

MANAGEMENT DISCUSSION & ANALYSIS



ABOUT MATRIX

THE UNIQUE BUSINESS MODEL OF MATRIX CONCEPTS HOLDINGS BERHAD (“MATRIX” OR “THE GROUP”) LIES IN OUR CORE OPERATION OF PROPERTY DEVELOPMENT, SUPPORTED BY THE GROUP’S OTHER BUSINESS OPERATIONS COMPRISING CONSTRUCTION, EDUCATION, HOSPITALITY AND HEALTHCARE.

ADDITIONAL INFORMATION ON THE GROUP’S CORPORATE PROFILE, ITS BUSINESS MODEL AND VALUE CREATION MAY BE FOUND IN THE ABOUT US AND STRATEGIC REVIEW SECTIONS OF THIS INTEGRATED ANNUAL REPORT 2024 (“IAR2024”).

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At the heart of its property development portfolio is our flagship, the award-winning Sendayan Developments in Negeri Sembilan, encompassing multiple developments including Bandar Sri Sendayan, Ara Sendayan, Tiara Sendayan, Bayu Sutera, Irama Sendayan, Laman Sendayan and Eka Heights. Another key development is our 1,210-acre Bandar Seri Impian (“BSI”), in Kluang, central Johor.

The Group has expanded its operating boundaries to reflect the evolving needs of the urban population, extending into high-rise development within the Klang Valley, with the launch of the Group’s second Klang Valley Development, Levia Residence in Cheras.

Such is the all-encompassing vision of Matrix that it has spread its capacity and capability internationally to Australia and Indonesia, with key developments in strategic prime locations there.

With its landbank of 2,032 acres, carrying a total gross development value (“GDV”) of RM11.7 billion, the Group has successfully entrenched its reputation as a leading township property developer, further demonstrated by its multiple industry awards and other accolades attained.

The Group continues to deliver strong financial performance over the years. As at end financial year ended 31 March 2024 (“FY2024”), market capitalisation of the Group stood at RM2.3 billion. Since its listing on the Main Market of Bursa Malaysia Securities Berhad 11 years ago, the Group takes pride in consistently and without fail, paying out quarterly dividends to its loyal shareholders.



Irama Sendayan 2 Park

Aligning with its approach of business diversification, the Group has extended its reach to include education, construction, hospitality and even reviving a hospital in order to serve the healthcare needs of its community.

Further information on the divisions mentioned above is available at their respective sections in this report.

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REVIEW OF THE OPERATING ENVIRONMENT

FY2024 has brought many surprises: the extent of monetary tightening, the risk appetite of investors. It was also a period of geopolitical upheaval, with the Ukraine-Russia war and additionally, with the Middle-East conflict adding concerns of further disruption to the supply chain and escalating prices of commodities.

These factors impacted significantly on Malaysia's economy, bearing down with increased inflation, unemployment and shrinking incomes, hence reducing the purchasing power of potential homeowners. In addition, the increase in cost of raw materials for construction and difficulty in securing financial loans did little to stem the erosion of buyer's confidence.

Remarkably, as the economy started to open up post-pandemic, the continued recovery in economic activity and labour market conditions supported growth, resulting in Malaysia's economy normalising to register a 3.7% growth in 2023.

In addition, the positive growth performance of the economy is reinforced by a resilient external position. Despite the challenging external environment, the current account surplus for 2023 was sustained at 1.2% of GDP, supported by a diversified export structure across market and product.

In FY2024, the Construction sector work done value recorded a notable surge of 9.7%, amounting RM12.1 billion, over the corresponding period in the previous financial year. This was also supported by the increase value of work done for non-residential buildings and residential buildings.

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.8 billion, compared to 389,107 transactions worth RM179.1 billion in 2022). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

The residential overhang situation improved as the numbers continued to reduce as compared to previous year. There were 25,816 overhang units worth RM17.68 billion recorded in Q4 2023, reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion).

The growth in 2023 property market is strongly supported by the implementation of various government initiatives and assistance and improving labour market conditions. Several initiatives which outlined under Budget 2023 by the government to a certain extent helped improve property market activities.



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Bayu Sutera – interior layout

To encourage Malaysians to purchase their first home, the National Budget 2023 allowed full stamp duty exemption until end-2025 for first-time homebuyers who purchase a home valued at RM500,000 and below. Additionally, residential properties purchased worth between RM500,001 to RM1 million will enjoy a 75% stamp duty exemption until end-2023.

Furthermore, the relaxation of Malaysia My Second Home (MM2H) programme, announced by the Government in December 2023, is on the right track to boost foreign investment in Malaysia, particularly in the real estate sector.

Despite the disruption to supply chain and the increased costs of building material experienced in FY2024, the Group redoubled its commitment to reinforce its focus on driving operational efficiency and in managing the escalating costs. This ultimately enabled Matrix to maintain its competitiveness in the industry and drive performance growth.

Overnight Policy Rate (OPR) was stagnant at 3.0% since May 2023, after an increase by 0.25 basis points from 2.75%, last increased in November 2022. The monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects, vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth as well as conducive to sustainable economic growth amid price stability. The current level of borrowing rate is seen heading to pre-pandemic rate at 3.00% in 2019, which the latest announced was in 9 May 2024.

MATRIX IN FY2024

Despite the challenging environment in the recent financial years, Matrix has successfully strengthened its financial position, enabling it to remain on-track of its business plan. This was on the back of a prudent defensive stance in avoiding unnecessary cashflow expenditure. To mitigate the increase costs of building materials, Matrix kept its focus on driving operational efficiency onsite and across its administrative functions.

With strong focus on enhancing growth and diversification, Matrix remains committed to driving with township development and delivery of premium affordable properties.

Matrix's township development utilises a combination of building technology, harnessing innovative processes and rationalising financial and natural resources. Commitment to project delivery timeliness without compromising finished quality and strict adherence to governance and compliance is embedded into the DNA of Matrix's operations.

The Group's focus on diversification is also demonstrated in its international ventures. The various projects undertaken in Melbourne, Australia and Jakarta, Indonesia, as outlined in the later part of this report, has strengthened considerably. This has supported the increased brand recognition of the capability and capacity of Matrix.

Further to this successful overseas venture, the Group are also focused on replicating the success of The Chambers development through its second Klang Valley development, Levia Residence, in Cheras, Kuala Lumpur. Levia Residence is already showing promising performance, with 55% of one tower already taken up at its launch in January 2024.

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Another highlight of the Group's diversification effort is the positive performance by its healthcare division, registering an initial financial contribution by the Mawar Medical Centre in FY2024.

Our educational division, the Matrix Global Schools has embarked on a strategic collaboration with Adcote Schools of Ray Education Group, a globally recognised academic institution to provide a holistic international education experience. This collaboration will also offer the potential for twinning programmes abroad.

Embracing digital platforms to nurture relationships with customers and reach out to potential house-buyers has provided Matrix a strong foothold in an increasingly competitive market. With keen insights into the changing market trends and expectations, we have been able to adapt designs and provide innovative products such as innovative house features and invigorating green space areas.

Our strong sales performance stems from our focus on owner-occupied homebuyers, rather than the speculative segment who have been most impacted since 2019. This has proven itself, seeing the persistent demand supported by the growing trend of flexible working arrangements, allowing the Klang Valley working population to easily uproot to areas like Seremban.

Matrix strives to successfully meet the lifestyle aspirations of customers, offering quality housing with an overall property launch mix with a range of pricing points and variable financing options. In FY2024, 58% of Matrix's launched products were priced RM600,000 and below – targeted at the middle-income, mass market segment, especially first-time homebuyers and upgraders.

Such business activities have supported the Group's healthy performance in FY2024, driving financial and non-financial value creation for its relevant stakeholders.

FINANCIAL PERFORMANCE

INDICATOR	FY2024 (RM'000)	FY2023 (RM'000)	DIFFERENCE (%)
Group revenue	1,344,073	1,113,058	20.8
Cost of sales	(720,790)	(624,272)	15.5
Gross profit	623,283	488,786	27.5
Other income	35,560	26,550	33.9
Selling and marketing expenses	(117,513)	(85,712)	37.1
Administrative and general expenses	(211,990)	(161,490)	31.3
Operating profit (include other income)	329,340	268,134	22.8
Finance cost	(5,082)	(6,246)	(18.6)
Net reversal of impairment loss/(Impairment loss) on financial assets	8,798	(3,042)	389.2
Share of net results of associate	(650)	1,816	(135.8)
Group profit before tax	332,406	260,662	27.5
Income tax expense	(86,562)	(57,857)	49.6
Group profit after tax	245,844	202,805	21.2
Total Assets	2,689,929	2,638,418	2.0
Total Liabilities	567,782	650,563	(12.7)
Total Equity	2,122,147	1,987,855	6.8
Borrowings	145,370	240,638	(39.6)
Cash and cash equivalents	328,285	200,128	64.0

INDICATOR	FY2024	FY2023	DIFFERENCE (%)
Earnings per share (sen)	19.52	19.70	(0.9)
Net assets per share (RM)	1.70	1.59	6.9

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REVENUE

Our strategic diversification and focus on key growth areas have resulted in a commendable financial performance. In FY2024, Matrix achieved total revenue of RM1.34 billion, representing an increase of 20.8% compared to revenue of RM1.11 billion in FY2023.

Notably, the Group’s flagship Sendayan Developments, demonstrated exceptional growth, contributing substantially to the overall revenue increase. This flagship development registered a significant 47.6% increase in revenue to RM1.24 billion from RM838.0 million in the previous financial period, reflecting the continued strong demand for the township’s offerings.

However, the revenue uptrend was slightly offset by a decline in revenue contribution from its Australian and Klang Valley property development activities, attributable to the completion of M. Greenvale and standalone, boutique development of The Chambers in the previous year.

Breaking down revenue by product type, residential properties exhibited a notable improvement of 20.4%, generating revenue of RM1.22 billion in the corresponding previous financial year. Commercial and industrial properties also experienced an increase of 34.5% in revenue to RM77.2 million from RM57.4 million in FY2023.

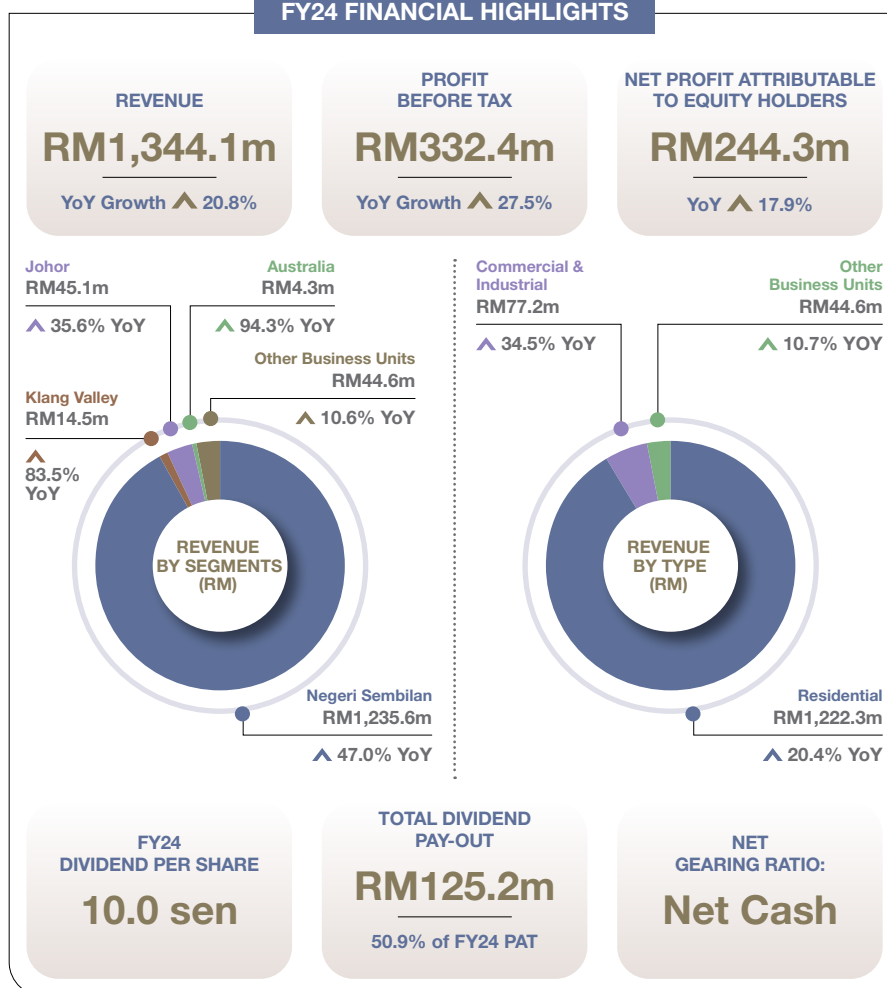
Additionally, other business units, namely Healthcare, Hospitality and Education, collectively recorded a total revenue of RM44.6 million in FY2024 compared to RM40.3 million in FY2023. This was however, supported by the education unit’s improved operational performance due to the steady increase in student enrolment over the past 12 months.

IN FY2024, MATRIX ACHIEVED TOTAL REVENUE OF **RM1.34** BILLION, REPRESENTING AN INCREASE OF **20.8%** COMPARED TO REVENUE OF RM1.11 BILLION IN FY2023.



Bayu Sutera Entrance Statement

FY24 FINANCIAL HIGHLIGHTS



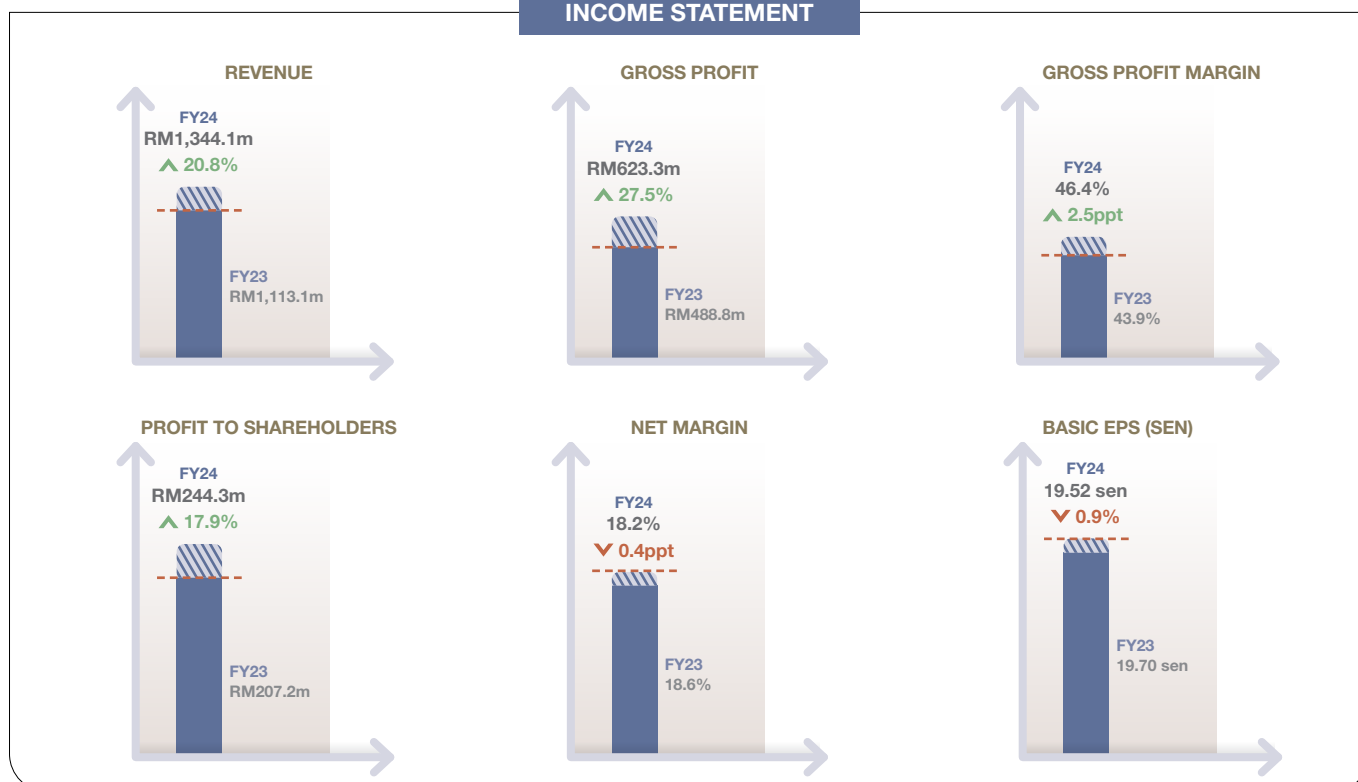
MANAGEMENT DISCUSSION & ANALYSIS

REVENUE BREAKDOWN BY SEGMENTS

INDICATOR	FY2024 (RM'000)	FY2023 (RM'000)	DIFFERENCE (%)
Bandar Sri Sendayan	269,207	171,350	57.1
Ara Sendayan	4,452	28,647	(84.5)
Tiara Sendayan	281,868	212,219	32.8
Laman Sendayan	63,326	138,594	(54.3)
Sendayan Tech Valley	38,531	32,215	19.6
Bayu Sutera	380,924	238,393	59.8
Irama Sendayan	175,074	16,591	955.2
Eka Heights	23,519	–	N/A
TOTAL REVENUE FROM SENDAYAN DEVELOPMENTS	1,236,901	838,009	47.6
• Bandar Seri Impian	45,060	69,924	(35.6)
• The Chambers Kuala Lumpur	14,547	87,964	(83.5)
• M. Greenvale	4,261	74,209	(94.3)
• Other Developments	(1,326)	2,615	(150.7)
TOTAL PROPERTY DEVELOPMENT REVENUE	1,299,443	1,072,721	21.1
Education	14,390	12,347	16.5
Hospitality	25,209	25,369	(0.6)
Healthcare	5,031	–	N/A
Others	*	2,621	(100.0)
TOTAL GROUP REVENUE	1,344,073	1,113,058	20.8

* Amount less than RM1,000

INCOME STATEMENT



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NEW PROPERTY SALES

For FY2024, Matrix registered sales of RM1.25 billion, 4.2% higher year-on-year, compared to RM1.20 billion in FY2023. The sales achieved for the financial year was marginally below the Group's internal target of RM1.3 billion.

This achievement reinforces the intrinsic value and appeal of Matrix's properties to its buyers, particularly given its strategic location, excellent accessibility and connectivity, all nestled in an environment offering community infrastructure and family-friendly amenities.

In FY2024, unbilled sales registered RM1.28 billion, a 11.1% decrease over the unbilled sales of RM1.44 billion in FY2023. This is attributable to recovery of the speed of construction following the arrival of new foreign workforce as well as improved efficiency at construction sites.

In FY2024, Matrix recorded an average take-up rate of 81.1% with 2,209 units launched at a total value of RM1.32 billion, compared to the corresponding previous financial period with total value of RM1.27 billion.

COSTS

The nation's economy has seen an overall positive progress in FY2024. Despite the lingering issues of supply chain and labour severely impacting the construction industry, Matrix has successfully managed to contain the inflation in costs with a mere increase of 15.5% year-on-year in its costs of sales.

In FY2024, cost of sales stood at RM720.8 million, an increase of 15.5% compared to RM624.3 million in FY2023. This was supported by the improved gross margin for its matured developments, particularly the Tiara Sendayan series. This augurs well for the Group's far reaching aspiration of this development.



EARNINGS

As a result of the Group's strengthening revenue stream and ongoing cost rationalisation approach, Matrix recorded improved earnings in FY2024, year-on-year. The Group's retained a commendable gross profit of RM623.3 million in FY2024 over FY2023. This represents an increase of 27.5% over the financial years, seen as amongst the highest in the industry. The Group's gross profit margin recorded a significant increase to 46.4% owing to a favourable product mix, although net margin decreased marginally to 18.2% due to higher selling and marketing expenses as well as administrative and general expenses.

Group profit before tax ("PBT") stood at RM332.4 million, 27.5% higher, year-on-year, while profit after tax ("PAT") was RM245.8 million, 21.2% higher, year-on-year.

DIVIDENDS

In FY2024, Matrix has announced dividends payouts to shareholders amounting to RM125.2 million, equivalent to 50.9% of the Group's after-tax earnings for FY2024.

Matrix continues to maintain its eleven-year track record of dividends distribution to shareholders, on a quarterly basis. The Group continues to be amongst the most consistent dividend-paying companies listed on Bursa Malaysia's Main Board, and the payouts were further made more lucrative after increasing its dividend payout rate to 50% of total after tax earnings for the respective financial year, in FY2022, from 40% previously.



GROSS PROFIT REPRESENTS AN INCREASE OF 27.5% OVER THE FINANCIAL YEARS, AMONGST THE HIGHEST IN THE INDUSTRY

MANAGEMENT DISCUSSION & ANALYSIS

ASSETS AND LIABILITIES

Matrix's asset position remains healthy, far exceeding liabilities and is able to effectively discharge all commitments and financial obligations going forward. In FY2024, Group assets stood at RM2.69 billion, 2.0% higher year-on-year compared to RM2.64 billion in FY2023. Non-current assets as at 31 March 2024 recorded RM1.13 billion, a decrease of 6.0%, mainly due to higher launches in FY2024, resulting in lower non-current inventory as land is transferred to current inventory once development commences.

	FY2024 (RM'000)	FY2023 (RM'000)	Difference (%)
NON-CURRENT ASSETS			
Property, Plant and Equipment	203,810	210,693	(3.3)
Right-of-use assets	4,769	2,743	73.9
Investment properties	15	30	(50)
Investment in joint venture Company	143,991	143,174	0.6
Inventories	721,223	773,536	(6.8)
Other receivables, deposits and prepayments	29,403	36,331	(19.1)
Deferred tax assets	28,046	36,976	(24.2)
Goodwill arising on consolidation	*	*	-
TOTAL NON-CURRENT ASSETS	1,131,257	1,203,483	(6.0)

* Represents RM1.00

	FY2024 (RM'000)	FY2023 (RM'000)	Difference (%)
CURRENT ASSETS			
Inventories	464,089	397,614	16.7
Trade and other receivables	709,704	778,768	(8.9)
Deposits, cash and bank balance	375,578	250,232	50.1
Current tax assets	9,301	8,321	11.8
Total current Assets	1,558,672	1,434,935	8.6
TOTAL ASSETS	2,689,929	2,638,418	2.0

	FY2024 (RM'000)	FY2023 (RM'000)	Difference (%)
NON-CURRENT LIABILITIES			
Borrowings	85,069	77,623	9.6
Lease liabilities	3,417	2,182	56.6
Other payables, deposits, accruals and provision	20,441	24,510	(16.6)
Deferred tax liabilities	48	250	(80.8)
TOTAL NON-CURRENT LIABILITIES	108,975	104,565	4.2

	FY2024 (RM'000)	FY2023 (RM'000)	Difference (%)
CURRENT LIABILITIES			
Trade and other payables	365,603	357,172	2.4
Borrowings	46,585	145,112	(67.9)
Lease liabilities	1,619	784	106.5
Dividend payable	31,284	25,027	25.0
Bank overdrafts	13,716	17,903	(23.4)
TOTAL CURRENT LIABILITIES	458,807	545,998	(16.0)
TOTAL LIABILITIES	567,782	650,563	(12.7)

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GEARING RATIO

Capitalising on the current low interest rate, the Group has refinanced a portion of its existing debt with longer repayment tenures and lower interest rates. Additionally, the Group has also utilised excess cash to effect early payment on its debt obligations in FY2024. This has enabled gross borrowings to stand at RM145.4 million, a reduction in gross borrowings of 39.6% over RM240.6 million in FY2023.

On this basis, the Group is currently in a net cash position as at 31 March 2024 highlighting the prudent approach that has enabled the progressive execution of the Group's strategic objectives of value creation.

CASH FLOW, CASH AND BANK BALANCES

Matrix adopts a measured approach in ensuring sufficient cash to meet its working capital requirements going forward. With this approach, cash position will be supported by continued revenue recognition from the property development unit and the Group's unbilled sales.

Matrix's cash position has recorded an improvement in FY2024, with cash and cash equivalents at end of the year registering RM328.3 million, reflecting a 64.0% year-on-year improvement.

With a net cash position, the Group will continue to be bolstered by strong revenue recognition from property development activities and unbilled sales.

INDICATOR	FY2024 (RM'000)	FY2023 (RM'000)	Difference (%)
Net cash from operating activities	331,014	211,327	56.6
Net cash (used)/ generated from investing activities	(2,856)	19,347	(114.8)
Net cash used in financing activities	(209,625)	(170,967)	22.6
Net changes in cash and cash equivalents	118,533	59,707	98.5
Effect of exchange rate fluctuations on cash held	9,624	(9,867)	(197.5)
Cash and cash equivalents at beginning of the year	200,128	150,288	33.2
Cash and cash equivalents at the end of the year	328,285	200,128	64.0

CORPORATE EXERCISES

In keeping with its strategic focus on township development and premium affordable homes, on 14 November 2023, Matrix secured a RM512 million financing facility from AMMB Holdings Bhd (AmBank Group) to facilitate the development of 1,382 acres of prime housing in the MVV located in Sendayan, Negeri Sembilan.

The project, which has a gross development value of RM7 billion, will be developed through an 85:15 joint venture between Matrix Concepts' indirect subsidiary MHCB Development (NS) Sdn Bhd and NS Corporation, called N9 Matrix Development Sdn Bhd. It will feature a mix of residential, commercial and retail elements.

LANDBANK

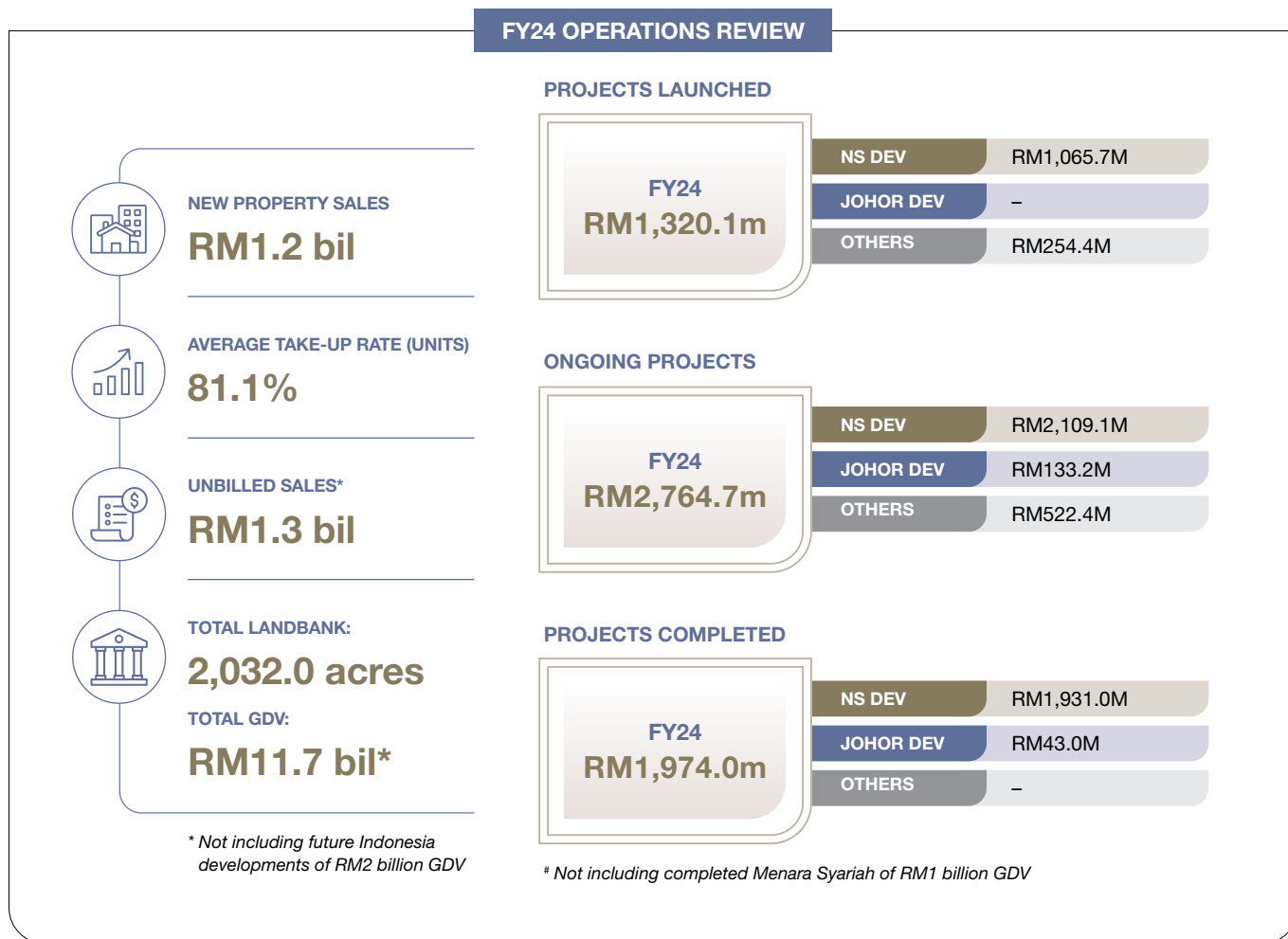
As at 31 March 2024, Matrix's total landbank was 2,032 acres, giving a total GDV of RM11.7 billion. This built-up landbank comprises mainly of land at the Group's Sendayan Developments and BSI townships, with various other land parcels at strategic areas within the Klang Valley. The recent acquisition of the 1,382-acre MVV land is excluded as the transaction has yet to be fully concluded.

The Group's development plans for such landbank would be announced once it has been finalised.

MANAGEMENT DISCUSSION & ANALYSIS

PROJECT HIGHLIGHTS

In FY2024, Matrix successfully launched 2,209 property units with a cumulative value of RM1.32 billion (FY2023: RM1.27 billion). As at 31 March 2024, the average take-up rate across all projects was 81.1% and total unbilled sales registered RM1.28 billion, enabling strong revenue and earnings for the Group going forward.



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PROJECT LAUNCHES IN FY2024

PROJECT	TYPE	UNITS LAUNCHED	ESTIMATED GDV (RM' MIL)
Ara Sendayan – Agriculture Lot	Agriculture Lot	8	17.5
Bayu Sutera 7 (Precinct 3B)	DST	200	145.4
Bayu Sutera 8 (Precinct 4A3)	DST	128	93.3
Bayu Sutera 9 (Precinct 3A)	DST	171	113.7
Eka Heights (Precinct 3A)	DST	275	114.6
Eka Heights (Precinct 3B)	DST	155	62.9
Hijayu (Resort Villa) Phase 1	DSB	14	51.7
Irama Sendayan 2B	DST	89	56.0
Irama Sendayan 2C	DST	283	157.1
Irama Sendayan 2D	DST	144	92.6
Levia (Tower A)	Service Apartment	389	254.4
Nusari Biz 2	DSS	16	19.4
Sub Centre @ Sendayan Tech Valley 1A	Commercial Lot	1	2.5
Tiara Sendayan 16 (P14C3)	SST & DST	206	68.9
	DST	130	70.1
GRAND TOTAL		2,209	1,320.1

* DST (Double Storey Terrace)/ DSB (Double Storey Bungalow)/ SST (Single Storey Terrace)/ DSS (Double Storey Shop)



Resort Villa

MANAGEMENT DISCUSSION & ANALYSIS

RESIDENTIAL AND COMMERCIAL PROPERTIES

SENDAYAN DEVELOPMENTS

NEGERI SEMBILAN

Matrix's award-winning property project, Sendayan Developments in Negeri Sembilan was first conceived with the establishment of Bandar Sri Sendayan in 2006 and later, giving rise to Ara Sendayan, Tiara Sendayan, Eka Heights and Laman Sendayan.

As at 31 March 2024, sales at Sendayan stood at RM1.24 billion (FY2023: RM1.08 billion). The average take-up rate registered 87.7% (FY2023: 91.3%), alongside unbilled sales of RM1.07 billion (FY2023: RM1.41 billion).

Another positive indicator is the estimated GDV for ongoing projects, which, as at 31 March 2024, stood at RM2.11 billion (FY2023: RM2.37 billion).

In total, there were 13 new projects launched in FY2024, with GDV amounting to RM1.07 billion (FY2023: 1.18 billion), a direct reflection of the increasing market demand of the Group flagship development.



THE SENDAYAN TECH VALLEY

NEGERI SEMBILAN

Sendayan Tech Valley ("STV"), located within Sendayan Developments, covers approximately 748 acres of prime, freehold industrial land, with a total GDV of RM1.0 bil.

For FY2024, STV recorded new sales value of RM48.0 million.

BANDAR SERI IMPIAN

JOHOR

Bandar Seri Impian ("BSI"), covering 1,209.5 acres at Kluang, Johor, nestles within an undulating contour of lush greenery and breathtaking panoramic view.

BSI's carefully designed masterplan includes a host of innovative residential and commercial properties, shopping complexes, transportation hub, government and private institutions as well as essential community features such as a mosque, school and a market.

Sales of new property in FY2024 was registered at RM52.83 million (FY2023: 46.10 million). The take-up rates from the ongoing projects stood at 43.9% (FY2023: 27.0%).

As at 31 March 2024, unbilled sales recorded RM36.22 million (FY2023: RM29.23 million).



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THE CHAMBERS RESIDENCE

KUALA LUMPUR

Nestled amidst the skylines of Kuala Lumpur is Chambers Residence, a 509-unit, freehold service apartment. Being the Group’s maiden venture into the nation’s capital, it has garnered strong acceptance.

Such is its appeal that, as at 31 March 2022, all units have been sold.



Chambers Residence



M333 ST. Kilda

M333 ST. KILDA

AUSTRALIA

Matrix’s third and largest Australian project in terms of GDV, the M333 St. Kilda, was launched in FY2023. Located on a 0.6 acre land in the heart of St Kilda, Melbourne, is an eight-storey mixed development.

M333 St Kilda is envisioned for a modern-day balanced living environment, especially where work-from-home trends have become increasingly common in the post-pandemic era.

GDV sales of this project, with 30.5% being sold, amounts to RM79.8 million. Located strategically just 8km from Melbourne’s central business district, it has excellent access to public transportation, road connectivity and various lifestyle attractions and amenities.

MENARA SYARIAH

INDONESIA

Menara Syariah is located in an area designated as an Islamic Financial District, which forms part of the 23.5-hectare International Financial District in Pantai Indah Kapuk 2 (PIK 2) Waterfront City, Jakarta. It is sitting on 1.4 hectares of the 3.6 hectare plot and has a GDV of RM1 billion.

Completed in FY2024, Menara Syariah consists of a commercial and retail building with twin 29-storey office towers, encompassing one million square feet of gross floor area including 23 floors of Grade A office space. It also features a retail strip, a landscaped observation deck, an infinity pool and multiple prayer halls.



Menara Syariah

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PROJECT UPDATES – INVESTMENT PROPERTIES

MATRIX GLOBAL SCHOOLS

NEGERI SEMBILAN

Established a decade ago in 2014, Matrix Global Schools (“MGS”) is an award-winning teaching institution, offering both UK and Malaysian curriculum education.

Built to modern standards, the state-of-the-art MGS campus is situated on a spacious 20-acre site amidst lush greenery and an inviting surrounding landscape. Secured within the school compound is the MGS Boarding House which provides a twenty-first-century boarding experience for students aged 12 to 19.



In addition, its diverse nationality student population provides a holistic learning opportunity for students to learn from its multi-faceted cultures and communities there.

MGS has firmly established itself as a preferred and integral teaching institution within Sendayan Developments and its community. Driven by a team of qualified and passionate educators, MGS has successfully churned out academically outstanding achievements in the course of its academic years.

MGS’ revenue for FY2024 had improved by 17.1% year-on-year to RM14.4 million (FY2023: RM12.3 million), further demonstrative of its acceptance and esteem as a preferred teaching institution of choice.

A breakdown of MGS’s student population as at 31 March 2024:

CATEGORY	FY2024 (PAX)	FY2023 (PAX)
International school students	220	190
Private school students	382	357
Pre-school Students	113	112
TOTAL	715	659

d’TEMPAT COUNTRY CLUB

NEGERI SEMBILAN

Since commencement of its operations in 2015, d’Tempat Country Club (“d’Tempat”) has established itself as a premier business, lifestyle and entertainment venue in Seremban. It represents a central point for a host of recreational options, offering banquet spaces and dining establishments to cater to every need, creating a distinctively unique place to relax with its soothing ambience.

d’Tempat Club continues to be well favoured as a lifestyle, business, recreation and leisure hub for the local community. It has become a focal point for corporate and social events, including weddings, festive celebrations and MICE venue.

In FY2024, revenue declined slightly to RM22.2 million or equivalent to 3.1% from RM22.9 million recorded in the previous financial year, while PAT recorded a similar marginal decrease of 11.0% to RM7.3 million (FY2023: RM8.2 million).



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d'SORA BOUTIQUE BUSINESS HOTEL NEGERI SEMBILAN



d'Sora Boutique Business Hotel

d'Sora Boutique Business Hotel offers a compelling value proposition of premium hotel services and facilities, value-for-money packages and strategic location.

In FY2024, d'Sora registered a marginally higher average occupancy rate of 60.5% (FY2023: 58.4%). The return to normalcy post-pandemic has resulted in increased revenue from the MICE segment and food and beverage offerings.

d'Sora posted revenue of RM3.0 million in FY2024, a 20% increase over revenue of RM2.5 million in FY2023. However, the Group's sole hotel has successfully reversed previous year's losses of RM0.22 million to register PAT of RM0.21 million in FY2024.

With the increasing momentum of travel, Management is optimistic of improved performance in the financial year ahead.

CONSTRUCTION

An integral entity of the Matrix business model is Matrix Excelcon, the Group's in-house construction division. Recently, the Construction unit has ventured into high-rise development, being the main contractor for the Levia Residences, expanding its expertise beyond its primary role of managing all construction works of landed properties at the Group's townships. Given it only undertakes internal projects, revenues from Matrix Excelcon are deemed as inter-company transactions and has thus been eliminated.

In FY2024, the revenue achieved by Matrix Excelcon stood at RM552.0 million, significantly higher than the RM320.8 million recorded in FY2023.

Cognisant of the increasing awareness surrounding climate change and the impact on our environment, it is providential to note the Group had already placed sustainability on the agenda of the Board. This has enabled

the continuation of the Group's strong commitment to continue to explore avenues to mitigate the environmental impact of its operations.

This firm commitment has supported Matrix Excelcon's ongoing efforts to explore avenues to minimise or eliminate construction waste, improve maintenance processes, adopt more efficient construction techniques and recycle or reuse material wherever possible.



Elonia II, Bayu Sutura

MANAGEMENT DISCUSSION & ANALYSIS

HEALTHCARE

Since the Group's involvement, MMC has improved its healthcare service to offer high-quality yet affordable medical care and is now regarded as a healthcare provider of choice by the community.

The hospital has steadily increased its range of therapeutic fields to cater to the medical needs of its community and its acceptance is seen in the increase of patient load of 61,189 patients in FY2024, a 9.1% increase over 56,089 patients in FY2023. This precipitated an expansion exercise to which in-patient bed space was increased to 77 beds in FY2024, compared to 57 in FY2023.

In line with the Group's strategy to diversify its revenue stream, the Group has doubled its efforts to strengthen the brand positioning, operational efficiency and financial performance throughout the restructuring and expansion of MMC services. This has led to the maiden contribution of the healthcare division to the Group, with a total contribution of RM5.03 million in the form of management fees entitlement in FY2024.



Magnetic Resonance Imaging (MRI) machine
1.5 Tesla Large bore 70 cm

LOOKING AHEAD

GENERAL ECONOMIC OUTLOOK

The International Monetary Fund's ("IMF") forecast of the world economy in 2024 and just ahead is that of a steady but slow growth, showcasing resilience amidst divergence.

IMF's baseline forecast for the world economy is the continued growth at 3.2% during 2024 and 2025, at the same pace as in 2023.

Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Changes in mortgage and housing markets over the pre-pandemic decade of low interest rates would moderate the near-term impact of policy rate hikes.

Additionally, dimmer prospects for growth in China and other large emerging market economies will be expected to weigh on trading partners.

On the local front, in spite of the turbulent global economy, Malaysia's economy has performed strongly, registering a gross domestic product ("GDP") growth of 3.6% in 2023. This was aided by the positive turnaround in exports on higher external demand and stronger private expenditure domestically.

Bank Negara's expectation for inflation is for it to remain controlled for the rest of the year, with headline inflation for 2024 expected to be at 2% to 3.5% and core inflation estimated at between 2% and 3%.

According to the Ministry of Finance (MoF), Malaysia's economy is expected to grow moderately with the projected growth between 4 - 5% in 2024, driven by domestic demand, sustained and diversified economic structure and coupled with ongoing policy support including the National Energy Transition Roadmap and the New Industrial Master Plan 2030.

It is anticipated that the positive GDP growth momentum will continue in the coming quarters, supported by domestic spending activities continuing to grow on the back of positive labour market conditions, positive income growth and increased tourist arrivals.

In addition, external demand will recover as Malaysia stands to benefit from improvements in the global production and international trade, especially growing demand from major trading partners such as China and the United States.

MANAGEMENT DISCUSSION & ANALYSIS

PROPERTY INDUSTRY OUTLOOK

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2024. This includes the provision of guarantees under the Skim Jaminan Kredit Perumahan, allocations for the implementation of Programme Perumahan Rakyat and the easing of requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia.

Also encapsulated within the Budget 2024 is the focus on infrastructure development, amongst with is the extension of the North-South Expressway and the East Coast Rail Link. Such projects are expected to boost economic activities and increase accessibility and connectivity, also to strategically located property townships.

The national economy is projected to remain in the range of 4.0% to 5.0% in 2024. Supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic given the unpredictable external environment.

The accommodative policies, continuous government support, well-executed measures outlined in Budget 2024, and the proper implementation of strategies and initiatives under RMK-12 are expected to continue supporting growth in the property sector.

OUTLOOK FOR MATRIX

Moving into FY2025 and looking ahead, the Group's prospects remain solid with steady growth driving performance. Our property development segment is anticipated to continue its dominant revenue stream leadership, driven primarily by our townships and Klang Valley developments. In the markets we operate in, the Group is on-track to achieve our target of RM1.3 billion for new property sales.

Internationally, the Group's ventures are equally promising. Following the successful completion of the fully sold M. Greenvale project in Melbourne, Australia, the Group is now focusing on the development of M333 St. Kilda, its largest project in Australia to date. This mixed-use development, situated within walking distance of iconic Melbourne landmarks, is expected to garner significant interest for its lifestyle offerings.



In Indonesia, the Group's maiden development, Menara Syariah in Pantai Indah Kapuk 2, Jakarta, completed in FY2024, marking a significant milestone. This accomplishment is poised to bolster the Group's financial performance for FY2025 and pave the way for the launch of its second project in Indonesia. Working with joint venture partners or on its own, Matrix will continue to explore potentials in other cities.

Our support to MVV City aligns with the aspirations of the nation to build a world-class metropolis and serve as the new socio-economic catalyst, to complement the growth of Klang Valley. This is envisioned to be the Group's next visible growth avenue, aiming to significantly increase our earnings from our Negeri Sembilan developments.

Beyond its property development arm, the Group is actively seeking to enhance its other business units, including education, healthcare and hospitality divisions. The Group has entered into a strategic partnership with Adcote Schools, United Kingdom to improve its operational efficiency and strengthen its academic offerings and revenue growth, while allowing greater access to the enrolment of foreign students and recruitment of quality expatriate teaching force.

The Group's venture into healthcare is already bearing fruit. Since the third quarter of financial year ended 31 March 2024, the Group enjoys healthy contribution from MMC and the said income stream is expected to strengthen with a planned increase in patient beds over the next 12 months. MMC's approach will continue to be patient-focused, looking to improve on treatment offerings and patients' satisfaction levels. We will continue to explore opportunity to support medical tourism with patients from abroad.

MANAGEMENT DISCUSSION & ANALYSIS



Our hospitality divisions, comprising of d'Tempat Clubhouse and d'Sora Boutique, will maintain their steady progression, aligning with their strategic business plans to increase memberships, occupancy and usage of facilities.

Acknowledging the critical importance of our people as our core assets, we are investing in human capital development through continuous learning programmes, leadership training and fostering a culture of diversity, equality and inclusivity. By equipping our workforce with the necessary skills and knowledge, we enhance their ability to drive innovation and adapt to changing market dynamics. This focus on human capital not only boosts employee satisfaction and retention but also ensures that we have the talent needed to sustain our growth and innovation efforts.

We proudly affirm our unwavering commitment to the community we live and work in. We will continue to strengthen our contribution to social causes, community development and corporate governance. By aligning our business practices with broader ESG goals, we are confident of enhancing our reputation and building trust with our stakeholders. This holistic approach ensures that we not only achieve financial success but also contribute positively to society and the environment.

Cognisant of the growing awareness on environmental impact, we have integrated sustainability into our core strategy. Our initiatives include reducing carbon footprints through green energy adoption to meet the increasing demand for sustainable practices from consumers and stakeholders. This has served to enhance our market position and brand value.

Given the evolving environment and market trends, there is a critical need for businesses to adapt using business agility and resilience. Such attributes have been the bedrock of our achievements at Matrix for 27 years. To achieve this, we had streamlined our processes, reduced costs, and created new revenue streams, thus ensuring our business model remained robust and adaptable.

Moving forward, our strategic priorities across our business divisions has been carefully mapped out and will be implemented in FY2024 and onwards. The Group will continue to enhance our property development offerings to meet market demands and improve customer satisfaction to strengthen our brand reputation. The Group's active effort to further diversify and strengthen its revenue streams, is expected to contribute to its long-term sustainability and growth trajectory.

There is much uncertainty of the future, given the unpredictable geopolitics, fluctuating economy, environmental changes and evolving market trends. Nonetheless, Matrix is confident that the Group's business model and resilience of people and processes, will withstand the challenging headwinds of the future.

The Group will continue to seek ways to accelerate our growth towards the realisation of our vision and mission and to create continued value for our stakeholders.

HO KONG SOON
GROUP MANAGING DIRECTOR

30 June 2024