

**MATRIX CONCEPTS HOLDINGS BERHAD**
*(Incorporated in Malaysia-Co. No. 199601042262)*
**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited INDIVIDUAL QUARTER (1ST QUARTER)				Unaudited CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER 31 December 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 December 2020 RM'000	CHANGES		CURRENT YEAR TO DATE 31 December 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31 December 2020 RM'000	CHANGES	
			Amount RM'000	%			Amount RM'000	%
Revenue	233,094	315,408	(82,314)	(26.1)	636,008	739,444	(103,436)	(14.0)
Cost of Sales	(96,909)	(166,243)	69,334	(41.7)	(305,372)	(361,721)	56,349	(15.6)
<b>Gross Profit</b>	136,185	149,165	(12,980)	(8.7)	330,636	377,723	(47,087)	(12.5)
Other Income	3,687	3,464	223	6.4	7,579	7,934	(355)	(4.5)
Selling and Marketing Expense:	(19,078)	(20,709)	1,631	(7.9)	(53,740)	(54,833)	1,093	(2.0)
Administrative and general expenses	(38,917)	(41,321)	2,404	(5.8)	(89,333)	(94,703)	5,370	(5.7)
<b>Operating Profit</b>	81,877	90,599	(8,722)	(9.6)	195,142	236,121	(40,979)	(17.4)
Finance Costs	(247)	(86)	(161)	187.2	(1,659)	(276)	(1,383)	501.1
Share of results in joint venture, net of tax	923	4,000	(3,077)	-	2,117	4,000	(1,883)	-
<b>Profit Before Taxation</b>	82,553	94,513	(11,960)	(12.7)	195,600	239,845	(44,245)	(18.4)
Income Tax Expenses	(23,469)	(20,531)	(2,938)	14.3	(55,625)	(62,484)	6,859	(11.0)
<b>Profit After Taxation</b>	59,084	73,982	(14,898)	(20.1)	139,975	177,361	(37,386)	(21.1)
Other Comprehensive Income								
- Foreign Currency Translation Differences	1,461	10,845	(9,384)	(86.5)	(487)	28,993	(29,480)	(101.7)
<b>Total Comprehensive Income For The Period</b>	60,545	84,827	(24,282)	(28.6)	139,488	206,354	(66,866)	(32.4)
<b>Profit After Taxation attributable to :</b>								
Equity Holders of the Company	60,454	75,339	(14,885)	(19.8)	143,943	181,457	(37,514)	(20.7)
Non-controlling Interest	(1,370)	(1,357)	(13)	1.0	(3,968)	(4,096)	128	(3.1)
	59,084	73,982	(14,898)	(20.1)	139,975	177,361	(37,386)	(21.1)
<b>Total Comprehensive Income attributable to :</b>								
Equity Holders of the Company	61,915	86,184	(24,269)	(28.2)	143,456	210,450	(66,994)	(31.8)
Non-controlling Interest	(1,370)	(1,357)	(13)	1.0	(3,968)	(4,096)	128	(3.1)
	60,545	84,827	(24,282)	(28.6)	139,488	206,354	(66,866)	(32.4)
<b>Earnings Per Share Attributable To Equity Holders Of The Company</b>								
- Basic (sen)	7.25	9.03	(1.78)	(19.8)	17.25	21.75	(4.50)	(20.7)
- Diluted (sen)	7.25	9.03	(1.78)	(19.8)	17.25	21.75	(4.50)	(20.7)

**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 2021 and the accompanying explanatory notes attached to this interim financial statements.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31 December 2021 RM'000	(AUDITED) As at 31 March 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	232,525	239,982
Right-of-use assets	3,212	3,620
Investment properties	79	132
Investment in joint venture company	139,202	133,232
Inventories	728,157	685,108
Other receivables, deposits and prepayments	37,630	34,156
Deferred tax assets	41,438	37,583
Goodwill arising on consolidation	*	*
	1,182,243	1,133,813
<b>Current assets</b>		
Inventories	510,024	618,019
Trade and other receivables	612,513	620,602
Deposits, cash and bank balance	163,462	237,507
	1,285,999	1,476,128
<b>TOTAL ASSETS</b>	<b>2,468,242</b>	<b>2,609,941</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	961,315	961,315
Translation reserves	447	934
Retained profits	914,348	845,486
	1,876,110	1,807,735
Non-controlling interest	(15,211)	(11,243)
<b>TOTAL EQUITY</b>	<b>1,860,899</b>	<b>1,796,492</b>
<b>Non-current liabilities</b>		
Borrowings	153,668	185,686
Lease liabilities	2,095	2,388
Other payables, deposits, accruals and provision	26,303	21,175
	182,066	209,249
<b>Current liabilities</b>		
Trade and other payables	298,661	430,976
Borrowings	90,370	139,833
Lease liabilities	1,016	1,105
Dividend payable	25,027	25,027
Current tax liabilities	10,203	7,259
	425,277	604,200
<b>TOTAL LIABILITIES</b>	<b>607,343</b>	<b>813,449</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,468,242</b>	<b>2,609,941</b>
<b>Net Assets Per Share (RM) (Note 2)</b>	<b>2.23</b>	<b>2.15</b>

Notes:

\* Represents RM1.00.

- 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 2021 and the accompanying explanatory notes attached to this interim financial statements.
- Based on the issued and paid-up share of 834,232,356 (FYE2021: 834,232,356) ordinary share in Matrix ("shares")

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Translation Reserves RM'000	Retained Profits RM'000	Attributable To Owner of The Company RM'000	Non-Controlling Interest RM'000	Total RM'000
<b><u>9 months ended 31 December 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	-	-	181,457	181,457	(4,096)	177,361
Other comprehensive income for the period - Foreign currency translation differences	-	28,993	-	28,993	-	28,993
Total comprehensive income for the period	-	28,993	181,457	210,450	(4,096)	206,354
Contribution by and distribution to owners of the Company						
- Share of net assets arising from the acquisition of a subsidiary	-	-	-	-	-	-
- Dividends	-	-	(62,567)	(62,567)	-	(62,567)
- Exercise of Warrants	35	-	-	35	-	35
- Private Placement	-	-	-	-	-	-
Total transactions with owners	35	-	(62,567)	(62,532)	-	(62,532)
As at 31 December 2020	961,315	1,986	789,747	1,753,048	(6,198)	1,746,850
<b><u>9 months ended 31 December 2021 (Unaudited)</u></b>						
As at 1 April 2021	961,315	934	845,486	1,807,735	(11,243)	1,796,492
Profit after taxation for the year	-	-	143,943	143,943	(3,968)	139,975
Other comprehensive income for the year - Foreign currency translation differences	-	(487)	-	(487)	-	(487)
Total comprehensive income for the year	-	(487)	143,943	143,456	(3,968)	139,488
Contribution by and distribution to owners of the Company						
- Dividends	-	-	(75,081)	(75,081)	-	(75,081)
- Exercise of Warrants	-	-	-	-	-	-
Total transactions with owners	-	-	(75,081)	(75,081)	-	(75,081)
As at 31 December 2021	961,315	447	914,348	1,876,110	(15,211)	1,860,899

## 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 2021

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>(Unaudited)</b> <b>FOR THE</b> <b>FINANCIAL</b> <b>PERIOD ENDED</b> <b>31 December 2021</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>FOR THE</b> <b>FINANCIAL</b> <b>PERIOD ENDED</b> <b>31 December 2020</b> <b>RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	195,600	239,845
Adjustments for :-		
Depreciation of property, plant and equipment and right of use assets	8,277	8,470
Depreciation of investment property	2	3
Interest expenses	9,310	6,517
Interest income	(1,997)	(3,138)
Gain on disposal of investment property	(49)	(19)
Gain on disposal of property, plant and equipment	(437)	-
Share of results in joint venture, net of tax	(2,117)	(4,000)
Operating profit before working capital changes	208,589	247,678
Decrease/(Increase) in inventories	51,409	(97,349)
Decrease in receivables	93,815	168,910
Decrease in payables	(205,404)	(135,538)
Cash generated from operations	148,409	183,701
Interest received	1,997	3,138
Interest paid	(11,883)	(15,293)
Tax paid	(56,537)	(89,728)
Net cash generated from operating activities	81,986	81,818
<b>Cash Flow From Investing Activities</b>		
Placement of pledged deposits with licensed bank	(298)	(523)
Withdrawal of deposits with licensed bank more than 3 months	26,057	7,117
Purchase of property, plant and equipment	(707)	(2,342)
Proceed from disposal of property, plant and equipment	732	35
Proceed from disposal of investment property	100	-
Net cash generated from investing activities	25,884	4,287
<b>Cash Flow From Financing Activities</b>		
Proceed from issuance of share	-	35
Advance from non-controlling interest shareholders	5,127	3,140
Dividend paid	(75,081)	(62,567)
Drawdown of borrowings	31,784	26,302
Repayment of term loan	(113,222)	(90,786)
Repayment of lease liabilities	(382)	(356)
Net cash used in financing activities	(151,774)	(124,232)
Net changes in cash and cash equivalents	(43,904)	(38,127)
Effect of exchange rate fluctuations on cash held	(4,340)	17,218
Cash and cash equivalents at beginning of the year	185,567	241,462
Cash & cash equivalents at end of the year	137,323	220,553
Cash and cash equivalents comprise of :-		
Fixed deposit, cash and bank balance	163,462	281,042
Less : Fixed Deposit Pledged	(26,139)	(24,835)
Bank overdrafts	-	(35,654)
	137,323	220,553

*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 2021 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 financial year ended ("**FYE**") 31 March 2021 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 2021.

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 2021.

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

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

Amendments to MFRS 3: Definition of a Business  
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9  
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform  
Amendments to MFRS 16: COVID-19-Related Rent Concessions  
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021  
Amendments to MFRS 101 and MFRS 108: Definition of Material  
Amendments to References to the Conceptual Framework in MFRS Standards

**MFRS 123 : Borrowing Costs relating to over time transfer of constructed Good ( Agenda Decision 4 ("AD4"))**

In March 2019, IFRS Interpretations Committee ("IFRS") concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method ie receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board allowed the affected entities to apply changes in accounting policies to their financial statements in relation to AD4 beginning on or after 1 July 2020.

The Group opts for early adoption of AD4 during the financial year and has assessed and concluded that the early adoption does not have any significant impact to the financial performance or position of the Group that required retrospective adjustments.

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 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

**A2. Seasonal or cyclical factors**

The results for the current financial quarter ended 31 December 2021 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 2021 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 2021 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 2021 under review.

**A6. Dividends Paid**

During the financial quarter ended 31 December 2021 under review, the Company had closed its books for its second interim single tier dividend of 3.00 sen per Matrix Concepts Share for the FYE 31 March 2022. The second interim single tier dividend was paid on 6 January 2022 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 December 2021.

Please refer to Note B10 on dividends declared.

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**A7. Segmental Information**

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

	Property development	Construction	Education	Hospitality	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
Sale of properties	613,793	-	-	-	-	613,793
Construction / Inter-segment sales	-	180,293	-	-	(180,293)	-
School fees	-	-	8,457	-	-	8,457
Clubhouse and hotel operator	-	-	-	12,052	-	12,052
Others	1,706	-	-	-	-	1,706
<b>Total</b>	<b>615,499</b>	<b>180,293</b>	<b>8,457</b>	<b>12,052</b>	<b>(180,293)</b>	<b>636,008</b>
<b>Other income</b>						
Rental income	1,460	-	-	-	-	1,460
Others	4,458	1,164	390	107	-	6,119
<b>Total</b>	<b>5,918</b>	<b>1,164</b>	<b>390</b>	<b>107</b>	<b>-</b>	<b>7,579</b>
<b>Results</b>						
Segment results	156,037	28,017	(4,059)	2,827	12,320	195,142
Finance costs						(1,659)
Share of results in joint venture, net of tax						2,117
Profit before tax						195,600
Taxation						(55,625)
Net profit for the period						139,975

For comparison purposes, the segment revenue and segment results for business segments for the corresponding 9-month financial period ended 31 December 2020 are as follows:

	Property development	Construction	Education	Hospitality	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
Sale of properties	717,246	-	-	-	-	717,246
Construction / Inter-segment sales	-	317,056	-	-	(317,056)	-
School fees	-	-	9,903	-	-	9,903
Clubhouse and hotel operator	-	-	-	12,295	-	12,295
Others	-	-	-	-	-	-
<b>Total</b>	<b>717,246</b>	<b>317,056</b>	<b>9,903</b>	<b>12,295</b>	<b>(317,056)</b>	<b>739,444</b>
<b>Other income</b>						
Rental income	1,561	28	104	-	-	1,693
Others	3,722	1,466	333	720	-	6,241
<b>Total</b>	<b>5,283</b>	<b>1,494</b>	<b>437</b>	<b>720</b>	<b>-</b>	<b>7,934</b>
<b>Results</b>						
Segment results	172,700	47,719	(5,239)	4,012	16,910	236,122
Finance costs						(276)
Share of results in joint venture, net of tax						4,000
Profit before taxation						235,846
Taxation						(62,485)
Net profit for the period						173,361

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As the revenue of the Matrix Concepts Group for the financial period ended 31 December 2021 is solely derived from its operating activities in Malaysia, geographical segmentation is not prepared.

**A8. Industry outlook – Malaysian property sector**

The property market performance recorded a significant increase in the first half of 2021 (H1 2021) compared to the same period last year (H1 2020). A total of 139,754 transactions worth RM62.01 billion were recorded, showing an increase of 21.0% in volume and 32.1% in value compared to the same period last year. Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.2%, 28.5%, 29.4%, 13.9% and 21.3% respectively. Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded growths of 34.7%, 28.4%, 19.8%, 33.1% and 40.6% respectively. The residential sub-sector led the overall property market, with 65.8% contribution. This was followed by agriculture sub-sector (18.9%), commercial (7.5%), development land and others (5.9%) and industrial (1.8%). In terms of value, residential took the lead with 55.6% share, followed by commercial (17.6%), industrial (10.4%), agriculture (8.9%) and development land and others (7.4%).

There were 92,017 transactions worth RM34.51 billion recorded in the review period, increased by 22.2% in volume and 34.7% in value year-on-year. Performance across the states improved in the review period. All states recorded higher market volume except for WP Putrajaya. The four major states namely Wilayah Persekutuan Kuala Lumpur, Selangor, Johor and Pulau Pinang recorded an increase of 19.8%, 38.0%, 4.8% and 41.3% respectively. These four major states formed about 50% of the total national residential volume.

Residential property

In the primary market, the number of new launches in the first half-year were far behind those recorded in similar half of 2020. There were 16,660 units launches, down by 34.0% against 25,227 units (revised) in H1 2020. Against H2 2020, the new launches were lower by 24.1% (H2 2020: 21,951 units). Sales performance for new launches recorded at 24.7%, better compared to H1 2020 (revised 12.9%) and H2 2020 (17.0%). The improvement in sales performance probably attributed to various measures by the Government such as incentives of the Home Ownership Campaign (reintroduced from 1 June 2020 – 31 Dec 2021) and low overnight policy rate. Selangor recorded the highest number of new launches in the country, capturing nearly 24.7% (4,114 units) of the national total with sales performance at 26.2%. Wilayah Persekutuan Kuala Lumpur recorded the second highest number (3,651 units 21.9% share) with sales performance at 3.5%. Johor came third (2,187 units, 13.1% share) with sales performance at 49.8%. Terraced houses dominated the new launches. Single storey (2,624 units) and 2-3 storey (5,455 units) together contributed 48.5% of the total units with sales performance at 32.4%, followed by condominium/apartment units at 41.4% share (6,893 units) with sales performance at 16.3%.

In the first half of 2021, the residential overhang exhibited a moderated growth. A total of 31,112 overhang units worth RM20.09 billion was recorded, showing an increase of 5.2% and 6.2% in volume and value respectively against H2 2020. Likewise, the unsold under construction residential units saw an increase of 4.3% to 74,844 units compared to H2 2020 (71,735 units).

Commercial property

On the supply front, construction activity slowed down as indicated by the contraction in completions, starts and new planned supply, each down by 11.5% to 1,364 units, 39.1% to 1,130 units and 1.2% to 1,041 units respectively against similar period last year. Shop segment recorded 5,265 transactions worth RM4.13 billion, dominating 50.5% of the commercial property transactions and 37.8% of the total value. Both volume and value increased by 25.1% and 16.4% respectively compared to similar period last year. Selangor and Johor contributed higher market transaction volume to the national total, each with 17.4% (917 transactions) and 17.1% (899 transactions) market share. Two and two and a half storey shops captured 52.2% (2,749 transactions) of the shops' market share. Shop sub-sector overhang declined in H1 2021. There were 6,844 units worth RM5.76 billion, indicating a slight decrease of 0.9% in volume but increased by 3.3% against the preceding half year. The unsold under construction recorded a decrease by 19.0% (4,361 units), while not constructed increased by 2.4% (235 units). On the supply front, construction activity slowed down as indicated by the contraction in completions, starts and new planned supply, each down by 11.5% to 1,364 units, 39.1%



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to 1,130 units and 1.2% to 1,041 units respectively against similar period last year. As end of June 2021, there were more than 542,000 existing shops with more than 30,000 units in the incoming supply and planned supply. Two to two and a half storey shops were dominant across all development stages.

Industrial

The industrial sub-sector recorded 2,562 transactions worth RM6.48 billion in the first half of 2021. Compared to the same period last year, the market activity increased by 29.4% in volume and 19.8% in value. Selangor continued to dominate the market with 35.7% (915 transactions) of the nation’s volume, followed by Johor and Pulau Pinang, each with 13.2% and 9.6% market share. Terraced factory formed 32.2% of the total industrial transactions, followed by vacant plots (27.6%), and semi-detached factory (22.4%). On the construction front, the industrial sub-sector remains on a low tone. Completions recorded 143 units, starts 300 units and new planned supply 306 units. As of end-June 2021, there were 118,708 existing industrial units with 4,388 units in the incoming supply and 6,731 units in the planned supply.

The acceleration of the National COVID-19 Immunisation Programme and the ability to achieve National Recovery Plan threshold across the states will see the reopening of more economic and social sectors in the fourth quarter of 2021. Supported by the implementation of various government initiatives and assistance, the property market is expected to be on the recovery path in line with the gradual economic recovery.

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

**A9. Valuation of property, plant and equipment**

There were no valuations carried out on property, plant and equipment of the Group during the financial quarter ended 31 December 2021 under review.

**A10. Commitments**

The commitments of the Company as at the end of the financial quarter ended 31 December 2021 under review and the financial year-to-date are as follows:

	<b>Cumulative year-to-date 31.12.2021 RM'000</b>
<hr/>	
Contracted but not provided for:	
- Land held for property development	128,866

**A11. Material subsequent event**

There were no material events subsequent to the end of the financial quarter ended 31 December 2021 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 2021 that have not been reflected in these interim financial statements.

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**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 2021 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 2021.

**A15. Significant Related Party Disclosures**

Save as disclosed below, there were no other significant related party transactions during the financial quarter ended 31 December 2021 under review and the financial year-to-date:

	<b>Current quarter ended 31.12.2021 RM'000</b>	<b>Cumulative year-to-date 31.12.2021 RM'000</b>
Purchase of building materials from related parties	6,632	15,381
Agency fees and purchase of marketing material from related parties	-	129
Rental payments made to related parties	71	212
Consultancy fees paid to related parties	137	422
Sales of property to related party	-	-

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

**B1. Review of Performance**

	<b>Current quarter ended 31.12.2021 RM'000</b>	<b>Corresponding quarter ended 31.12.2020 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	233,094	315,408	(82,314)	(26.1)
Gross profit	136,185	149,165	(12,980)	(8.7)
Profit before tax	82,553	94,513	(11,960)	(12.7)
Profit after tax	59,084	73,982	(14,898)	(20.1)

For the third quarter ended 31 December 2021, the Group recorded revenue of RM233.1 million, a decrease of 26.1% from RM315.4 million reported in the previous year's corresponding quarter. The reduced revenue was mainly due to lower recognition from the Group's industrial and commercial products, which contributed RM2.5 million and RM4.1 million respectively, representing a drop of 91.9% and 80.8% compared to the previous year. Additionally, the Group's maiden Klang Valley development, The Chambers, registered 67.7% lower revenue of RM13.0 million during the quarter.

Sendayan Developments, the Group's flagship development, continued to perform commendably with increasing buyer profile from Klang Valley and revenue recognition of RM200.7 million, which accounted for 86.1% of the Group's revenue for the quarter under review. Meanwhile, revenue from investment properties, comprising the Group's education and hospitality units, decreased by 10.8% to RM6.9 million during the quarter.

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Notwithstanding the lower revenue, the Group recorded improved gross margin of 58.4% during the quarter, compared to 47.3% in the previous year, due to improved contribution from more mature developments such as the Tiara Sendayan series, on the back of higher demand and selling price points.

For the quarter under review, the Group recorded profit after tax of RM59.1 million, a reduction of 20.1% from RM74.0 million in the previous year in line with the lower revenue, and decline in share of results in joint venture and higher tax expense. Nevertheless, the Group recorded improved net profit margin of 25.3% as compared to 23.5% in the previous year’s corresponding quarter.

The Group is on track to meet its new property sales target of RM1.2 billion for the financial year ending 31 March 2022 (FY2022). The Group had secured new sales of RM998.0 million for the nine months ended 31 December 2021, representing 83.2% of its annual target. In addition, the Group’s unbilled sales of RM1.27 billion as at 31 December 2021 provides clear earnings visibility over the next 12-15 months.

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

	<b>Current quarter ended 31.12.2021 RM’000</b>	<b>Preceding quarter ended 30.09.2021 RM’000</b>	<b>Changes RM’000</b>	<b>%</b>
Revenue	233,094	239,476	(6,382)	(2.7)
Gross profit	136,185	113,911	22,274	19.6
Profit before tax	82,553	70,367	12,186	17.3
Profit after tax	59,084	50,414	8,670	17.2

The Group recorded revenue of RM233.1 million for the third quarter ended 31 December 2021, a marginal decrease of 2.7% from RM239.5 million in the preceding quarter ended 30 September 2021.

As the Group continues its recovery from the disruptions of Movement Control Order 3.0 (“MCO 3.0”), it recorded improvements in profitability as gross margin for the quarter stood at 58.4%, a significant increase from 47.6% reported in the preceding quarter, attributable to favourable product mix from its residential products. Similarly, net margin increased to 25.3% in the quarter under review, as the Group reported profit after tax of RM59.1 million, an increase of 17.2% compared to the preceding quarter.

**B3. Prospects**

Despite the challenges faced during July to August 2021 under the country’s lockdown measures, Matrix Concepts continued to register commendable sales performance, supported by broadened sales channel through use of digital solutions such as social media platforms.

The Group is on track to meet its new property sales target of RM1.2 billion for FY2022, and remains focused on delivering quality properties at great value, particularly residential products within the RM500,000 price range to address healthy demand at its townships.

With the upliftment of economic activity restrictions in the country, businesses are looking forward to a recovery of the nation’s economy. In anticipation of this, the Group is on track to replicate last financial year’s swift return to normal operations, by expediting construction activities and is confident of catching up on its original development schedule before the end of FY2022.

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

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The Group is also enhancing the long-term sustainability of its property development segment through diversification of its revenue stream beyond Negeri Sembilan and Johor. Its ongoing projects in the Klang Valley, and internationally, in Melbourne, Australia and Jakarta, Indonesia, have continued to perform commendably with strong take up achieved as at to date. Furthermore, the Group’s second development in Australia – M. Greenvale in Melbourne, which launched in 2020 featuring residential lots situated on a 9.7-acre land with GDV of AUD27.8 million, was fully sold as at 31 March 2021.

Meanwhile, the Group’s investment into the Menara Syariah development in Pantai Indah Kapuk 2, Jakarta, Indonesia, undertaken together with Indonesian conglomerates Agung Sedayu Group and Salim Group, has reached construction progress of 40%, with targeted completion in the financial year ending 31 March 2023.

The Group is cautiously optimistic of maintaining healthy performance for FY2022, backed by encouraging demand for ongoing developments, and low interest rate environment we are currently in with overnight policy rate of 1.75%.

Additionally, the property sector is expected to benefit from the Government’s initiatives under the proposed Budget 2022, such as the allocation of RM2 billion through the Housing Credit Guarantee Scheme under the Pemilikan Rumah Kediaman Initiative, as well as abolishment of Real Property Gains Tax for houses disposed of from the sixth year onwards by Malaysians and permanent residents. We believe this would be a potential catalyst to bolster the purchasing power of new and existing homeowners.

**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 31.12.2021 RM’000</b>	<b>Cumulative period-to-date 31.12.2021 RM’000</b>
Current tax expenses	22,470	53,176
Under provision of income tax in prior years	-	-
Deferred tax income	999	2,449
	<b>23,469</b>	<b>55,625</b>

The Group’s effective tax rate of 28.4% for the financial period ended 31 December 2021 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.

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**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 quarter ended 31 December 2021.

**B8. Group borrowings and debt securities**

The Group’s borrowings as at 31 December 2021 are as follows:

	<b>Unaudited as at 31.12.2021 RM’000</b>
<b>Short term borrowings</b>	
<u>Secured:</u>	
Term loans	50,370
Bank overdrafts	-
	<u>50,370</u>
<u>Unsecured:</u>	
Commercial papers	-
Medium term notes	40,000
	<u>40,000</u>
<b>Total short-term borrowings</b>	<u><b>90,370</b></u>
 <b>Long term borrowings</b>	
<u>Secured:</u>	
Term loans	83,668
<u>Unsecured:</u>	
Medium term notes	70,000
<b>Total long-term borrowings</b>	<u><b>153,668</b></u>
<b>Total Borrowings</b>	<u><b>244,038</b></u>

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

	<b>Unaudited as at 31.12.2021 RM’000</b>
Malaysian Ringgit	223,147
Australian Dollar	20,891
<b>Total</b>	<b>244,038</b>

**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 23 February 2022, declared a third interim single tier dividend of 3.75 sen per Matrix Concepts Share held for the financial year ended 31 March 2022, to be paid on 7 April 2022 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 March 2022.

On 6 January 2022, a second interim single tier dividend of 3.00 sen per Matrix Concepts Share for the financial year ending 31 March 2022 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 22 December 2021.

**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>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Profit attributable to equity holders of the Company (RM’000)	60,454	75,339	143,943	181,457
Weighted average number of ordinary shares (‘000)	834,232	834,232	834,232	834,225
Earnings per share (sen)	7.25	9.03	17.25	21.75

**(ii) Diluted earnings per share**

The diluted earnings per share is equal to basic earnings per share for the financial period ended 31 December 2021 and 31 December 2020 as the Company does not have any convertible securities.

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

	<b>Current Quarter Ended</b>		<b>Cumulative Period-To-Date</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</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	(1,120)	(1,024)	(1,997)	(3,138)
- Other income including investment income	(3,326)	(1,698)	(4,122)	(3,103)
- Interest expenses	247	86	1,659	276
- Imputed interest	-	-	-	-
- Depreciation of property, plant and equipment and right of use assets	2,823	2,248	8,279	8,473
- 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	759	(742)	(1,460)	(1,693)

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 2022.

By order of the Board of Directors

**Ho Kong Soon**  
Group Managing Director

Date: 23 February 2022