,891	22.3
Non-controlling Interest	(571)	(728)	157	(21.6)	(2,392)	(2,414)	22	(0.9)
	56,667	53,646	3,021	5.6	183,478	149,565	33,913	22.7
Total Comprehensive Income attributable to :								
Equity Holders of the Company	60,573	45,868	14,705	32.1	194,751	141,320	53,431	37.8
Non-controlling Interest	(571)	(728)	157	(21.6)	(2,392)	(2,414)	22	(0.9)
	60,002	45,140	14,862	32.9	192,359	138,906	53,453	38.5
Earnings Per Share Attributable To Equity Holders Of The Company								
- Basic (sen)	4.57	4.35	0.23	5.3	14.85	12.15	2.71	22.3
- 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 2023 and the accompanying explanatory notes attached to this interim financial statements.*

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 199601042262)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31 December 2023 RM'000	(AUDITED) As at 31 March 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	205,656	210,693
Right-of-use assets	3,008	2,743
Investment properties	29	30
Investment in joint venture company	142,442	143,174
Inventories	638,005	773,536
Other receivables, deposits and prepayments	31,753	36,331
Deferred tax assets	39,918	36,727
	1,060,811	1,203,234
Current assets		
Inventories	568,205	397,614
Trade and other receivables	800,900	778,768
Deposits, cash and bank balance	364,822	250,231
	1,733,927	1,426,613
TOTAL ASSETS	**2,794,738**	**2,629,847**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	961,315	961,315
Translation reserves	5,971	(2,910)
Retained profits	1,140,367	1,045,220
	2,107,653	2,003,625
Non-controlling interest	(18,162)	(15,770)
TOTAL EQUITY	2,089,491	1,987,855
Non-current liabilities		
Borrowings	72,468	77,623
Lease liabilities	2,481	2,182
Other payables, deposits, accruals and provision	25,528	24,510
	100,477	104,315
Current liabilities		
Trade and other payables	484,459	357,172
Borrowings	77,688	163,015
Lease liabilities	773	784
Dividend payable	31,284	25,027
Current tax liabilities	10,566	(8,321)
	604,770	537,677
TOTAL LIABILITIES	705,247	641,992
TOTAL EQUITY AND LIABILITIES	**2,794,738**	**2,629,847**
Net Assets Per Share (RM) (Note 2)	1.67	1.59

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 2023 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 (FYE2023: 1,251,347,717) ordinary share in Matrix ("shares")*

MATRIX CONCEPTS HOLDINGS BERHAD

(Incorporated in Malaysia-Co. No. 199601042262)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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
9 months ended 30 December 2022 (Unaudited)						
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	-	-	-	-	150	150
- Dividends	-	-	(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
9 months ended 31 December 2023 (Unaudited)						
As at 1 April 2023	961,315	(2,910)	1,045,220	2,003,625	(15,770)	1,987,855
Profit after taxation for the year	-	-	185,870	185,870	(2,392)	183,478
Other comprehensive income for the year						
- Foreign currency translation differences	-	8,881	-	8,881	-	8,881
Total comprehensive income for the year	-	8,881	185,870	194,751	(2,392)	192,359
Contribution by and distribution to owners of the Company						
- Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-
- Dividends	-	-	(90,723)	(90,723)	-	(90,723)
Total transactions with owners	-	-	(90,723)	(90,723)	-	(90,723)
As at 31 December 2023	961,315	5,971	1,140,367	2,107,653	(18,162)	2,089,491

Notes:

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 2023*

MATRIX CONCEPTS HOLDINGS BERHAD
(Incorporated in Malaysia-Co. No. 199601042262)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) FOR THE FINANCIAL PERIOD ENDED 31 December 2023 RM'000	(Unaudited) FOR THE FINANCIAL PERIOD ENDED 31 December 2022 RM'000
Cash Flow From Operating Activities		
Profit before income tax	247,160	203,817
Adjustments for :-		
Depreciation of property, plant and equipment and right of use assets	6,484	7,044
Depreciation of investment property	1	1
Interest expenses	4,673	8,178
Interest income	(5,904)	(3,498)
Gain on disposal of investment property	-	(36)
Gain on disposal of PPE	(439)	(1,274)
Share of results in joint venture, net of tax	732	(1,391)
Operating profit before working capital changes	252,707	212,841
(Increase)/Decrease in inventories	(31,486)	85,306
Decrease/(Increase) in receivables	82,446	(79,815)
Increase/(Decrease) in payables	28,305	(36,097)
Cash generated from operations	331,972	182,235
Interest received	5,904	3,498
Interest paid	(8,246)	(12,271)
Tax paid	(47,987)	(46,705)
Net cash generated from operating activities	281,643	126,757
Cash Flow From Investing Activities		
Placement of pledged deposits with licensed bank	(2,273)	(2,075)
Withdrawal/(Placement) of deposits with licensed bank more than 3 months	2,424	25,255
Purchase of property, plant and equipment	(1,305)	(1,311)
Proceed from disposal of property, plant and equipment	498	1,597
Proceed from disposal of investment property	-	67
Net cash (used)/generated from investing activities	(656)	23,533
Cash Flow From Financing Activities		
Increase in investment of non-controlling interest in a subsidiary	-	150
Advance from non-controlling interest shareholders	-	-
Dividend paid	(84,466)	(87,594)
Drawdown of borrowings	-	70,000
Repayment of term loan	(79,162)	(72,526)
Repayment of lease liabilities	(179)	(190)
Net cash used in financing activities	(163,807)	(90,160)
Net changes in cash and cash equivalents	117,180	60,130
Effect of exchange rate fluctuations on cash held	8,881	(6,081)
Cash and cash equivalents at beginning of the year	200,128	150,288
Cash & cash equivalents at end of the period	326,189	204,337
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	364,822	251,725
Less : Fixed Deposit Pledged	(32,050)	(28,669)
	332,772	223,056
Bank overdrafts	(6,583)	(18,719)
	326,189	204,337

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 2023 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 financial year ended (“**FYE**”) 31 March 2023 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 2023.

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 2023.

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 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendment to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities arising from Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

A2. Seasonal or cyclical factors

The results for the current financial quarter ended 31 December 2023 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 2023 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 2023 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 2023 under review.

A6. Dividends Paid

During the financial quarter ended 31 December 2023 under review, the Company had closed its books for its second interim single tier dividend of 2.50 sen per Matrix Concepts Share for the FYE 31 March 2024. The second interim single tier dividend was paid on 10 January 2024 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 December 2023.

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	957,667	-	-	-	-	957,667
Construction / Inter-segment sales	-	409,793	-	-	(409,793)	-
School fees	-	-	10,218	-	-	10,218
Clubhouse and hotel operator	-	-	-	18,838	-	18,838
Others	36	-	-	-	-	36
Total	957,703	409,793	10,218	18,838	(409,793)	986,759
Other income						
Rental income	2,916	-	-	-	-	2,916
Others	9,146	1,755	269	32	-	11,202
Total	12,062	1,755	269	32	-	14,118
Results						
Segment results	243,653	18,976	(6,018)	8,318	(12,364)	252,565
Finance costs						(4,673)
Share of results in joint venture, net of tax						(732)
Profit before tax						247,160
Taxation						(63,682)
Net profit for the year						183,478

For comparison purposes, the segment revenue and segment results for business segments for the corresponding FPE 31 December 2022 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	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 taxation						203,817
Taxation						(54,252)
Net profit for the year						149,565

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	983,494	237,879	184,197
Australia	3,265	(719)	(719)
	986,759	**247,160**	**183,478**

A8. Industry outlook – Malaysian property sector

The property market recorded an increase in 2022 supported by a better performance in all sectors compared to the previous year. In 2022, total transactions volume and value increased by 29.5% and 23.6%, respectively to 389,107 transactions and RM179.07 billion (2021: 300,497 transactions and RM144.87 billion). Total transactions volume in 2022 is the highest volume recorded within the period of 10 years (2012: 427,520 transactions) whilst total transactions value is higher than the previous record high in 2014 (RM162.97 billion). Of the total transactions recorded in the review year, 20.7% (80,373) and 76.5% (297,700) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

The property market continued to record growth in 2022, supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals. Several initiatives which outlined under Budget 2022 by the government to a certain extent helped improve property market activities. These are:

i. RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes.

ii. Lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies.
iii. Guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

The Overnight Policy Rate (OPR) has increased gradually from the lowest level of 1.75% since May 2022 by 25 basis points each in May, July, September and November 2022 to 2.75%. The Monetary Policy Committee decided to further adjust the degree of monetary accommodation amid positive growth prospects for the Malaysian economy and to reduce inflationary pressures due to strong demand conditions, tight labour markets, and the elevated commodity process, despite some improvements in global supply chain conditions.

On the demand side, loan applications and approvals for residential purchase increased by 28.7% and 48.7% respectively in 2022. Higher levels recorded in 2022 as the data updated in accordance with the latest data definition and requirement. The new application and approval data will be based on real-time application and approval during the month, irrespective of time lag or application withdrawal by customer in the same month. Though higher growth recorded by the growth trends remain broadly similar. Similarly, loan applications and approval for non-residential purchase also increased at 33.8% and 92.8% respectively.

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial and industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.3%, 46.3%, 44.5%, 44.6% and 35.7% respectively. Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded an increase of 22.6%, 16.7%, 24.8%,50.5% and 16.6% respectively.

Residential property

There were 243,190 transactions worth RM94.28 billion recorded in 2022, increased by 22.3% in volume and 22.6% in value as compared with 2021. Secondary market formed about 80.0% (194,749 transactions) of the total transactions while primary market (purchase from developers) formed nearly 20.0% (48,441 transactions). All states recorded higher market volume except for Labuan which recorded decline in market activity. The uptrend recorded in Pulau Pinang (31.1%), Johor (24.3%), Perak (18.9%), Kuala Lumpur (18.4%) and Selangor (15.9%) supported the overall increase in the sub-sector. Combined, these states formed about 60% of the total national residential volume. Selangor contributed the highest volume and value to the national market share, with 23.2% in volume (56,514 transactions) and 32.4% in value (RM30.58 billion). Kuala Lumpur recorded 13,182 transactions but ranked the second highest in value at RM11.79 billion, contributing 12.5% market share. Demand continued to focus on terraced houses, formed around 42.0% of the total residential transactions, followed by vacant plots (15.1%), high-rise units (15.0%) and low-cost houses/ flats (10.6%). By price category, RM300,000 and below accounted for 55.8% of the total, followed by RM300,001 to RM500,000 (24.2%) and more than RM500,000 (20.0%).

The primary market recorded more than 54,000 newly launched units in 2022. In spite of the increase in new launches, market remained cautious as the numbers were lower than those recorded in the pre-pandemic years. Sales performance was moderate at 36.0%. Selangor (11,176 units), Kuala Lumpur (10,324 units) and Johor (7,718 units) were the three leading states with higher new launches. Both Kuala Lumpur and Johor recorded better sales performance at more than 40.0% as compared to Selangor, which recorded a lower rate of 26.9%. Condominium/apartment units dominated the new launches, capturing 45.0% (24,366 units) of the total, followed by terraced houses with 42.2% share, comprised single storey (9,422 units) and two to three storey (13,403 units).

The residential overhang situation improved as the numbers reduced compare to previous year. A total of 27,746 overhang units worth RM18.41 billion recorded in 2022, reduced by 24.7% and 19.2% in volume and value respectively against 2021 (36,863 units worth RM22.79 billion). Johor retained the highest number and value of overhang in the country with 5,258 units worth RM4.33 billion, accounting to 19.0% and 23.5% respectively of the national total. Selangor (3,698 units), Pulau Pinang (3,593 units) and Kuala Lumpur (3,429 units) followed suit. In terms of value, the second highest was Selangor (RM3.36 billion), followed by Kuala Lumpur (RM3.15 billion) and Pulau Pinang (RM2.74 billion). Condominium/apartment formed 61.9% (17,162 units) of the national total overhang, followed by terraced houses (20.3%; 5,636 units). By price range, those priced at RM500,001 to RM1.0 million formed 33.6% (9,323 units) of the total, higher than 30.2% in 2021. Price range between RM300,001 and RM500,000 came second, accounting for 29.3% (8,128 units).

Meanwhile, houses in the affordable price range of below RM300,000 formed another 23.5% (6,509 units) of the total and followed by more than RM1.0 million price range formed 13.6% (3,786 units). The unsold under construction improved as the numbers dropped to 57,649 units (2021: 70,231 units), declined by 17.9% meanwhile unsold not constructed recorded sharply decrease by 49.7% in number with 11,053 units (2021: 21,960 units).

Commercial property

The sub-sector recorded a further increase in market activity in 2022. There were 32,809 transactions worth RM32.61 billion recorded in 2022, increased by 46.3% in volume and 16.7% in value as compared with 2021 (22,428 transactions worth RM27.94 billion). The increase in all states and major transactions involving shopping complex and purpose-built office recorded in the review period contributed to the overall improved market. Selangor contributed the highest volume and value to the national market share, with 26.4% in volume (8,654 transactions) and 31.7% in value (RM10.35 billion). Kuala Lumpur came second with 14.6% in volume (4,777 transactions) and 26.0% in value (RM8.49 billion) and Johor with 14.6% in volume (4,787 transactions) and 14.0 % in value (RM4.57 billion).

Shop segment recorded 16,862 transactions worth RM14.2 billion, dominating 51.4% of the commercial property transactions volume and 43.5% of the total value. Market activity recorded an increase of 45.7% in volume and 48.2% in value (2021: 11,574 transactions worth RM9.6 billion). Selangor contributed the highest volume and value to the market share, with 19.0% (3,207 transactions) and 29.9% of the total value (RM4.2 billion) followed by Johor with 17.1% (2,880 transactions) and 16.3% of the total value (RM2.3 billion). By type, two to two and a-half storey shops captured more than 53.0% (8,970 transactions) of the shops' market share, followed by three to three and a-half storey shops, registering 27.4% share (4,628 transactions). Shop overhang segment increased to 6,720 units with a value of RM5.84 billion, up by 1.6% in volume and up 1.1% in value against 2021. The unsold under construction and not constructed saw the reverse, down by 28.8% (2,777 units) and 9.0% (365 units). Johor accounted for nearly 26.0% of shop overhang volume and 28.7% in value (1,731 units worth RM1.67 billion) and the unsold under construction with 36.2% share (1,005 units).

Industrial property

The industrial sub-sector recorded 8,082 transactions worth RM21.16 billion in 2022. Compared to 2021, the market activity increased by 44.5% in volume and 24.8% in value. Selangor continued to dominate the market, with 33.8% of the nation's volume, followed by Johor and Perak, each with 14.0% and 8.1% market share. The industrial overhang remained manageable. The overhang volume decreased to 880 units worth nearly RM1.15 billion, down by 22.1% volume and 27.6% in value against 2021. On similar note, the unsold under construction decreased to 450 units, down by 31.2%. The unsold not constructed recorded 51 units, more than 22 units recorded in 2021. Sarawak held most of the overhang, with 33.8% share, followed by Johor (23.3%) and Pulau Pinang (9.7%). By type, terraced and semi-detach units formed the bulk of the overhang, each with 59.2% and 29.8% share. Most of the overhang were above RM1 million, forming 45.2% of the national total.

The property market is expected to continue its momentum with various initiatives outlined by the government under the revised Budget 2023. Among others:

1. Full stamp duty exemption on instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysia citizens remained until 31 December 2025.
2. Increase of stamp duty remission from 50% to 75% for the purchase of the first residential properties priced between RM500,000 to RM1 million by Malaysian citizens and applicable for sale and purchase agreements executed until 31 December 2023.
3. Full stamp duty exemption up to RM1 million and 50% stamp duty remission for the remaining balance on transfers of property by way of love and affection between family members (father to child and grandfather to grandson).
4. Allocation of RM460.2 million for the building of new homes and home renovations in rural areas.
5. Allocation of RM389.5 million will be channeled to the People's Housing Programme.
6. Allocation of RM358 million for the construction of affordable homes under Rumah Mesra Rakyat programme by Syarikat Perumahan Negara Berhad.
7. Allocation of RM462 million for the construction of 23,000 houses under Projek Perumahan Awam Malaysia.

8. Increase the guarantees of up to RM5 billion via Syarikat Jaminan Kredit Perumahan in assisting gig workers such as e-hailing workers in obtaining home financing up to RM500,000.

As the country’s GDP growth is projected to be moderately lower than the previous year and in line with other countries in the region, the property market performance is expected to be cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under RMK-12 are expected to remain supportive of the property sector.

(Source: Property Market Report 2022, 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 2023 under review.

A10. Commitments

The commitments of the Company as at the end of the financial quarter ended 31 December 2023 under review and the financial year-to-date are as follows:

	Cumulative year-to-date 31.12.2023 RM’000
Contracted but not provided for:	
- Land held for property development	514,760

A11. Material subsequent event

There were no material events subsequent to the end of the financial quarter ended 31 December 2023 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 2023 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 2023 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 2023.

A15. Significant Related Party Disclosures

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 31 December 2023 under review and the financial year-to-date:

	Current quarter ended 31.12.2023 RM’000	**Cumulative year-to-date 31.12.2023 RM’000**
Purchase of building materials from related parties	12,496	37,029
Agency fees and purchase of marketing material from related parties	53	159
Rental payments made to related parties	105	315
Consultancy fees paid to related parties	141	417
Sales of property to related party	-	-

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

	Current quarter ended 31.12.2023 RM’000	**Corresponding quarter ended 31.12.2022 RM’000**	**Changes RM’000**	**%**
Revenue	295,978	363,810	(67,832)	(18.6)
Gross profit	159,538	150,747	8,791	5.8
Profit before tax	76,125	73,472	2,653	3.6
Profit after tax	56,667	53,646	3,021	5.6

In the third quarter ended 31 December 2023, Group revenue decreased by 18.6% from RM363.8 million in the corresponding quarter of the previous year to RM296.0 million for the quarter under review.

The reduction in group revenue was primarily attributed to lower contribution from the property development segment, which declined by 19.1% from RM353.5 million in the corresponding quarter of the previous year to RM286.2 million for the quarter under review. The drop was mainly due to the absence of revenue contribution from the Group's Australian and Klang Valley property development activities, following the completion of M. Greenvale and The Chambers in the previous year. The two developments recorded revenue of RM65.1 million and RM52.7 million respectively in the corresponding quarter of the previous year.

Nevertheless, the lower group revenue for the quarter under review was cushioned by higher contribution from the Group’s flagship Sendayan Developments, which remained a significant revenue driver, contributing RM268.3 million for the quarter under review, marking a growth of 21.4% from RM221.0 million in the corresponding quarter. Similarly, the Bandar Seri Impian township in Kluang also registered improvements for the quarter under review, with revenue increasing by 13.4% to 16.8 million.

Residential properties continued to be the Group’s biggest contributor in terms of product type despite a reduction in revenue of 15.7% from RM341.3 million in the corresponding quarter to RM287.8 million for the quarter under review. Meanwhile, commercial properties recorded a decline of 70.1% from RM8.6 million in the corresponding quarter to RM2.6 million for the quarter under review.

Meanwhile, the Group’s other business units, namely hospitality and education, collectively registered a total revenue of RM9.8 million for the quarter under review, reflecting a marginal decrease of 4.4% compared to RM10.3 million in the corresponding quarter. As student enrolment gradually increased over the past 12 months, the education unit saw revenue improving from RM3.2 million in the corresponding quarter to RM3.5 million for the quarter under review.

Despite the decrease in group revenue, gross profit for the quarter under review rose from RM150.7 million in the corresponding quarter to RM159.5 million, representing an increase of RM8.8 million or 5.8%. Furthermore, the gross profit margin experienced a notable increase for the quarter, standing at 53.9% from 41.4% in the previous year, primarily attributed to changes in the product mix.

In line with the increase in gross profit, profit after tax for the quarter under review improved by 5.6%, reaching RM56.7 million compared to RM53.6 million in the corresponding quarter. The Group's profit after tax margin stood at 19.2% for the quarter, compared to 14.8% in the corresponding quarter of the previous year, aligning with the improvement in the Group's gross profit margin during the quarter under review.

The Group maintained its robust sales momentum by securing RM345.3 million worth of new property sales during the quarter, with Sendayan Developments contributing 66.9% or RM231.1 million of the total sales. At the same time, the Group's latest Klang Valley development, Levia Residence has secured RM97.9 million worth of new property sales, equivalent to 28.3% of total sales. As of 31 December 2023, the Group's unbilled sales stood at RM1.2 billion, providing earnings visibility for the next 15-18 months.

B2. Comparison with preceding quarter's results

	Current quarter ended 31.12.2023 RM'000	Preceding quarter ended 30.09.2023 RM'000	Changes RM'000	%
Revenue	295,978	359,354	(63,376)	(17.6)
Gross profit	159,538	156,726	2,812	1.8
Profit before tax	76,125	83,812	(7,687)	(9.2)
Profit after tax	56,667	63,106	(6,439)	(10.2)

In the third quarter ended 31 December 2023, the Group reported revenue of RM296.0 million, reflecting a decrease of 17.6% from RM359.4 million in the preceding quarter due to lower contribution from its property development unit.

Sendayan Developments, the Group's flagship development, made a substantial contribution, generating RM268.3 million in revenue for the quarter, despite being 21.2% lower than RM340.5 million in the preceding quarter. At the same time, the Group's township development in Kluang, Bandar Seri Impian, demonstrated significant improvement in contribution of 106.1%, reporting revenue of RM16.8 million, compared to RM8.1 million in the preceding quarter.

Revenue contribution from residential and commercial properties contracted by 16.3% to RM290.4 million, down from RM347.0 million in the prior quarter. The revenue decline is attributed to reduced launches and product mix recognition.

Revenue from the Group's hospitality unit saw an 11.0% increase, rising from RM5.7 million in the preceding quarter to RM6.4 million. Similarly, revenue from the Group's education unit registered a marginal 2.4% rise, improving from RM3.4 million to RM3.5 million.

Despite the lower group revenue for the quarter under review, the Group's gross profit recorded a modest growth of 1.8%, reaching RM159.5 million from RM156.7 million in the preceding quarter on the back of favourable product mix. The Group's gross profit margin improved to 53.9% from 43.6% in the preceding quarter, mainly due to product mix from the sale of higher margin products.

Meanwhile, the Group's profit after tax registered a decrease of 10.2%, reaching RM56.7 million for the quarter under review, compared to the RM63.1 million reported in the preceding quarter in line with the reduction in group revenue.

B3. Prospects

The Group has established itself as a prominent property developer in Malaysia, renowned for delivering quality homes that offer exceptional value, marked by consistent new property sales performance, despite numerous challenges that have impacted the property sector and businesses at large.

Looking ahead, the Group is poised for continued growth, driven by several key factors. Notably, the demand for its property offerings remains robust, with strength observed at its flagship, Sendayan Developments. This resilience is attributable to a noticeable shift in the preferences of Klang Valley residents, opting to relocate to areas outside the city center, made easier by the well-developed road networks, superior connectivity, and the evolving landscape of remote and flexible working arrangements.

The Group's early adoption of expanded sales channels, where digital solutions, including social media platforms, have played a pivotal role in the growing visibility among home buyers from Klang Valley. Leveraging on these platforms, the Group has successfully tapped into the strong demand for its residential properties, especially those priced within the RM600,000 range, which has proven to be a compelling value proposition for its customers.

The Group's strategic move to acquire a 1,382-acre land parcel within the Malaysian Vision Valley corridor was approved by its shareholders in August 2023 and will be an exciting avenue for future growth, ensuring the sustainability of its property development arm beyond 2030. This acquisition not only positions the Group to cater to the thriving housing demand in Seremban but also captures the spillover effect from buyers seeking alternatives to the Klang Valley market. The close proximity of the new land with the anticipated revival of the High-Speed Railway (HSR) project in the region further augments its growth prospects.

Furthermore, the Group's focus on optimizing construction efficiency is further reinforced by the successful recruitment of foreign labor to meet its workforce requirements at construction sites. This positions the Group to be cautiously optimistic of accelerating recovery of revenue recognition, backed by a proven track record in scaling up construction activities.

The Group remains steadfast in its commitment to enhancing the value proposition at its township developments, which include Bandar Sri Sendayan, Ara Sendayan, Tiara Sendayan in Negeri Sembilan, and Bandar Seri Impian in Kluang, Johor. This includes ongoing improvements to amenities and infrastructure to foster vibrant community living, and active landbanking efforts aimed at sustaining its future project pipeline at these townships.

Internationally, the Group's ventures are equally promising. Following the successful completion of the fully-sold second residential development, M. Greenvale in Melbourne, Australia, the Group has set its sights on the development of M333 St. Kilda, its largest project in Australia to date. This eight-storey mixed development, located within walking distance of iconic Melbourne landmarks, is expected to be well-received for its lifestyle offerings.

In Indonesia, the Group's maiden development, Menara Syariah in Pantai Indah Kapuk 2, Jakarta, undertaken in collaboration with Indonesian conglomerates Agung Sedayu Group and Salim Group, was recently completed in the third quarter of the financial year ending 31 March 2024 (FY2024). This milestone will significantly bolster its financial performance for FY2024 and sets the stage for the launch of the Group's second project in Indonesia.

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 31.12.2023 RM’000	Cumulative period-to-date 31.12.2023 RM’000
Current tax expenses	21,095	66,474
Over provision of income tax in prior years	-	-
Deferred tax income/Utilisation of deferred tax	(1,637)	(2,792)
	19,458	**63,682**

The Group’s effective tax rate of 25.7% for the FPE 31 December 2023 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) 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.

On 23 March 2023, the Company announced that N9 Matrix had entered into a supplemental agreement to the SPA with NS Corp and MCNS, NS Corp and N9 Matrix had entered into a supplemental agreement to the JVA to reflect new clauses in the SPA and JVA respectively.

On 27 July 2023, the Company had issued its Circular to shareholders seeking approval of the above at the Company’s Annual General Meeting held on 30 August 2023, at which all relevant resolutions were duly passed.

On 19 December 2023, the Company had announced that N9 Matrix had obtained the approval of the Economic Planning Unit for the abovementioned acquisition pursuant to the SPA.

Please refer to the Company’s announcement dated 28 April 2022 for further information on the MOU, announcements dated 24 August 2022, 23 March 2023 and 19 December 2023 for further information on the JVA and SPA as well as the Company’s Circular to shareholders dated 27 July 2023.

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 2023.

B8. Group borrowings and debt securities

The Group's borrowings as at 31 December 2023 are as follows:

	Unaudited as at 31.12.2023 RM'000
Short term borrowings	
Secured:	
Term loans	31,105
Bank overdrafts	6,583
	37,688
Unsecured:	
Commercial papers	40,000
Total short-term borrowings	**77,688**
Long term borrowings	
Secured:	
Term loans	72,468
Total long-term borrowings	**72,468**
Total Borrowings	**150,156**

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

	Unaudited as at 31.12.2023 RM'000
Malaysian Ringgit	134,497
Australian Dollar	15,659
Total	**150,156**

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 23 February 2024, declared a third interim single tier dividend of 2.50 sen per Matrix Concepts Share held for the financial year ending 31 March 2024, to be paid on 3 April 2024 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 March 2024.

On 10 January 2024, a second interim single tier dividend of 2.50 sen per Matrix Concepts Share for the financial year ending 31 March 2024 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 December 2023.

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to equity holders of the Company (RM'000)	57,238	54,374	185,870	151,979
Weighted average number of ordinary shares ('000)	1,251,348	1,251,348	1,251,348	1,251,348
Earnings per share (sen)	4.57	4.35	14.85	12.15

(ii) Diluted earnings per share

The diluted earnings per share is equal to basic earnings per share for the FPE 31 December 2023 and 31 December 2022 as the Company does not have any convertible securities.

B12. Notes to the Statement of Comprehensive Income

	Current Quarter Ended		Cumulative Period-To-Date	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Included in the profit for the period are:				
- Interest income	(2,901)	(1,182)	(5,904)	(3,498)
- Other income including investment income	(3,096)	(1,194)	(5,298)	(3,216)
- Interest expenses	550	1,904	4,673	4,477
- Depreciation of property, plant and equipment and right of use assets	2,172	2,270	6,485	7,045
- Property, plant and equipment written off	-	-	-	-
- Property development 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	(1,293)	(675)	(2,916)	(1,832)

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 23 February 2024.

By order of the Board of Directors

Ho Kong Soon
Group Managing Director

Date: 23 February 2024