

**MATRIX CONCEPTS HOLDINGS BERHAD**
*(Incorporated in Malaysia-Co. No. 199601042262)*
**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**


## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited INDIVIDUAL QUARTER (2nd QUARTER)				Unaudited CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	CHANGES	
	30 September 2019	30 September 2018	Amount	%	30 September 2019	30 September 2018	Amount	%
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	282,728	253,312	29,416	11.6	531,230	483,354	47,876	9.9
Cost of Sales	(143,790)	(125,857)	(17,933)	14.2	(266,334)	(235,407)	(30,928)	13.1
<b>Gross Profit</b>	<b>138,938</b>	<b>127,455</b>	<b>11,483</b>	<b>9.0</b>	<b>264,896</b>	<b>247,947</b>	<b>16,948</b>	<b>6.8</b>
Other Income	2,477	2,422	55	2.3	5,780	4,113	1,667	40.5
Selling and Marketing Expenses	(31,285)	(26,986)	(4,299)	15.9	(54,372)	(45,181)	(9,191)	20.3
Administrative and general expenses	(30,770)	(27,485)	(3,285)	12.0	(62,852)	(62,587)	(265)	0.4
<b>Operating Profit</b>	<b>79,360</b>	<b>75,406</b>	<b>3,954</b>	<b>5.2</b>	<b>153,452</b>	<b>144,292</b>	<b>9,160</b>	<b>6.3</b>
Finance Costs	100	(981)	1,081	(110.2)	(930)	(1,917)	987	(51.5)
<b>Profit Before Taxation</b>	<b>79,460</b>	<b>74,425</b>	<b>5,035</b>	<b>6.8</b>	<b>152,522</b>	<b>142,375</b>	<b>10,147</b>	<b>7.1</b>
Income Tax Expenses	(20,720)	(21,483)	763	(3.6)	(39,133)	(39,281)	148	(0.4)
<b>Profit After Taxation</b>	<b>58,740</b>	<b>52,942</b>	<b>5,798</b>	<b>11.0</b>	<b>113,389</b>	<b>103,094</b>	<b>10,295</b>	<b>10.0</b>
Other Comprehensive Income								
- Foreign Currency Translation Differences	26	468	(442)	(94.4)	493	458	35	7.6
<b>Total Comprehensive Income For The Period</b>	<b>58,766</b>	<b>53,410</b>	<b>5,356</b>	<b>10.0</b>	<b>113,882</b>	<b>103,552</b>	<b>10,330</b>	<b>10.0</b>
<b>Profit After Taxation attributable to :</b>								
Equity Holders of the Company	58,740	52,942	5,798	11.0	113,389	103,094	10,295	10.0
Non-controlling Interest	-	-	-	-	-	-	-	-
	<b>58,740</b>	<b>52,942</b>	<b>5,798</b>	<b>11.0</b>	<b>113,389</b>	<b>103,094</b>	<b>10,295</b>	<b>10.0</b>
<b>Total Comprehensive Income attributable to :</b>								
Equity Holders of the Company	58,766	53,410	5,356	10.0	113,882	103,552	10,330	10.0
Non-controlling Interest	-	-	-	-	-	-	-	-
	<b>58,766</b>	<b>53,410</b>	<b>5,356</b>	<b>10.0</b>	<b>113,882</b>	<b>103,552</b>	<b>10,330</b>	<b>10.0</b>
<b>Earnings Per Share Attributable To Equity Holders Of The Company</b>								
- Basic (sen)	7.39	7.04	0.35	5.0	12.81	13.70	(0.89)	(6.5)
- Diluted (sen)	7.39	6.99	0.40	5.8	12.81	13.62	(0.81)	(6.0)

## Note:

- The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 March 2019 and the accompanying explanatory notes attached to this interim financial statements.

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) As at 30 September 2019 RM'000	(AUDITED) As at 31 March 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	255,350	256,168
Right-of-use assets	892	-
Investment properties	248	243
Investment in joint venture company	116,580	-
Inventories	568,725	454,128
Deferred tax assets	25,922	25,702
Goodwill arising on consolidation	*	*
	967,717	736,241
<b>Current assets</b>		
Inventories	733,533	671,435
Trade and other receivables	337,260	425,046
Deposits, cash and bank balance	259,851	264,210
	1,330,644	1,360,691
<b>TOTAL ASSETS</b>	<b>2,298,361</b>	<b>2,096,932</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	939,383	800,220
Translation reserves	(6,049)	(6,542)
Retained profits	596,569	533,437
	1,529,903	1,327,115
Non-controlling interest	831	831
<b>TOTAL EQUITY</b>	<b>1,530,734</b>	<b>1,327,946</b>
<b>Non-current liabilities</b>		
Borrowings	143,661	200,166
Lease liabilities	447	-
	144,108	200,166
<b>Current liabilities</b>		
Trade and other payables	411,966	359,048
Borrowings	153,074	162,137
Lease liabilities	237	-
Dividend payable	24,684	22,584
Current tax liabilities	33,558	25,051
	623,519	568,820
<b>TOTAL LIABILITIES</b>	<b>767,627</b>	<b>768,986</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,298,361</b>	<b>2,096,932</b>
<b>Net Assets Per Share (RM) (Note 2)</b>	<b>1.86</b>	<b>1.76</b>

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 2019 and the accompanying explanatory notes attached to this interim financial statements.
2. Based on the issued and paid-up share of 822,809,487 (2019: 752,809,487) ordinary share in Matrix ("shares")

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Share Option RM'000	Translation Reserves RM'000	Retained Profits RM'000	Non-Controlling Interest RM'000	Total RM'000
<b>6 months ended 30 September 2018 (Unaudited)</b>							
As at 1 April 2018	796,217	-	6,489	(3,107)	406,892	501	1,206,992
Issuance of new ordinary shares pursuant to							
- Exercise of ESOS	3,187	-	(483)	-	-	-	2,704
- Exercise of Warrants	814	-	-	-	-	-	814
Profit after taxation for the period	-	-	-	-	103,094	-	103,094
Other comprehensive income for the period							
- Foreign currency translation differences	-	-	-	458	-	-	458
Total comprehensive income for the period	-	-	-	458	103,094	-	103,552
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-	-
Dividend	-	-	-	-	(50,800)	-	(50,800)
Options granted under ESOS	-	-	-	-	-	-	-
ESOS lapsed/forfeited	-	-	(6,006)	-	6,006	-	-
As at 30 September 2018	800,218	-	-	(2,649)	465,192	501	1,263,262
<b>6 months ended 30 September 2019 (Unaudited)</b>							
As at 1 April 2019	800,220	-	-	(6,542)	533,436	831	1,327,945
Issuance of new ordinary shares pursuant to							
- Private placement	139,163	-	-	-	-	-	139,163
Profit after taxation for the year	-	-	-	-	113,389	-	113,389
Other comprehensive income for the year							
- Foreign currency translation differences	-	-	-	493	-	-	493
Total comprehensive income for the year	-	-	-	493	113,389	-	113,882
Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	*	-
Dividend	-	-	-	-	(50,256)	-	(50,256)
As at 30 September 2019	939,383	-	-	(6,049)	596,569	831	1,530,734

**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 2019

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>(Unaudited) FOR THE 6 MONTHS PERIOD ENDED 30 September 2019 RM'000</b>	<b>(Unaudited) FOR THE 6 MONTHS PERIOD ENDED 30 September 2018 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	152,522	142,375
Adjustments for :-		
Depreciation of property, plant and equipment	5,211	4,953
Depreciation of investment property	4	-
Interest expenses	930	1,917
Interest income	(3,022)	(2,899)
Loss/(Gain) on disposal of property, plant and equipment	(16)	(264)
Operating profit before working capital changes	155,629	146,082
(Increase)/Decrease in inventories	(170,002)	28,909
Decrease in receivables	87,784	16,566
Decrease in payables	52,917	(57,407)
Cash generated from operations	126,327	134,150
Interest received	3,022	2,899
Interest paid	(7,623)	(7,897)
Tax paid	(30,846)	(27,659)
Net cash generated from operating activities	90,880	101,493
<b>Cash Flow From Investing Activities</b>		
Placement of pledged deposits with licensed bank	(1,679)	(1,651)
Withdrawal of deposits with licensed bank more than 3 months	26,405	-
Investment in joint venture company	(116,580)	-
Purchase of property, plant and equipment	(5,293)	(18,372)
Proceed from disposal of property, plant and equipment	16	692
Net cash used in investing activities	(97,131)	(19,331)
<b>Cash Flow From Financing Activities</b>		
Proceed from issuance of share	139,163	3,518
Increase in investment of non controlling interest in a subsidiary	*	-
Dividend paid	(48,156)	(52,614)
Repayment of term loan	(58,729)	(50,631)
Repayment of lease liabilities	(163)	(160)
Net cash generated from/(used in) financing activities	32,115	(99,887)
Net changes in cash and cash equivalents	25,864	(17,725)
Effect of exchange rate fluctuations on cash held	493	458
Cash and cash equivalents at beginning of the period	180,267	187,395
Cash & cash equivalents at end of the period	206,624	170,128
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	259,851	276,852
Less : Fixed Deposit Pledged	(23,762)	(14,337)
Less : Fixed Deposit more than 3 months	-	(53,901)
	236,089	208,614
Bank overdrafts	(29,465)	(38,486)
	206,624	170,128

*Note:*

\* Represents RM300.00.

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 2019 and the accompanying explanatory notes attached to this interim financial statements.

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**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS 134):**

**A1. Accounting Policies and Basis of Preparation**

The interim financial report is unaudited and is prepared in accordance with MFRS134 “Interim Financial Reporting” and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Matrix Concepts Holdings Berhad (“**Company**”) and its subsidiaries (“**Group**”) for the FYE 31 March 2019 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 2019.

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 2019.

During the interim financial statement, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

MFRS 9 Financial Instruments  
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions  
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts  
Amendments to MFRS 140 – Transfers of Investment Property  
Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters  
Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value  
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group’s financial statements.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3 : Definition of a Business	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of MFRS 16: Leases did not have any material impact and the Group has adopted “Modified Retrospective Approach.”

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**A2. Seasonal or Cyclical Factors**

The results for the current financial quarter ended 30 September 2019 under review and the financial period-to-date were not materially affected by seasonal or cyclical factors.

**A3. Items of unusual nature and amount**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current financial quarter ended 30 September 2019 under review and the financial period-to-date.

**A4. Material Changes in Estimates**

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter ended 30 September 2019 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 30 September 2019 under review:

- (i) 36,000,000 new ordinary shares in the Company ("**Matrix Concepts Shares**") pursuant to a private placement exercise undertaken by the Company of which 25,000,000 Matrix Concepts Shares were issued at an issue price of RM2.02 per Matrix Concepts Shares while 11,000,000 Matrix Concepts Shares were issued at an issue price of RM1.9052 per Matrix Concepts Shares.

Pursuant to the above, the issued and paid-up share capital of the Company had increased from RM867,925,906, comprising of 786,809,487 Matrix Concepts Shares to RM939,383,106 comprising of 822,809,487 Matrix Concepts Shares for the current financial quarter ended 30 September 2019 under review.

**A6. Dividends Paid**

During the financial quarter ended 30 September 2019 under review, the Company had closed its books for its first interim single tier dividend of 3.00 sen per Matrix Concepts Share for the financial year ended 31 March 2020. The first interim single tier dividend was paid on 9 October 2019 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 20 September 2019.

Please refer to Note B10 on dividends declared.

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**A7. Segmental Information**

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

	<b>Property development</b>	<b>Construction</b>	<b>Education</b>	<b>Hospitality</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
Sale of properties	511,767	-	-	-	-	511,767
Construction / Inter-segment sales	-	220,911	-	-	(220,911)	-
School fees	-	-	10,757	-	-	10,757
Clubhouse and hotel operator	-	-	-	8,706	-	8,706
<b>Total</b>	<b>511,767</b>	<b>220,911</b>	<b>10,757</b>	<b>8,706</b>	<b>(220,911)</b>	<b>531,230</b>
<b>Other income</b>						
Rental income	774	-	-	-	-	774
Others	4,454	261	264	27	-	5,006
<b>Total</b>	<b>5,228</b>	<b>261</b>	<b>264</b>	<b>27</b>	<b>-</b>	<b>5,780</b>
<b>Results</b>						
Segment results	139,672	14,352	(1,524)	1,382	(430)	153,452
Finance costs						(930)
Profit before tax						152,522
Taxation						(39,133)
Net profit for the year						113,389

For comparison purposes, the segment revenue and segment results for business segments for the corresponding FPE 30 September 2018 are as follows:

	<b>Property development</b>	<b>Construction</b>	<b>Education</b>	<b>Hospitality</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
Sale of properties	464,282	-	-	-	-	464,282
Construction / Inter-segment sales	-	151,054	-	-	(151,054)	-
School fees	-	-	11,502	-	-	11,502
Clubhouse and hotel operator	-	-	-	7,570	-	7,570
<b>Total</b>	<b>464,282</b>	<b>151,054</b>	<b>11,502</b>	<b>7,570</b>	<b>(151,054)</b>	<b>483,354</b>
<b>Other income</b>						
Rental income	205	1	-	-	-	206
Others	3,184	344	351	28	-	3,907
<b>Total</b>	<b>3,389</b>	<b>345</b>	<b>351</b>	<b>28</b>	<b>-</b>	<b>4,113</b>
<b>Results</b>						
Segment results	135,225	17,065	(4,500)	625	(4,123)	144,292
Finance costs						(1,917)
Profit before tax						142,375
Taxation						(39,281)
Net profit for the year						103,094

As the revenue of the Matrix Concepts Group for the FPE 30 September 2019 is solely derived from its operating activities in Malaysia, geographical segmentation is not prepared.

**A8. Industry outlook**

**(i) Malaysian property sector**

The residential subsector is expected to grow at a slower pace, mainly due to the increased property overhang caused by the mismatch between supply and demand. However, various measures undertaken by the Government including the building of 60,000 units per year of affordable homes within 10 years and the reinvigorating of the National Housing Policy are expected to boost the growth of the subsector in 2020. In addition, the enhancement of the Fund for Affordable Homes by Bank Negara Malaysia will enable the first-time home buyers to enjoy lower monthly commitment up to 20%, which in turn will support the subsector.

Bank Negara Malaysia launched a Fund for Affordable Home earlier in January 2019 to help home buyers from the lower-income group to purchase their first homes, for property priced up to RM150,000 at a concessionary interest rate up to 3.5%. The qualifying criteria was expanded on 1 September 2019 to include property priced up to RM300,000 for households with maximum income of RM4,360, being the threshold income for B40. As of September 2019, 2,840 applications amounting to RM472.7 million have been received. The approval rate is 77.9%, with 982 applications amounting to RM156.2 million being approved.

In partnership with the private sector, the Government has launched the Home Ownership Campaign where developers providing at least a 10% discount for qualified properties will be matched with stamp duty exemptions. As many as 21,000 property units valued at RM13.44 billion under the Home Ownership Campaign have been successfully sold, exceeding the RM3 billion initial sales target. The Campaign deadline has been extended by 6 months from 30 June to 31 December 2019.

To address those who are unable to afford the initial 10% deposit and access to financing in purchasing their homes, the Government will collaborate with financial institution in introducing Rent To Own (RTO) financing scheme. Through this scheme, financing of up to RM10 billion will be provided by the financial institutions with the support from the Government via a 30% or RM3 billion guarantee. This RTO scheme is for purchase of first home up to RM500,000 property price. Under this scheme, the applicant will rent the property for up to 5 years and after the first year, the tenant will have the option to purchase the house based on the price fixed at the time the tenancy agreement is signed. The government will provide stamp duty exemptions on the instruments of transfer between the developer and financial institution, and between the financial institutions and the buyer in this scheme.

To reduce supply overhang of condominiums and apartments amounting to RM8.3 billion in the second quarter of 2019, the Government will lower the threshold on high rise property prices in urban areas for foreign ownership from RM1 million to RM600,000 in 2020.

To assist the youth in purchasing their first home, the Government will extend the Youth Housing Scheme administered by Bank Simpanan Nasional from 1 January 2020 until 31 December 2021. The scheme also offers a 10 percent loan guarantee through Cagamas to enable borrowers of full financing and RM200 monthly instalment assistance for the first two years limited to 10,000 home units.

In response to the public view regarding the Real Property Gain Tax (RPGT) imposed on disposal of properties after 5 years onwards, the Government will enhance RPGT treatment by revising the base year for asset acquisition at 1 January 2013 for asset acquired before 1 January 2013 as compared to the previous base year of 1 January 2000.

*(Sources: Chapter 3 – Macroeconomic Outlook, Economic Outlook 2020, Ministry of Finance Malaysia and The 2020 Budget Speech Text, Ministry of Finance Malaysia)*



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**(ii) Australian residential property sector**

In 2018, Australia’s largest residential markets, Sydney and Melbourne, moved from an unprecedented growth cycle into a period of correction. Most other capital cities have begun to follow suit, exceptions being Brisbane and Adelaide houses and Melbourne units, all of which are at historically high prices and have upward momentum. In Brisbane, Perth and Adelaide price corrections will be most severe in unit markets on account of high levels of supply. House prices have proven more resilient in Brisbane and Adelaide and are still trending upwards. Queensland is receiving high levels of interstate migration and this will continue to support Brisbane house values.

There are significant uncertainties this year that could profoundly impact the residential sector:

1. The findings of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and, more importantly, how banks and other lenders react to these findings in terms of lending policy and therefore credit availability. Credit availability has emerged as the biggest headwind impacting Australia’s residential markets. Banks are responding to preliminary findings in the Royal Commission and are imposing more stringent lending standards. The scale of price correction now underway in the Sydney and Melbourne markets has been largely driven by tightening credit availability and the impact on market confidence.
2. The looming federal election, and with a change of government appearing possible, how proposed changes to negative gearing and capital gains tax concessions will impact. Depending on the outcome of the elections, it could result in significant changes to negative gearing and capital gains tax discounts on investment property.
3. Changes in Australia’s overseas migration intake and related policy. Recent years have seen Australia’s net migration intake at record levels, topping 263,000 in 2016-17 before pulling back to 237,000 in 2017-18. A majority of the net intake settle in New South Wales (38%) and Victoria (36%). It is expected that the 2019-20 financial year migrant intake will be reduced from 190,000 to 160,000. If this occurs and proves permanent, 10,000 to 15,000 less new dwellings (predominantly inner-city units) would be required every year. Significant changes in immigration policy would likely be an added drag on markets already facing a period of price correction.

*(Source: Australia Real Estate Market Outlook 2019, CBRE Australia.)*

**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 30 September 2019 under review.

**A10. Commitments**

The commitments of the Company as at the end of the financial quarter ended 30 September 2019 under review and the financial period-to-date are as follows:

	<b>Cumulative year-to-date 30.09.2019 RM’000</b>
<hr/>	
Contracted but not provided for:	
- Land held for property development	246,518

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**A11. Material subsequent event**

There were no material events subsequent to the end of the financial quarter ended 30 September 2019 under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A12. Significant event during the period**

There were no significant events outside the ordinary course of business during the financial quarter ended 30 September 2019 that have not been reflected in these 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 30 September 2019 under review:

- (i) On 29 July 2019, Matrix Healthcare Sdn Bhd (“**MHSB**”), a wholly-owned subsidiary of the Company, had incorporated a new subsidiary, namely Matrix Medicare Sdn Bhd (“**MMSB**”) with a paid-up capital of RM100 comprising 100 ordinary shares. MMSB had on 28 August 2019 completed the issuance and allotment of new shares to Dato Lee Tian Hock. Following thereto, MMSB is now a 70% owned by MHSB. On 17 September 2019, the Company had further announced that MMSB had entered into a Management Agreement with Pusat Hemodialisis Mawar (“**PHM**”) to be the exclusive service provider in respect of the management of PHM.
- (ii) On 27 September 2019, the Company had announced that MHSB had disposed its entire shareholdings in Sendi Hartamas Sdn Bhd (“**SHSB**”) comprising of 510 ordinary shares representing 51% equity interest. Accordingly, SHSB has ceased to be an indirect subsidiary of the Company.
- (iii) On 9 October 2019, Matrix Development (Australia) Pty Ltd, a wholly-owned subsidiary of the Company, had incorporated a new subsidiary, namely Matrix Property Management (Australia) Pty Ltd (“**MPMAPL**”) with a paid-up capital of AUD1,200 comprising of 1,200 ordinary shares. The intended principal activity of MPMAPL is property management.

**A14. Contingent Liabilities and Contingent Assets**

The Group does not have any material contingent liabilities and contingent assets to be disclosed as at 30 September 2019.

**A15. Significant Related Party Disclosures**

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 30 September 2019 under review and the financial year-to-date:

	<b>Current quarter ended 30.09.2019 RM'000</b>	<b>Cumulative year-to-date 30.09.2019 RM'000</b>
Purchase of building materials from related parties	13,006	26,127
Agency fees and purchase of marketing material from related parties	130	177
Purchase of sundries from related parties	74	171
Rental payments made to related parties	77	154
Consultancy fees paid to related parties	353	764

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**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of Performance**

	<b>Current quarter ended 30.09.2019 RM'000</b>	<b>Corresponding quarter ended 30.09.2018 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	282,728	253,312	29,416	11.6
Gross profit	138,938	127,455	11,483	9.0
Profit before tax	79,460	74,425	5,035	6.8
Profit after tax	58,740	52,942	5,798	11.0

For the quarter ended 30 September 2019, the Group recorded revenue of RM282.7 million, an increase of RM29.4 million or 11.6% from RM253.3 million in the previous year corresponding quarter. The growth in revenue was largely attributed to the higher revenue recognition from the Group's Sendayan Development Project and its maiden high-rise property development Chambers Kuala Lumpur.

Revenue recognition from the Group's investment properties, comprising Matrix Global Schools, d'Tempat Country Club, and d'Sora Business Boutique Hotel, improved further to RM9.5 million in the quarter under review from RM9.0 million previously.

The Group also achieved higher profit before tax of RM79.5 million, an increase of RM5.0 million or 6.8% from RM74.4 million previously. The improved profitability came on the back of stronger performance from the property development and investment properties segments.

Backed by higher amount of new launches and healthy sales performance, the Group's unbilled sales stood at RM1.2 billion as at 30 September 2019, to be recognized over the next 15 months.

**B2. Comparison with preceding quarter's results**

	<b>Current quarter ended 30.09.2019 RM'000</b>	<b>Preceding quarter ended 30.06.2019 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	282,728	248,503	34,225	13.8
Gross profit	138,938	125,958	12,980	10.3
Profit before tax	79,460	72,961	6,499	8.9
Profit after tax	58,740	54,548	4,192	7.7

The Group recorded revenue of RM282.7 million for the second quarter ended 30 September 2019, an increase of RM34.2 million or 13.8% from the preceding quarter ended 30 June 2019. This increase was mainly attributed to the higher revenue recognition from the Group's maiden high-rise development project and industrial properties.

Group profit before tax stood at RM79.5 million compared to RM73.0 million in the preceding quarter, an increase of RM6.5 million or 8.9%. This was generally in line with the improved topline for the quarter under review.

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**B3. Prospects**

The Group’s main objective remains on improving its township developments of Bandar Sri Sendayan , Ara Sendayan and Tiara Sendayan (Sendayan Development ) in Negeri Sembilan and Bandar Seri Impian (BSI) in Kluang, Johor. This includes enhancing available amenities and infrastructure as well as enriching the living experience of the townships towards supporting a vibrant and bustling community. This is coupled with the Group’s continuous efforts to expand our landbank in the vicinity of these townships.

To strengthen our long term sustainability in the property development segment, the Group has also expanded its project profile to include more developments in the locality of Seremban, Kuala Lumpur and Australia, effectively widening our geographical footprint to capture more growth opportunities. Total ongoing developments rose to RM2.9 billion in gross development value as at 30 September 2019, increasing from RM2.6 billion in the financial year ended 31 March 2019.

In foreign markets, the Group continues to make strides in Australia, following the success and commendable sales performance of its M.Carnegie boutique apartment project in Melbourne launched in 2016. In this regard, the Group has soft launched, in April, 2019, its second development in Melbourne, M.Greenvale, featuring 70 residential lots situated on a 9.7-acre land with GDV of RM72.0 million.

Underpinned by the successful expansions, we continue to reinforce our international reach towards strengthening our brand as a premier developer of choice. In October 2018, the Group announced its participation in the development of the Islamic Financial Towers in the up-and-coming suburb of Pantai Indah Kapuk 2 in Jakarta, Indonesia together with Indonesian conglomerates Agung Sedayu Group and Salim Group, and investment banking firm PT Nikko Securitas Indonesia.

During the six months ended 30 September 2019, the Group launched RM743.3 million worth of projects in response to the strong market demand for our properties in Seremban. These launches comprise mainly of 2-storey terrace residences in Sendayan Development.

Going forward, for the remaining six months of the financial year ending 31 March 2020, the Group has lined-up close to RM500 million worth of new property launches, comprising mainly affordable and affordable-premium residential properties in Sendayan Development. Total launches for FY2020 is targeted at RM1.2 billion.

The Group looks forward to charting stronger performance in FY2020, to be supported by our healthy lineup of launches and encouraging demand recorded at ongoing developments as well as recent launches. Despite the cautious sentiment of the property industry, the Group is confident of positive uptake of its properties due to the carefully tailored property launches aligned to the requirements of our target market.

**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**

	<b>Current quarter ended 30.09.2019 RM’000</b>	<b>Cumulative period-to-date 30.09.2019 RM’000</b>
Current tax expenses	29,960	49,241
Deferred tax income	(9,240)	(10,108)
	<b>20,720</b>	<b>39,133</b>

The Group’s effective tax rate of 25.7% for the financial quarter ended 30 September 2019 under review was higher than the statutory corporate tax rate of 24.0% as certain subsidiaries incurring losses during the financial year-to-date and non-deductible expenses for tax purposes.

**B6. Status of corporate proposals**

**(i) Proposed acquisition of vacant agriculture land held under separate individual titles, located within Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus by BSS Development Sdn Bhd (“Proposed PD Acquisition”)**

The Company had on 4 August 2017 announced that its wholly-owned subsidiary, BSS Development Sdn Bhd, had between the period of 28 June 2017 and 4 August 2017, entered into separate Sale and Purchase Agreements with individual land owners or their administrators to acquire 21 parcels of vacant agriculture land held under separate titles situated in Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus measuring in total, approximately 53.43 hectares for an aggregate cash consideration of RM56,993,678.

On 19 October 2017, the Company had announced that BSS Development Sdn Bhd had further entered into separate Sales and Purchase Agreements for the acquisition of a further 10 parcels of vacant agriculture land under separate titles located within Mukim Jimah, Daerah Port Dickson, Negeri Sembilan Darul Khusus. Following thereto, the total aggregate parcels of lands to be acquired is 31 parcels measuring 76.57 hectares with an aggregate cash consideration of RM84,052,319.

Please refer to the Company’s announcement dated 4 August 2017 and 19 October 2017 for further information on the Proposed PD Acquisition.

**(ii) Joint Venture Agreement between Matrix Concepts Holdings Berhad, PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia**

The Company had on 15 May 2018, announced that the Company had entered into a Memorandum of Understanding with PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta, Indonesia (“**MOU**”). The purpose of the MOU is to create a platform for the parties to commit their intention and to strengthen the mutual understanding to set up a collaboration for a proposed joint venture for the said development. It is anticipated that the definitive joint venture agreement will be executed within 6 months from the date of the MOU. In the event the parties are unable to execute the definitive joint venture agreement at the expiry of 6 months, the MOU shall be terminated by mutual consent of all parties.

Further to the above, the Company had on 2 October 2018, announced that it had entered into a Joint Venture Agreement (“**JVA**”) with PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

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

On 3 October 2019, the Company had announced that all parties to the JVA have completed their respective capital injections in respect of Phase 1 into the joint venture company. Following thereto, the salient conditions of the JVA have been fulfilled and the JVA is considered unconditional.

Please refer to the Company’s announcement dated 15 May 2018, 2 October 2018, 2 April 2019 and 3 October 2019 for further information on the MOU, JVA and Supplemental Agreement.

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

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

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

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

On 27 August 2019, Maybank IB had on behalf of the Company, announced the price fixing of the third tranche which entails the issuance of 25,000,000 new MCHB Shares at RM2.02 per share to be issued pursuant to the Private Placement (“**Third Tranche Placement**”). The Third Tranche Placement was completed on 6 September 2019.

On 10 September 2019, Maybank IB had on behalf of the Company, announced the price fixing of the final tranche which entails the issuance of 11,000,000 new MCHB Shares at RM1.9052 per share to be issued pursuant to the Private Placement (“**Final Tranche Placement**”). The Final Tranche Placement was completed on 19 September 2019.

On 19 September 2019, Maybank IB had on behalf of the Company, announced that the Private Placement has been completed following the issuance of an aggregate of 70,000,000 new MCHB Shares over the abovementioned tranches, raising gross proceeds of approximately RM139.2 million.

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

**(iv) Management Agreement entered into between MMSB and PHM appointing MMSB as the exclusive service provider in respect of the management of PHM**

The Company had on 17 September 2019 announced that MMSB, had on 17 September 2019, entered into a Management Agreement with PHM appointing MMSB as the exclusive service provider except for clinical services in respect of the management of PHM for a period of 30 years. As the conditions of the Management Agreement have been fulfilled, it is deemed unconditional.

Please refer to the Company’s announcement dated 17 September 2019 for further information on the Management Agreement.

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**B7. Status of utilisation of proceeds raised**

As mentioned in Note A5 above, the Company had raised an aggregate of approximately RM71.5 million via the subscription of the following during the financial quarter ended 30 September 2019:

- (i) 36,000,000 new Matrix Concepts Shares pursuant to the Third Tranche Placement and Final Tranche Placement respectively, raising an aggregate of approximately RM71.5 million.

The Company has since fully utilised the proceeds raised as investment in the Company’s joint venture in the construction and development of an Islamic Financial District in Indonesia pursuant to the JVA.

**B8. Group borrowings and debt securities**

The Group’s borrowings as at 30 September 2019 are as follows:

	<b>Unaudited as at 30.09.2019 RM’000</b>
<b>Short term borrowings</b>	
<u>Secured:</u>	
Term loans	33,609
Bank overdrafts	29,465
	<u>63,074</u>
<u>Unsecured:</u>	
Commercial papers	50,000
Medium term notes	40,000
	<u>90,000</u>
<b>Total short-term borrowings</b>	<u><b>153,074</b></u>
<b>Long term borrowings</b>	
<u>Secured:</u>	
Term loans	43,661
<u>Unsecured:</u>	
Medium term notes	100,000
<b>Total long-term borrowings</b>	<u><b>143,661</b></u>
<b>Total Borrowings</b>	<u><b>296,735</b></u>

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

	<b>Unaudited as at 30.09.2019 RM’000</b>
Malaysian Ringgit	288,035
Australian Dollar	8,700
<b>Total</b>	<u><b>296,735</b></u>

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**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 November 2019, declared a second interim single tier dividend of 3.00 sen per Matrix Concepts Share held for the financial year ending 31 March 2020, to be paid on 8 January 2020 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 20 December 2019.

On 9 October 2019, a first interim single tier dividend of 3.00 sen per Matrix Concepts Share for the financial year ended 31 March 2020 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 20 September 2019.

**B11. Earnings Per Share**

**(i) Basic earnings per share**

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

	<b>Current Quarter Ended</b>		<b>Cumulative Period-To-Date</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Profit attributable to equity holders of the Company (RM'000)	58,841	52,942	113,389	103,094
Weighted average number of ordinary shares ('000)	794,641	752,458	885,291	752,283
Earnings per share (sen)	7.40	7.04	12.81	13.70

**(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 Warrants in issue, adjusted for the number of such shares that would have been issued at fair value during the period under review.

	<b>Current Quarter Ended</b>		<b>Cumulative Period-To-Date</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
Profit attributable to equity holders of the Company (RM'000)	58,841	52,942	113,389	103,094
Weighted average number of ordinary shares for the quarter ended 30 September 2019 ('000)	794,461	752,458	885,291	752,283
Effect of potential exercise of Warrants ('000)	-	4,633	-	4,633
Weighted enlarged average number of ordinary shares ('000)	794,461	757,091	885,291	756,916
Diluted earnings per share(sen)	7.40	6.99	12.81	13.62

The diluted earnings per share is equal to basis earnings per share for the financial period ended 30<sup>th</sup> September 2019 as there is anti-dilutive effect arising from the assumed conversion of Warrants.



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**B12. Notes to the Statement of Comprehensive Income**

	<b>Current Quarter Ended</b>		<b>Cumulative Period-To-Date</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Included in the profit for the period are:				
- Interest income	(1,686)	(1,779)	(3,022)	(2,899)
- Other income including investment income	(372)	(557)	(1,978)	(1,008)
- Interest expenses	(100)	981	930	1,917
- Depreciation of property, plant and equipment	2,651	2,573	5,215	4,953
- 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)	-	(43)
- Realised gain/(loss) on derivatives	-	-	-	-
- (Reversal of)/allowance for expected credit losses on receivables	-	(351)	-	(351)
- Rental income on properties	(419)	(86)	(780)	(206)

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 November 2019.

By order of the Board of Directors

**Ho Kong Soon**  
Group Managing Director

Date: 20 November 2019