

**MATRIX CONCEPTS HOLDINGS BERHAD**  
*(Incorporated in Malaysia-Co. No. 199601042262)*  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited				Audited			
	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	(1ST QUARTER)							
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES		CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE	CHANGES	
30 June 2020	30 June 2019	Amount	%	30 June 2020	30 June 2019	Amount	%	
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	162,024	248,503	(86,479)	(34.8)	162,024	248,503	(86,479)	(34.8)
Cost of Sales	(76,986)	(122,545)	45,559	(37.2)	(76,986)	(122,545)	45,559	(37.2)
<b>Gross Profit</b>	85,038	125,958	(40,920)	(32.5)	85,038	125,958	(40,920)	(32.5)
Other Income	1,934	3,303	(1,369)	(41.4)	1,934	3,303	(1,369)	(41.4)
Selling and Marketing Expense:	(18,181)	(23,086)	4,905	(21.2)	(18,181)	(23,086)	4,905	(21.2)
Administrative and general expenses	(25,913)	(32,183)	6,270	(19.5)	(25,913)	(32,183)	6,270	(19.5)
<b>Operating Profit</b>	42,878	73,992	(31,114)	(42.1)	42,878	73,992	(31,114)	(42.1)
Finance Costs	(150)	(1,031)	881	(85.5)	(150)	(1,031)	881	(85.5)
<b>Profit Before Taxation</b>	42,728	72,961	(30,233)	(41.4)	42,728	72,961	(30,233)	(41.4)
Income Tax Expenses	(12,827)	(18,413)	5,586	(30.3)	(12,827)	(18,413)	5,586	(30.3)
<b>Profit After Taxation</b>	29,901	54,548	(24,647)	(45.2)	29,901	54,548	(24,647)	(45.2)
Other Comprehensive Income								
- Foreign Currency Translation Differences	26,965	467	26,498	5,674.1	26,965	467	26,498	5,674.1
<b>Total Comprehensive Income For The Period</b>	56,866	55,015	1,851	3.4	56,866	55,015	1,851	3.4
<b>Profit After Taxation attributable to :</b>								
Equity Holders of the Company	31,055	54,548	(23,493)	(43.1)	31,055	54,548	(23,493)	(43.1)
Non-controlling Interest	(1,154)	-	(1,154)	-	(1,154)	-	(1,154)	-
	29,901	54,548	(24,647)	(45.2)	29,901	54,548	(24,647)	(45.2)
<b>Total Comprehensive Income attributable to :</b>								
Equity Holders of the Company	58,020	55,015	3,005	5.5	58,020	55,015	3,005	5.5
Non-controlling Interest	(1,154)	-	(1,154)	-	(1,154)	-	(1,154)	-
	56,866	55,015	1,851	3.4	56,866	55,015	1,851	3.4
<b>Earnings Per Share Attributable To</b>								
<b>Equity Holders Of The Company</b>								
- Basic (sen)	3.72	7.09	(3.37)	(47.5)	3.72	7.09	(3.37)	(47.5)
- Diluted (sen)	3.72	7.08	(3.36)	(47.4)	3.72	7.08	(3.36)	(47.4)

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 2020 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 30 June 2020 RM'000	(AUDITED) As at 31 March 2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	246,345	248,680
Right-of-use assets	2,880	3,032
Investment properties	135	152
Investment in joint venture company	135,080	118,687
Inventories	680,128	661,836
Other receivables, deposits and prepayments	36,826	34,880
Deferred tax assets	37,605	36,045
Goodwill arising on consolidation	*	*
	1,138,999	1,103,312
<b>Current assets</b>		
Inventories	732,476	624,102
Trade and other receivables	329,496	533,031
Deposits, cash and bank balance	243,465	316,111
	1,305,437	1,473,244
<b>TOTAL ASSETS</b>	<b>2,444,436</b>	<b>2,576,556</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	961,280	961,280
Translation reserves	(42)	(27,007)
Retained profits	681,056	670,857
	1,642,294	1,605,130
Non-controlling interest	(3,256)	(2,102)
<b>TOTAL EQUITY</b>	<b>1,639,038</b>	<b>1,603,028</b>
<b>Non-current liabilities</b>		
Borrowings	252,499	239,420
Lease liabilities	1,599	1,682
Other payables, deposits, accruals and provision	18,491	17,582
	272,589	258,684
<b>Current liabilities</b>		
Trade and other payables	344,306	459,502
Borrowings	134,542	188,140
Lease liabilities	1,063	1,152
Dividend payable	20,856	25,026
Current tax liabilities	32,042	41,024
	532,809	714,844
<b>TOTAL LIABILITIES</b>	<b>805,398</b>	<b>973,528</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,444,436</b>	<b>2,576,556</b>
<b>Net Assets Per Share (RM) (Note 2)</b>	<b>1.96</b>	<b>1.92</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 2020 and the accompanying explanatory notes attached to this interim financial statements.
2. Based on the issued and paid-up share of 834,214,272 (FYE2020: 834,214,272) 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
<b><u>3 months ended 30 June 2019 (Unaudited)</u></b>						
As at 1 April 2019	800,220	(6,542)	533,437	1,327,115	831	1,327,946
Profit after taxation for the period	-	-	54,548	54,548	-	54,548
Other comprehensive income for the period - Foreign currency translation differences	-	467	-	467	-	467
Total comprehensive income for the period	-	467	54,548	55,015	-	55,015
Contribution by and distribution to owners of the Company						
- Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-
- Dividends	-	-	(25,571)	(25,571)	-	(25,571)
- Exercise of Warrants	-	-	-	-	-	-
- Private Placement	67,706	-	-	67,706	-	67,706
Total transactions with owners	67,706	-	(25,571)	42,135	-	42,135
As at 30 June 2019	867,926	(6,075)	562,414	1,424,265	831	1,425,096
<b><u>3 months ended 30 June 2020 (Unaudited)</u></b>						
As at 1 April 2020	961,280	(27,007)	670,857	1,605,130	(2,102)	1,603,028
Profit after taxation for the period	-	-	31,055	31,055	(1,154)	29,901
Other comprehensive income for the period - Foreign currency translation differences	-	26,965	-	26,965	-	26,965
Total comprehensive income for the period	-	26,965	31,055	58,020	(1,154)	56,866
Contribution by and distribution to owners of the Company						
- Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-
- Dividends	-	-	(20,856)	(20,856)	-	(20,856)
- Exercise of Warrants	-	-	-	-	-	-
- Private Placement	-	-	-	-	-	-
Total transactions with owners	-	-	(20,856)	(20,856)	-	(20,856)
As at 30 June 2020	961,280	(42)	681,056	1,642,294	(3,256)	1,639,038

**Notes:**

- The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 March 2020

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>(Unaudited) FOR THE FINANCIAL PERIOD ENDED 30 June 2020 RM'000</b>	<b>(Unaudited) FOR THE FINANCIAL PERIOD ENDED 30 June 2019 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	42,728	72,961
Adjustments for :-		
Depreciation of property, plant and equipment and right of use assets	2,771	2,562
Depreciation of investment property	1	2
Interest expenses	912	1,031
Interest income	(1,100)	(1,336)
Gain on disposal of investment property	(17)	-
Gain on disposal of property, plant and equipment	-	15
Operating profit before working capital changes	45,295	75,235
Increase in inventories	(123,402)	(150,358)
Decrease/(Increase) in receivables	201,588	178,857
(Decrease)/Increase in payables	(115,196)	(66,134)
Cash generated from operations	8,285	37,600
Interest received	1,100	1,336
Interest paid	(4,176)	(4,574)
Tax paid	(23,371)	(16,127)
Net cash (used)/generated from operating activities	(18,162)	18,235
<b>Cash Flow From Investing Activities</b>		
Placement of pledged deposits with licensed bank	-	(469)
Investment in joint venture company	-	(67,374)
Purchase of property, plant and equipment	(282)	(3,230)
Proceed from disposal of investment property	33	-
Proceed from disposal of property, plant and equipment	-	(15)
Net cash used in investing activities	(249)	(71,088)
<b>Cash Flow From Financing Activities</b>		
Proceed from issuance of share	-	67,706
Advance from non-controlling interest shareholders	909	-
Dividend paid	(25,026)	(22,584)
Drawdown of borrowings	6,302	-
Repayment of term loan	(6,095)	(12,118)
Repayment of lease liabilities	(172)	(82)
Net cash (used in)/generated from financing activities	(24,082)	32,922
Net changes in cash and cash equivalents	(42,493)	(19,931)
Effect of exchange rate fluctuations on cash held	10,573	467
Cash and cash equivalents at beginning of the year	241,462	180,267
Cash & cash equivalents at end of the period	209,542	160,803
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	243,465	247,387
Less : Fixed Deposit Pledged	(24,312)	(22,551)
Less : Fixed Deposit more than 3 months	(7,117)	(26,405)
Bank overdrafts	212,036	198,431
	(2,494)	(37,628)
	209,542	160,803

**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 2020 and the accompanying explanatory notes attached to this interim financial statements.

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("FPE") 30 JUNE 2020**

**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 2020 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 2020.

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 2020.

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 16 Leases  
IC Interpretation 23 Uncertainty Over Income Tax Treatments  
Amendments to MFRS 9: Prepayment Features with Negative Compensation  
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement  
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures  
Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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

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 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	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 MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

**A2. Seasonal or Cyclical Factors**

The results for the current financial quarter ended 30 June 2020 under review and the financial year-to-date were not materially affected by seasonal or cyclical factors.

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**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 June 2020 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 30 June 2020 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 30 June 2020 under review.

**A6. Dividends Paid**

During the financial quarter ended 30 June 2020 under review, the Company had closed its books for its fourth interim single tier dividend of 2.50 sen per Matrix Concepts Share for the FYE 31 March 2020. The fourth interim single tier dividend was paid on 7 August 2020 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 24 July 2020.

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:

	<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	155,296	-	-	-	-	155,296
Construction / Inter-segment sales	-	66,815	-	-	(66,815)	-
School fees	-	-	3,337	-	-	3,337
Clubhouse and hotel operator	-	-	-	3,391	-	3,391
<b>Total</b>	<b>155,296</b>	<b>66,815</b>	<b>3,337</b>	<b>3,391</b>	<b>(66,815)</b>	<b>162,024</b>
<b>Other income</b>						
Rental income	137	-	27	-	-	164
Others	1,471	99	4	196	-	1,770
<b>Total</b>	<b>1,608</b>	<b>99</b>	<b>31</b>	<b>196</b>	<b>-</b>	<b>1,934</b>
<b>Results</b>						
Segment results	42,074	7,045	(1,486)	1,440	(6,195)	42,878
Finance costs						(150)
Profit before tax						42,728
Taxation						(12,827)
Net profit for the year						29,901

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For comparison purposes, the segment revenue and segment results for business segments for the corresponding FPE 30 June 2019 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	238,568	-	-	-	-	238,568
Construction / Inter-segment sales	-	105,743	-	-	(105,743)	-
School fees	-	-	5,474	-	-	5,474
Clubhouse and hotel operator	-	-	-	4,461	-	4,461
<b>Total</b>	<b>238,568</b>	<b>105,743</b>	<b>5,474</b>	<b>4,461</b>	<b>(105,743)</b>	<b>248,503</b>
<b>Other income</b>						
Rental income	358	3	-	-	-	361
Others	2,708	78	144	12	-	2,942
<b>Total</b>	<b>3,066</b>	<b>81</b>	<b>144</b>	<b>12</b>	<b>-</b>	<b>3,303</b>
<b>Results</b>						
Segment results	68,442	7,718	(531)	470	(2,107)	73,992
Finance costs						(1,031)
Profit before tax						72,961
Taxation						(18,413)
Net profit for the year						54,548

As the revenue of the Matrix Concepts Group for the FPE 30 June 2020 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 had reinstated the Home Ownership Campaign in June 2020 where developers providing at least a 10% discount for properties within the RM300,000 – RM2,500,000 price range will be matched with stamp duty exemptions. This move is to support homebuyers looking to purchase property in Malaysia.

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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 foreign ownership threshold on high rise property prices in urban areas 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. Furthermore, from June 2020 till December 2021, the Government had announced RPGT exemptions for Malaysians disposing of up to three properties in Malaysia.

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

*<https://www.thestar.com.my/business/business-news/2020/06/05/property-tax-exemption-for-malaysians-for-disposal-of-up-to-three-properties>*

**(ii) Australian residential property sector**

A year on from the clouds of uncertainty which welcomed 2019, the start of 2020 presents a much more positive outlook for Australia’s residential markets. Strong price growth has returned to Sydney and Melbourne and is expected to spread to more affordable markets, Brisbane in particular.

Apartment supply cycles in the major capitals are past their peak and vacancy levels are well controlled. With cost of debt low and lending volumes starting to turn, investors should gradually return. This should encourage well placed developers to begin marketing larger projects again so they are at the forefront of the next development cycle post 2021.

*(Source: Australia Real Estate Market Outlook 2020, 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 June 2020 under review.



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**A10. Commitments**

The commitments of the Company as at the end of the financial quarter ended 30 June 2020 under review and the financial year-to-date are as follows:

	<b>Cumulative year-to-date 30.06.2020 RM'000</b>
<hr/>	
Contracted but not provided for:	
- Land held for property development	205,311

**A11. Material subsequent event**

There were no material events subsequent to the end of the financial quarter ended 30 June 2020 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 June 2020 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 30 June 2020 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 30 June 2020.

**A15. Significant Related Party Disclosures**

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 30 June 2020 under review and the financial year-to-date:

	<b>Current quarter ended 30.06.2020 RM'000</b>	<b>Cumulative year-to-date 30.06.2020 RM'000</b>
Purchase of building materials from related parties	7,045	7,045
Agency fees and purchase of marketing material from related parties	131	131
Purchase of sundries from related parties	17	17
Rental payments made to related parties	75	75
Consultancy fees paid to related parties	357	357

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

**B1. Review of Performance**

	<b>Current quarter ended 30.06.2020 RM'000</b>	<b>Corresponding quarter ended 30.06.2019 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	162,024	248,503	(86,479)	(34.8)
Gross profit	85,038	125,958	(40,920)	(32.5)
Profit before tax	42,728	72,961	(30,233)	(41.4)
Profit after tax	29,901	54,548	(24,647)	(45.2)

For the first quarter ended 30 June 2020, the Group recorded revenue of RM162.0 million, a decrease of RM86.5 million or 34.8% from RM248.5 million in the previous year's corresponding quarter. The decrease in revenue was mainly attributed to the slower activity in our property development segment due to the COVID-19 pandemic and the Movement Control Order (“MCO”) imposed by the Malaysian Government which commenced on 18 March 2020 until 3 April 2020 and the subsequent Conditional Movement Control Order (“CMCO”) which commenced on 4 April 2020 until 9 June 2020 to curb the said pandemic. This had resulted in our operations being temporarily affected as construction of our development projects were required to be put on hold and our sales administration team was unable to operate as usual.

Revenue contribution from the Group's investment properties, comprising Matrix Global Schools, d'Tempat Country Club and d'Sora Business Boutique Hotel had also decreased by RM3.2 million in the quarter under review to RM6.7 million from RM9.9 million in the previous corresponding quarter.

The Group's profitability for the quarter ended 30 June 2020 had also decreased in tandem with the lower revenue. However, the Group's gross profit margins for the quarter under review improved slightly due to the sale of properties for a residential project which was able to command a better profit margin.

Profit after tax recorded for the quarter under review reduced by RM24.6 million or 45.2% to RM29.9 million from RM54.5 million previously. This was largely due to the abovementioned decrease in business activities due to the MCO and CMCO. In addition, the Group had incurred a higher effective income tax due to the non-recognition of deferred tax assets for certain temporary differences and non-deductible expenses.

Notwithstanding the above, the Group is backed by healthy number of new launches, as well as the commendable sales performance of above RM1.0 billion in the financial year ended 31 March 2020 and RM350.3 million in the quarter under review. In addition, the Group's unbilled sales stood at RM1.2 billion as at 30 June 2020, that will sustain our earnings over the next 15 months.

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

	<b>Current quarter ended 30.06.2020 RM'000</b>	<b>Preceding quarter ended 31.03.2020 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	162,024	472,143	(310,119)	(65.7)
Gross profit	85,038	169,293	(84,255)	(49.8)
Profit before tax	42,728	95,222	(52,494)	(55.1)
Profit after tax	29,901	52,915	(23,014)	(43.5)

The Group recorded revenue of RM162.0 million for the first quarter ended 30 June 2020, a decrease of RM310.1 million or 65.7% from the preceding quarter ended 31 March 2020. The decrease was due to the MCO and CMCO mentioned in the section above. While the preceding quarter ended 31 March 2020 was marginally affected by the MCO, our business operations during the current financial quarter under review was affected since the beginning of the quarter until early of June 2020, where the Group's business operations only managed to return to full capacity.

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The Group’s profit before tax stood at RM29.9 million compared to RM52.9 million in the preceding quarter, a decrease of RM43.5 million or 43.5%. This decrease was in line with the lower in revenue as mentioned above.

### **B3. Prospects**

As the Covid-19 pandemic continues to pose uncertainties and disruptions across many sectors, Matrix Concepts implemented comprehensive measures to adapt to the ‘new normal’ in the operating environment since the initial MCO period in early-2020. Our efforts included the use of more virtual solutions across our operations to ensure business continuity and operational uptime amidst an uncertain external environment. We also broadened our sales channels through the use of digital marketing tools including social media platforms to reach more potential customers, in addition to employing virtual conferencing and other digital solutions to offer more convenience to our customers throughout the entire process of purchasing a property.

The comprehensive initiatives undertaken enabled us to achieve growth in sales of new properties for the first quarter ended 30 June 2020, amounting to RM350.3 million primarily from our flagship bandar Sri Sendayan township, which stood 9.3% higher compared to the sales of RM320.4 million recorded in the same quarter in the previous year. The Group would continue to assess our sales and marketing strategies to maintain consistent sales performance, in addition to targeting to achieve higher efficiency in our construction operations.

Going forward, our core objective remains focused on improving our township developments of Sendayan Development, 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 as well as stimulate communal living towards supporting a vibrant and bustling community, coupled with ongoing landbanking efforts to cater to the increasing township population and greater demand for properties.

To continuously enhance our long-term sustainability and brand visibility in the property development segment, the Group has embarked on a steady diversification of its revenue stream beyond Negeri Sembilan and Johor by expanding its domestic project portfolio to include developments in Klang Valley as well as internationally, in Melbourne, Australia and Jakarta, Indonesia. These efforts have widened the Group’s geographical footprint to capture more growth opportunities. Total ongoing developments in Malaysia and internationally stood at RM2.5 billion in gross development value (GDV) as at 30 June 2020.

Following the successful expansions outside Seremban, the Group continues to reinforce its international reach and further strengthen its brand as a premier developer. The Group’s second development in Australia – M. Greenvale in Melbourne, was soft launched in April 2019 featuring 79 residential lots situated on a 9.7-acre land with GDV of RM79.0 million, and has recorded take up of 46% as at 30 June 2020.

The Group had, on 8 December 2019 announced the groundbreaking of the Islamic Financial Towers development in Pantai Indah Kapuk 2 in Jakarta, Indonesia, undertaken together with Indonesian conglomerates Agung Sedayu Group and Salim Group, and investment banking firm PT Nikko Securitas Indonesia. Due to the ongoing Covid-19 situation in Jakarta, the completion of Menara Syariah is expected to take longer than expected. Prior to the halt in operations, construction works at Menara Syariah was ahead of schedule with piling works completed.

For the financial year ending 31 March 2021, the Group targets to launch close to RM1 billion worth of new properties, comprising mainly affordable and affordable-premium residential properties in Sendayan Developments.

Despite the cautious sentiment of the property industry, the Group is hopeful of sustaining positive uptake of its properties in FY2021. Our optimistic outlook is backed by encouraging demand recorded for our ongoing developments, the reimplementation of Home Ownership Campaign by the Housing and Local Government Ministry, and Bank Negara Malaysia’s announcement to reduce the overnight policy rate by 125 basis points since January 2020.

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**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 30.06.2020 RM’000</b>	<b>Cumulative period-to-date 30.06.2020 RM’000</b>
Current tax expenses	14,387	14,387
Under provision of income tax in prior years	-	-
Deferred tax income	(1,560)	(1,560)
	<b>12,827</b>	<b>12,827</b>

The Group’s effective tax rate of 30.0% for the financial period ended 30 June 2020 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.

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

The Company did not raise any proceeds from the issuance of new securities during the financial period under review.

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**B8. Group borrowings and debt securities**

The Group’s borrowings as at 30 June 2020 are as follows:

	<b>Unaudited as at 30.06.2020 RM’000</b>
<b>Short term borrowings</b>	
<u>Secured:</u>	
Term loans	42,048
Bank overdrafts	2,494
	<u>44,542</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>134,542</b></u>
<b>Long term borrowings</b>	
<u>Secured:</u>	
Term loans	102,499
<u>Unsecured:</u>	
Medium term notes	150,000
<b>Total long-term borrowings</b>	<u><b>252,499</b></u>
<b>Total Borrowings</b>	<u><b>387,041</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 30.06.2020 RM’000</b>
Malaysian Ringgit	378,221
Australian Dollar	8,820
<b>Total</b>	<u><b>387,041</b></u>

**B9. Changes in Material Litigation**

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

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**B10. Dividends**

The Board of Directors of the Company has on 26 August 2020, declared a first interim single tier dividend of 2.00 sen per Matrix Concepts Share held for the financial year ending 31 March 2021, to be paid on 8 October 2020 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 24 September 2020.

On 7 August 2020, a fourth interim single tier dividend of 2.50 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 24 July 2020.

**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>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Profit attributable to equity holders of the Company (RM'000)	31,055	54,548	31,055	54,548
Weighted average number of ordinary shares ('000)	834,214	769,430	834,214	769,430
Earnings per share (sen)	3.72	7.09	3.72	7.09

**(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>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Profit attributable to equity holders of the Company (RM'000)	31,055	54,548	31,055	54,548
Weighted average number of ordinary shares for the quarter ended 30 June 2020 ('000)	834,214	769,430	834,214	769,430
Effect of potential exercise of Warrants ('000)	-	1,145	-	1,145
Weighted enlarged average number of ordinary shares ('000)	834,214	770,575	834,214	770,575
Diluted earnings per share(sen)	3.72	7.08	3.72	7.08

The diluted earnings per share is equal to basic earnings per share for the financial period ended 30 June 2020 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>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2020</b>	<b>30.06.2019</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	(1,100)	(1,336)	(1,100)	(1,336)
- Other income including investment income	(670)	(1,606)	(670)	(1,606)
- Interest expenses	150	1,031	150	1,031
- Depreciation of property, plant and equipment	2,772	2,564	2,772	2,564
- Receivables written off	-	-	-	-
- Inventories written off	-	-	-	-
- Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
- Impairment of assets	-	-	-	-
- Realised gain/(loss) on foreign exchange	-	-	-	-
- Realised gain/(loss) on derivatives	-	-	-	-
- (Reversal of)/allowance for expected credit losses on receivables	-	-	-	-
- Rental income on properties	(164)	(361)	(164)	(361)

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 26 August 2020.

By order of the Board of Directors

**Ho Kong Soon**  
Group Managing Director

Date: 26 August 2020