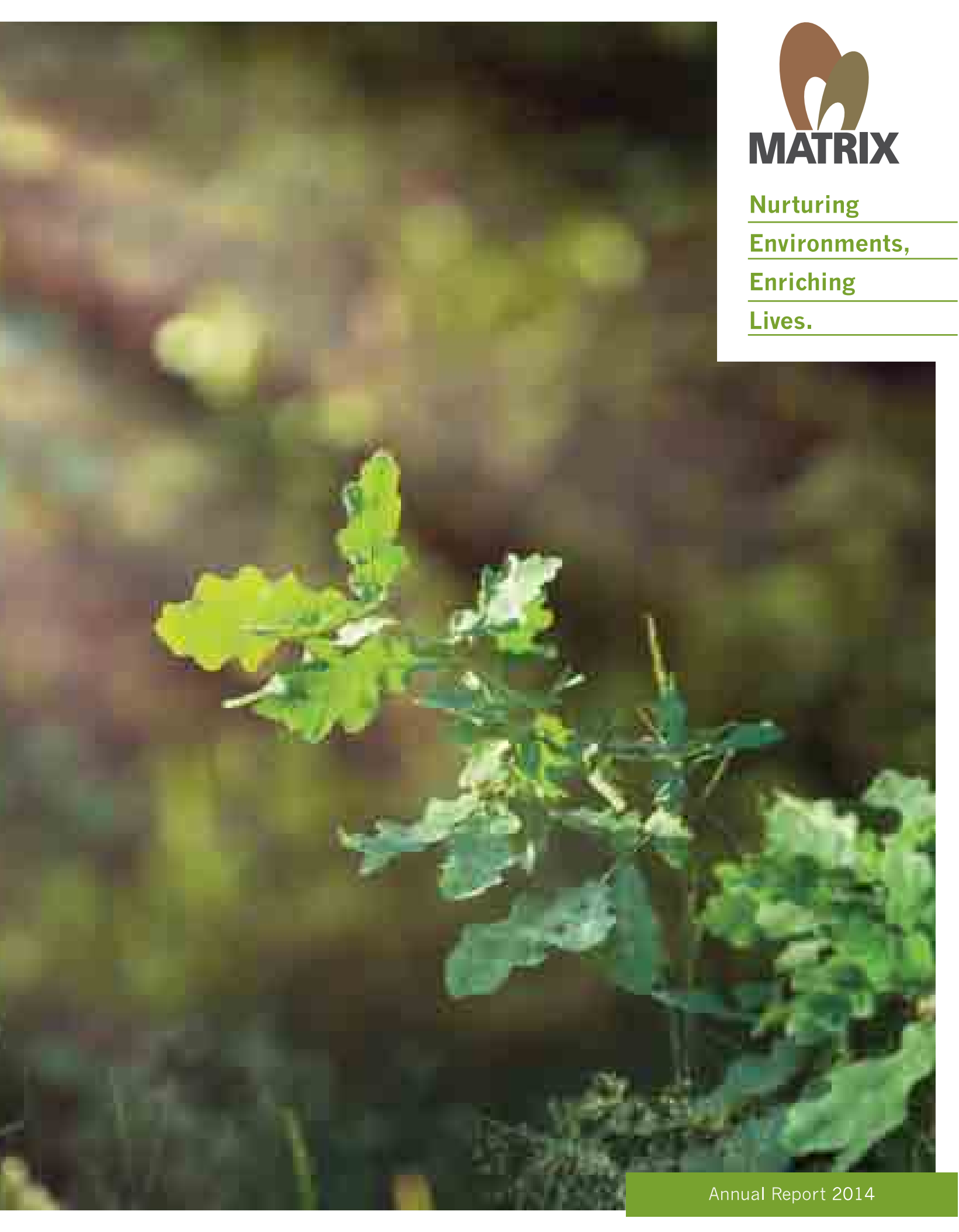
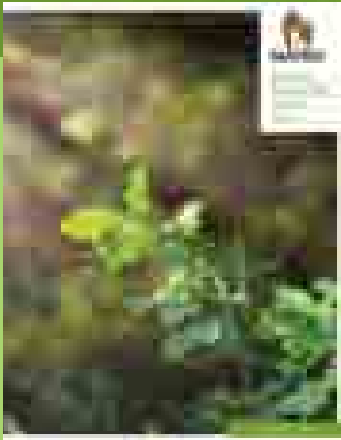




**MATRIX**

**Nurturing**  
**Environments,**  
**Enriching**  
**Lives.**





# Cover Rationale

---

The portrayal of leaves at dawn represents enrichment of the environment, while the sunlight a nurturing source. In its entirety, the image represents Matrix Concepts Holdings Berhad's vision as a developer to create harmonious balance between modernisation and preservation of the environment for sustainable living. The balance goes beyond our business as we reach out to our customers, shareholders, employees and the community in our mission to realise their aspirations consistent with our tagline, "*Nurturing Environments, Enriching Lives*".

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# Vision, Mission & Corporate Profile

## VISION

The creation of a benchmark – nurturing environment and enriching lives by being a caring and community developer. Providing premier and quality education for our future generation and diversify into sustainable property investment.

## MISSION

- i) Strive to consistently exceed our customers' expectations through delivering par excellence products and professional services for total customer satisfaction.
- ii) Continuously develop our highly-valued human capital based on meritocracy to ensure continuous growth for both the business and stakeholders.
- iii) Creation and enhancing shareholders' value and fulfillment of our corporate social responsibilities.

## CORPORATE PROFILE

The Matrix Group has to date, successfully completed and sold 22,000 residential and commercial properties with a Gross Development Value ("GDV") of RM2.5 billion. Currently the Group is embarking on two (2) flagship developments, which will propel the growth of the Group over the next 10-15 years with a combined GDV of approximately RM5 billion. The strength of the Group, among others, are its marketing strategies, delivering end-products ahead of schedule, good customer services and a team of committed and responsible workforce. The Group was accredited with ISO 9001 status by BM TRADA OF UK in August 2005 and listed on Main Board of Bursa Malaysia Securities Berhad on 28 May 2013.

# Achieving New Heights in 2014

## Group Revenue

**RM598.8  
MILLION**

2013 - RM574.0 Million

## Group Pre-Tax Profit

**RM244.6  
MILLION**

2013 - RM205.1 Million

## Group Net Profit

**RM182.2  
MILLION**

2013 - RM151.6 Million

## Market Capitalisation

**RM1.23  
BILLION**

2013 - RM660 Million



# Corporate Information

## BOARD OF DIRECTORS

### **Dato' Haji Mohamad Haslah Bin Mohamad Amin**

Chairman

(Non-Independent Non-Executive Director)

### **Dato' Lee Tian Hock**

Group Managing Director/Chief Executive Officer

(Non-Independent Executive Director)

### **Ho Kong Soon**

Group Deputy Managing Director/Chief Operating Officer

(Non-Independent Executive Director)

### **Dato' Firdaus Muhammad Rom Bin Harun**

(Independent Non-Executive Director)

### **Dato' (Ir.) Batumalai A/L Ramasamy**

(Independent Non-Executive Director)

### **Rezal Zain Bin Abdul Rashid**

(Independent Non-Executive Director)

### **Salmah Binti Sharif**

(Independent Non-Executive Director)

## AUDIT COMMITTEE

Rezal Zain Bin Abdul Rashid (Chairman)

Dato' Firdaus Muhammad Rom Bin Harun

Salmah Binti Sharif

## COMPANY SECRETARY

Loo Kah Boon

(MAICSA 0784630)

## REGISTERED OFFICE

Wisma Matrix

57, Jalan Tun Dr Ismail,

70200 Seremban,

Negeri Sembilan.

Tel : +606-7642 688

Fax : +606-7646 288

Website : www.mchb.com.my

## REMUNERATION COMMITTEE

Salmah Binti Sharif (Chairperson)

Dato' Lee Tian Hock

Dato' (Ir.) Batumalai A/L Ramasamy

## NOMINATION COMMITTEE

Dato' Firdaus Muhammad Rom Bin Harun (Chairman)

Dato' (Ir.) Batumalai A/L Ramasamy

Rezal Zain Bin Abdul Rashid

## RISK MANAGEMENT COMMITTEE

Rezal Zain Bin Abdul Rashid (Chairman)

Ho Kong Soon

Salmah Binti Sharif

## ESOS COMMITTEE

Dato' (Ir.) Batumalai A/L Ramasamy (Chairman)

Dato' Firdaus Muhammad Rom Bin Harun

Ho Kong Soon

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Board

Property Sector

## STOCK NAME AND CODE

MATRIX (5236)

## AUDITORS

Crowe Horwath (AF1018)

52, Jalan Kota Laksamana 2/15,

Taman Kota Laksamana, Seksyen 2,

75200 Melaka.

Tel : +606-2825 995

Fax : +606-2836 449

## REGISTRAR

Bina Management (M) Sdn Bhd

Lot 10, The Highway Centre,

Jalan 51/205,

46050, Petaling Jaya,

Selangor.

Tel : +603-7784 3922

Fax : +603-7784 1988

## BANKERS

Amlslamic Bank Berhad

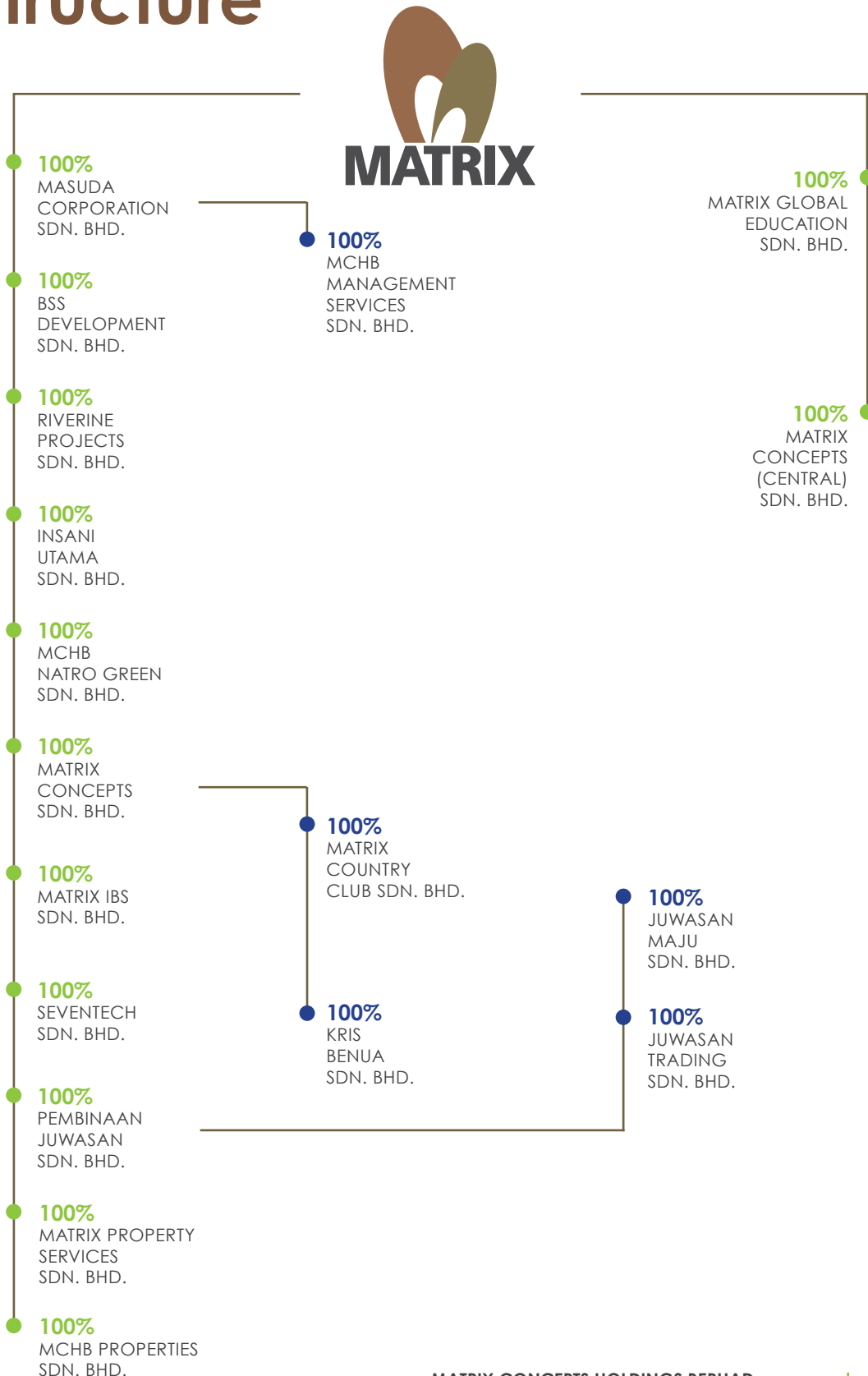
AmBank Berhad

Public Bank Berhad

Maybank Islamic Berhad

Hong Leong Bank Berhad

# Corporate Structure



# Financial Highlights

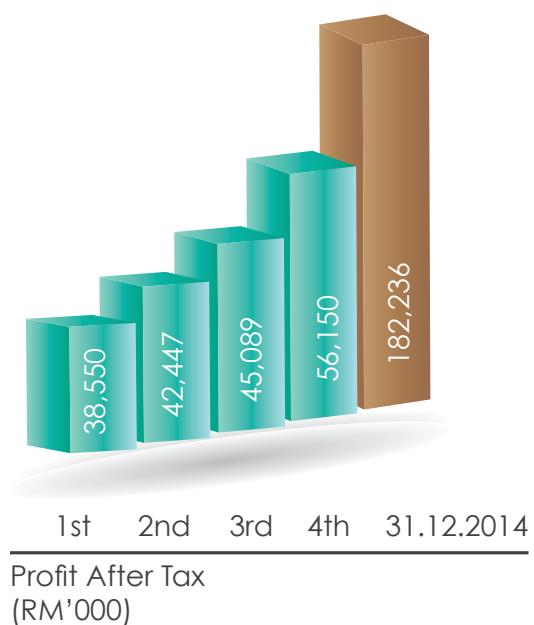
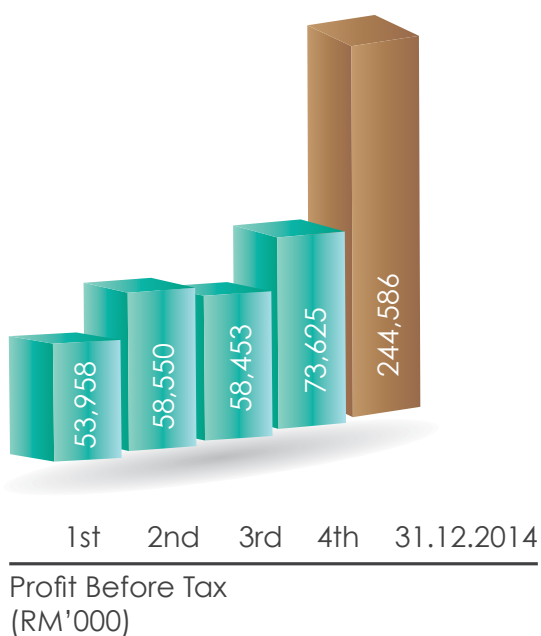
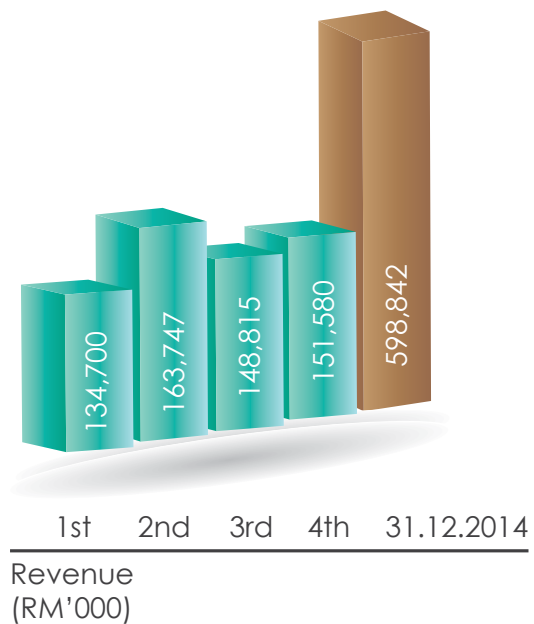
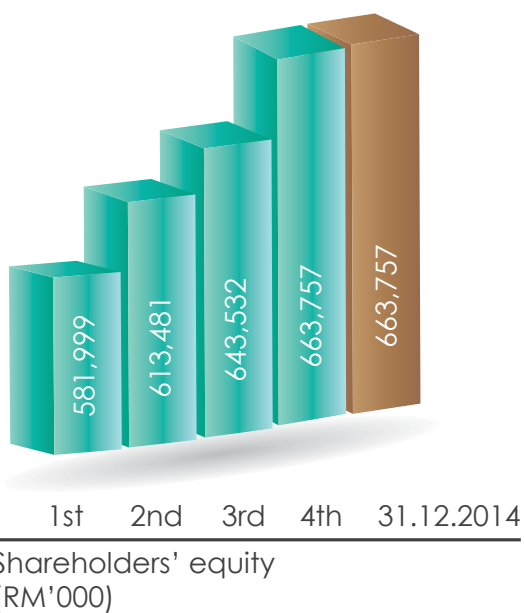
## Group Quarterly Performance For The Financial Year Ended 31 December 2014

In RM'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year Ended 31.12.2014
Revenue	134,700	163,747	148,815	151,580	598,842
Cost of sales	(66,913)	(89,184)	(65,055)	(49,769)	(270,921)
Operating expenses	(14,061)	(16,445)	(25,491)	(28,536)	(84,533)
Operating profit	53,726	58,118	58,269	73,275	243,388
Other income	671	786	651	1,811	3,919
Finance cost	(439)	(354)	(467)	(1,461)	(2,721)
Share of net results of associate	-	-	-	-	-
Profit before taxation	53,958	58,550	58,453	73,625	244,586
Taxation	(15,408)	(16,103)	(13,364)	(17,475)	(62,350)
Profit after taxation	38,550	42,447	45,089	56,150	182,236
Profit attributable to owners of the company	38,550	42,447	45,089	56,150	182,236
Shareholders' equity	581,999	613,481	643,532	663,757	663,757
Earning per share (sen)	12.8	14.0	10.5	12.3	40.0
Return on equity *	26.5%	27.7%	28.0%	33.8%	27.46%
* annualised					



# Group Quarterly Performance Chart

For The Financial Year Ended 31 December 2014





## Fostering Excellent Services

*We are synergising our capabilities to deliver reliable and excellent services and building trusted relationships with our valued customers.*



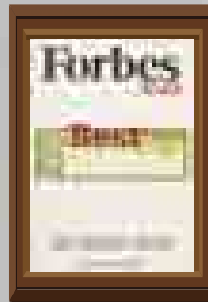
# Awards & Recognitions

Matrix continues to achieve excellent track records and has been accredited with several awards as follows:-



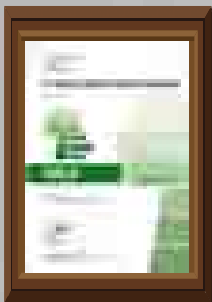
## WORLD SENSE OF PLACE Sustainable Township of The Year 2013

Matrix Concepts Holdings Berhad's flagship integrated township "Bandar Sri Sendayan" in Seremban, Negeri Sembilan attained the accolade as the "Sustainable Township of the Year 2013".



## FORBES ASIA Best Under A Billion 2014

Matrix Concepts Holdings Berhad - one of the best small and mid-sized listed companies in Asia Pacific with annual revenue under USD1 billion.



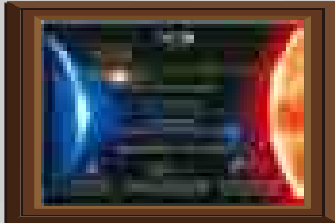
## GREEN BUILDING INDEX (GBI) Gold (Provisional) Certificate 2013

d'Tempat Country Club - conferred the "Gold Standard" (Provisional) by the Green Building Index (GBI) for design assessment.



## THE EDGE The Edge Billion Ringgit Club 2014

Matrix Concepts Holdings Berhad - a member of The Edge Billion Ringgit Club.

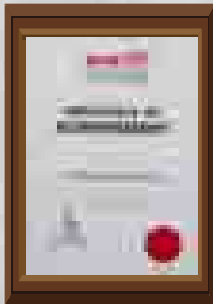


## **SME RECOGNITION AWARD**

### **Platinum Entrepreneur Award 2014**

#### **Dato' Lee Tian Hock**

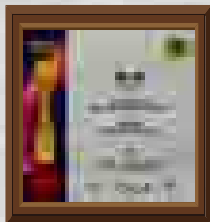
The Platinum Entrepreneur 2014 Award bestowed on Dato' Lee Tian Hock as a successful individual being an outstanding entrepreneur and leader of the industry.



## **SME100 AWARD**

### **Fast Moving Companies 2014**

Matrix Global Education Sdn Bhd - awarded with the SME100.



## **THE BRANDLAUREATE**

### **SMEs Corporate Branding Award 2014**

#### **Matrix Global Schools**

Matrix Global Schools - awarded with The BrandLaureate SMEs Corporate Branding Award 2014, under the category of 'Education - International Schools'.

# Significant Media Highlights





## Board of Directors' Profile

### **Dato' Haji Mohamad Haslah Bin Mohamad Amin**

*Aged 62, Malaysian  
Chairman*

Dato' Haji Mohamad Haslah Bin Mohamad Amin was appointed to the Board on 2 April 2012. He holds a Diploma in Banking from the Institute of Bankers, London, United Kingdom.

Dato' Haji Mohamad Haslah started his career in 1974 with the Malayan Banking Berhad group. In 1995, he joined Peregrine Fixed Income Limited, Hong Kong as Executive Director. In 1999, he was appointed as Country Director in Fleet Boston NA, Singapore. He subsequently joined Pacific Plywood Holdings Limited, Hong Kong, as Financial Advisor from 2000 to 2001.

Dato' Haji Mohamad Haslah does not have any family relationship with other Directors and / or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10) years.



### **Dato' Lee Tian Hock**

*Aged 57, Malaysian*

*Founder, Group Managing Director*

Dato' Lee Tian Hock was appointed to the Board on 4 March 1997. He is currently a Member of the Remuneration Committee

Dato' Lee Tian Hock is a graduate in Housing, Building and Planning, having obtained his degree from Universiti Sains Malaysia in 1983. He currently spearheads the Group's business direction and overall strategies and policies. He has more than 30 years of experience in the property development industry where he had held various executive positions throughout his career. In 1992, he was the General Manager with N.S. Industrial Development Corporation Sdn Bhd and was seconded to NS Township Development Sdn Bhd where he was involved in the general management of the development of the Bandar Baru Nilai Township (now known as Putra Nilai) which covers an area of approximately 6,000 acres with a GDV of approximately RM5.5 billion.

In 1995, Dato' Lee Tian Hock was appointed as the Managing Director of Semangat Tinggi Sdn Bhd which he assist the development of luxurious bungalows with a total estimated GDV of RM55 million wherein 80% of the bungalows units were sold during launch.

He later sold his equity interest in Semangat Tinggi Sdn Bhd and founded the Matrix Concepts Group in 1997 and was appointed as the Group Managing Director. He oversaw the maiden development of the medium cost mixed housing scheme known as Taman Bahau in Bahau, Negeri Sembilan. Taman Bahau was launched by the then Menteri Besar of Negeri Sembilan on 7 August 1997 with a GDV of approximately RM35 million. Since then, he had successfully led the Group to become a reputable developer in Negeri Sembilan and Johor including two major townships which are flagship developments of the Group among many other mixed residential and commercial developments.

Same and except for what was disclosed in this Annual Report, Dato' Lee Tian Hock does not have any family relationship with other Directors and/or major shareholders of Matrix. Other than what was disclosed in the recurrent related party transactions on pages 168 and 169 of this Annual Report, he has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10) years.





### **Ho Kong Soon**

Aged 48, Malaysian

*Group Deputy Managing Director/Chief Operating Officer*

Ho Kong Soon was appointed to the Board on 30 December 2002. He is currently a Member of the Risk Management Committee and ESOS Committee. His current responsibilities include overall project management as well as overseeing the daily operations of the Group.

Ho Kong Soon obtained a Bachelor of Engineering degree from University of Malaya in 1992. He started his career in 1992 as a Project Engineer in NS Industrial Development Sdn Bhd and was involved in the development of the Allson Klana Resort Hotel, Kasturi Klana Park condominium and the Taman Semarak housing scheme, all in Negeri Sembilan. In 1994, he was promoted to Project Manager in the same company and was put in charge of project feasibility study and the initial planning of the 6,000-acre Nilai New Township in Negeri Sembilan. In 1995, he joined Potential Region Sdn Bhd as Project Manager and was involved in the development of a 220-acre orchard homestead resort in Port Dickson, Negeri Sembilan and residential houses in Sri Senawang, Negeri Sembilan.

He was appointed as a Director and General Manager of Matrix in 1997 and oversaw the implementation of the Taman Bahau and Seri Telawi projects in Negeri Sembilan. He was later promoted to Group Deputy Managing Director / Chief Operating Officer in 2012.

Ho Kong Soon does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10) years.



### **Dato' Firdaus Muhammad Rom Bin Harun**

Aged 65, Malaysian

*Independent Non-Executive Director*

Dato' Firdaus Muhammad Rom Bin Harun was appointed to the Board on 2 April 2012. He is currently the Chairman of the Nomination Committee and a Member of the Audit Committee and ESOS Committee. He holds a Certificate in Public Relations from the Institute of Public Relations, London and a Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom.

Dato' Firdaus Muhammad Rom Bin Harun has over 39 years of experience in the corporate sector and civil service. He began his career as a Public Relation Officer in the Fisheries Development Authority in the Ministry of Agriculture in year 1973 until 1980. In year 1981, he joined Amanah Saham Nasional Berhad ("ASNBN") as a Marketing Executive based at ASNBN's headquarters in Kuala Lumpur. In year 1982, he was appointed as a Manager of ASNBN's Negeri Sembilan Branch. He was then promoted in year 1984 to Regional Manager of the Southern Region, covering Negeri Sembilan, Melaka and Johor. In year 1987, he was promoted to the Head of Analysis and Research Unit and Assistant Manager of the Marketing Department of ASNBN. He was further promoted to Manager and Senior Manager of the Marketing Department of ASNBN in year 1991 and year 1994 respectively. In year 1994, he held the position of Senior Manager in the Marketing and Branch Operations Department of ASNBN. He subsequently resigned from ASNBN in 1995 to contest in the General Election.

In year 1995, Dato' Firdaus Muhammad Rom Bin Harun became a Member of the Negeri Sembilan State Legislative Assembly for Chembong until 2004. In year 2004, he was elected as a Member of Parliament for the Constituency of Rembau and served as member of Parliament until 2008. In year 2008, he was appointed as the Political Secretary to the Menteri Besar of Negeri Sembilan. Presently, Dato' Firdaus Muhammad Rom Bin Harun is a training consultant.

Dato' Firdaus Muhammad Rom Bin Harun does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10 ) years.



### **Rezal Zain Bin Abdul Rashid**

Aged 47, Malaysian

*Independent Non-Executive Director*

Rezal Zain Bin Abdul Rashid was appointed to the Board on 8 August 2012. He is currently the Chairman of the Audit Committee and Risk Management Committee and a Member of the Nomination Committee. He holds a Bachelor of Arts (Accounting) degree from the University of Canberra, Australia and also a member of the Malaysian Institute of Accountants and CPA Australia.

He began his career in audit with KPMG Desa Megat in 1989 until 1993. He then subsequently joined Peat Marwick Consultants in 1993 where he was involved in numerous assignments ranging from the development of policies and procedures, market studies as well as privatisation studies. In 1995, he resigned from Peat Marwick Consultants and joined Arab Malaysian Merchant Bank Bhd ("AMMB") as an Assistant Manager in the corporate finance department where he participated in numerous merger and acquisition exercises.

He left AMMB in 1996 and joined TDM Berhad as a Business Development Manager where he successfully completed several acquisition exercises. In year 1999, he was promoted to Chief Operating Officer of TDM Berhad where he supported the Board of Director and Chief Executive Officer of TDM Berhad.

Subsequently in 2000, Rezal Zain Bin Abdul Rashid successfully completed a management buyout of TD Technologies Sdn Bhd, then a subsidiary of TDM Berhad. Presently, he is a Director of TD Technologies Sdn Bhd and also an Independent Non-Executive Director of Fima Corporation Berhad and YFG Berhad.

Rezal Zain Bin Abdul Rashid, does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10) years.



### **Dato' (Ir.) Batumalai A/L Ramasamy**

Aged 67, Malaysian

*Independent Non-Executive Director*

Dato' (Ir.) Batumalai A/L Ramasamy was appointed to the Board on 28 December 2012. He is currently the Chairman of the ESOS Committee and a Member of the Nomination Committee and Remuneration Committee. He holds a Diploma in Civil Engineering from Universiti Teknologi Malaysia and a Bachelor of Science in Civil Engineering from the University of Aberdeen, Aberdeen, Scotland. He is also Fellow Member of the Institute of Engineers, Malaysia and a Registered Professional Engineer with the Board of Engineers, Malaysia.

Dato' (Ir.) Batumalai started his career as a Technical Assistant with the Department of Irrigation and Drainage ("DID"), Kuala Lumpur in 1969. During his 5 years there, his main responsibilities were to assist in the planning and designing of drainage and irrigation schemes. He assumed the role of Engineer with the DID, Kuala Lumpur in 1975 prior to being promoted to Project Engineer with the DID, Kedah in 1976. After 12 years with the DID, Kedah, he was promoted to District Engineer with the DID, Perak and subsequently appointed as Director of the DID, Negeri Sembilan in 1994. After 35 years of service in the DID, he retired in 2003. Presently, he is an Associate Director of O&L Jurutera Perunding, Melaka.

Dato' (Ir.) Batumalai A/L Ramasamy does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 176 of this Annual Report. He has no conviction of any offences within the past ten (10) years.

**Salmah Binti Sharif**

Aged 53, Malaysian

*Independent Non-Executive Director*

Salmah Binti Sharif was appointed to the Board on 19 November 2013. She is currently the Chairperson of the Remuneration Committee and a Member of the Audit Committee and Risk Management Committee. She holds a Bachelor of Law from University Teknologi MARA (UiTM) and was admitted to the Malaysian Bar as an Advocate and Solicitor at the High Court of Malaya in 1990.

She was a Corporate Legal Advisor and Director with more than twenty (20) years of working experience in listed and non-listed companies. In year 1994 to 2007, she held the position as the Director of Legal and Support and Company Secretary of Khazanah Nasional Berhad.

Salmah Binti Sharif does not have any family relationship with other Directors and/or major shareholders of Matrix. She has no conflict of interest and does not hold any shares in Matrix. She has no conviction of any offences within the past ten (10) years.

# Management Team

**NIL LI R.DERAMAN**  
Head, Internal Audit

**TEE KAM MEE**  
Head, Accounts

**ONG ENG HOCK**  
Head, Group Corporate Legal



**CARMEN LOO KAH BOON**  
Group Company Secretary

**LOUIS TAN SAY KUAN**  
Chief Financial Officer

**HOW GIOK WAH**  
Corporate Sales Advisor

**TEOW KIM SEONG**  
CEO's Office -  
External Affairs

**LEE YEE KIT**  
Deputy Head,  
QAQC & Maintenance

**CHAN YEE CHUN**  
Deputy Head,  
Group Corporate  
Communication &  
Public Relations



**MOHAMAD NOR ABAS**  
Head, Group  
Human Resource & Admin Division

**FELIX LEE ENG BOON**  
CEO, Matrix Global Schools

**MUSTAZA MUSA**  
Head, Authority Liaison

**SHUY YAU LENG**  
Deputy Head, NS Project

**ZAZALI ALIAS**  
Head, Security

**ALEX LIM KEE LIAN**  
Head, Sales & Marketing



**CHANG PAU CHIN**  
Head, Group Contract Division

**BRYAN LEE THIAN LONG**  
Deputy Head,  
Group Sales & Marketing Division



**TEH CHEE SENG**  
Head, M&E & Procurement

**NG CHEE LEONG**  
Head, Architecture & Design

**TAN SENG HENG**  
Head, Klang Project

**GOH NIAN TEE**  
Head, Civil & Structure



**TAN SZE CHEE**  
Deputy Head,  
Group Project Planning Division

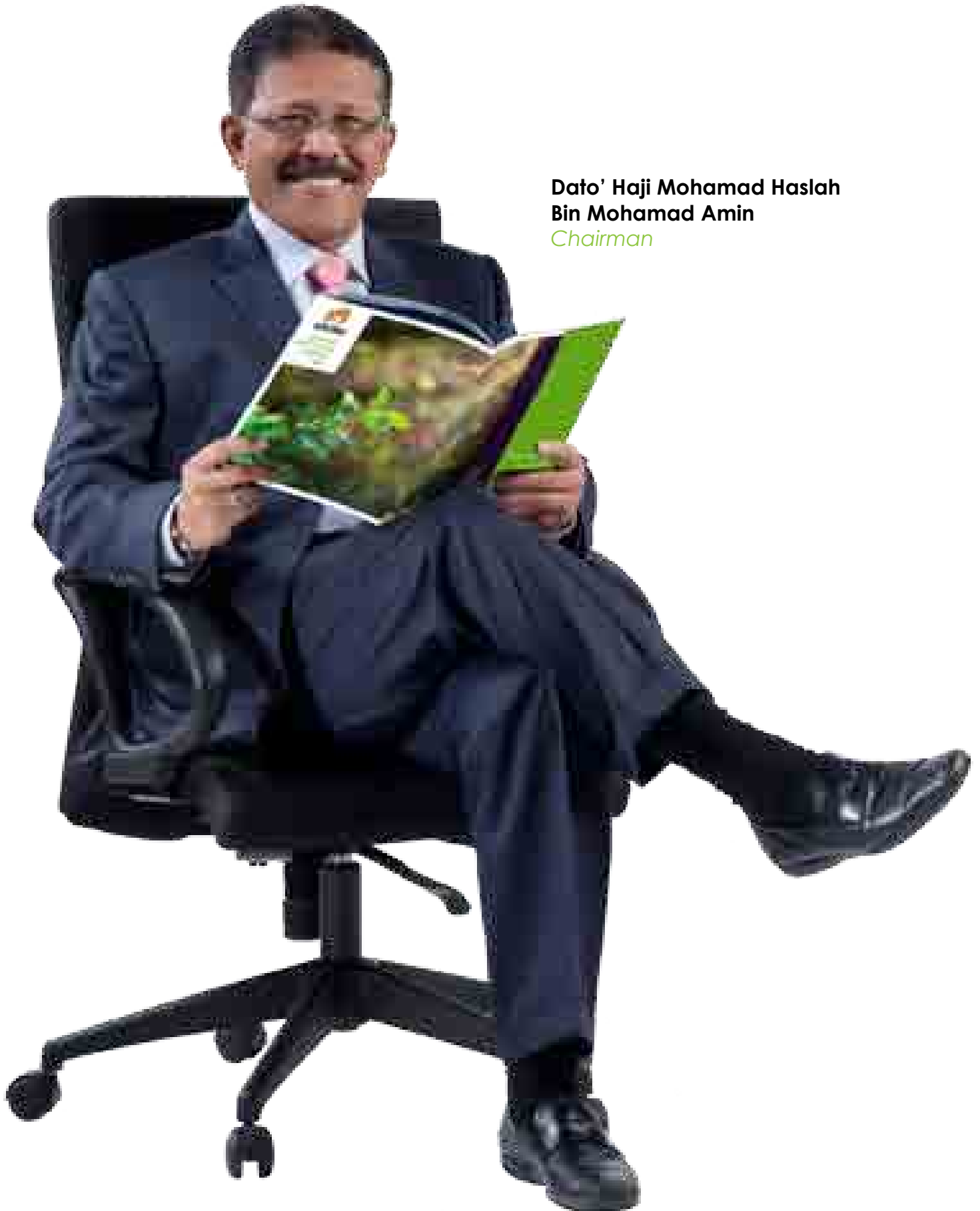
**TIONG TING HAP**  
Deputy Head,  
Group Project Management Division



## Valuing Innovative Connections

*Innovative electronic media improvement has resulted in effective communication to stay connected with our valued customers.*





**Dato' Haji Mohamad Haslah  
Bin Mohamad Amin**  
*Chairman*

DEAR  
SHAREHOLDERS,

The property sector was set against a cautious backdrop in 2014 as various cooling measures were progressively introduced by the authorities. These included the removal of Developer Interest Bearing Scheme (DIBS), increment of Real Property Gains Tax (RPGT), as well as stricter lending measures announced by Bank Negara Malaysia.

PARA PEMEGANG SAHAM  
YANG DIHORMATI,

Sektor hartanah telah bermula dengan suasana pasaran yang berhati-hati pada 2014 memandangkan pelbagai langkah kekangan telah diperkenalkan secara berperingkat-peringkat oleh pihak berkuasa. Langkah-langkah ini termasuklah pemansuhan Skim Tanggungan Faedah Pemaju (DIBS), kenaikan Cukai Keuntungan Harta Tanah (RPGT), dan juga langkah-langkah peminjaman lebih ketat yang telah diumumkan oleh Bank Negara Malaysia.

# Chairman's Statement

## Penyata Pengerusi



Despite these restrictive measures tempering investor sentiments, I am pleased to note that the Matrix Concepts Holdings Berhad group of companies ("the Group") successfully charted new milestones in our financial performance, on the back of encouraging property sales in the financial year ended 31 December 2014 ("FY2014").

During the year, Matrix Concepts Holdings Berhad ("Matrix") benefited from keen buying interest for both residential and commercial properties in our flagship township developments – Bandar Sri Sendayan, Negeri Sembilan and Taman Seri Impian in Johor. Similarly, our industrial development – Sendayan TechValley – continued to attract significant foreign investment from industrial manufacturing heavy weights in the region as well as internationally.

Notably, the Group was also recognised by Forbes magazine to rank among its 2014 Asia's Best Under a Billion list, an annual compilation of 200 top-performing small-and-medium-sized enterprises with annual revenue of less than USD1 billion from across the Asia Pacific region.

With our collective achievements to date, it is my pleasure to present to you the 2014 Annual Report and Audited Financial Statement for Matrix on behalf of the Board of Directors.

Meskipun langkah-langkah kekangan ini menggugat sentimen pelabur, saya dengan sukacita ingin menarik perhatian bahawa Matrix Concepts Holdings Berhad dan kumpulan syarikat-syarikatnya ("Kumpulan") telah berjaya mencatatkan peristiwa-peristiwa penting baru dalam pencapaian kewangan kami, dengan sokongan jualan hartanah yang menggalakkan pada tahun kewangan berakhir 31 Disember 2014 ("FY2014").

Pada tahun itu, Matrix Concepts Holdings Berhad ("Matrix") telah mendapat manfaat daripada minat pembelian mendalam untuk kedua-dua hartanah kediaman dan komersil di pembangunan perbandaran kemegahan kami – Bandar Sri Sendayan, Negeri Sembilan dan Taman Seri Impian di Johor. Secara serupa, pembangunan hartanah industri kami – Sendayan TechValley – terus menarik pelaburan asing yang penting daripada gergasi-gergasi industri pembuatan di rantau ini dan juga antarabangsa.

Harus dikongsikan terutamanya, Kumpulan kami juga telah diiktiraf oleh majalah Forbes untuk tersenarai dalam kalangan Di Bawah Satu Bilion Terbaik Asia 2014, yang merupakan kompilasi tahunan 200 perusahaan berprestasi cemerlang yang bersaiz kecil dan sederhana dengan pendapatan tahunan kurang daripada 1 bilion USD di seluruh rantau Asia Pasifik.

Dengan pencapaian kolektif kami setakat ini, maka saya bagi pihak Lembaga Pengarah dengan rasa sukacita ingin mempersembahkan kepada anda Laporan Tahunan dan Penyata Kewangan Beraudit 2014 untuk Matrix.



Matrix receives 2014 Forbes Asia Best Under A Billion award



*d'Tempat Country Club accredited with "Gold Standard" (Provisional) from the Green Building Index (GBI)*

## FINANCIAL PERFORMANCE

Matrix delivered our best-ever revenue of RM598.8 million in FY2014, increasing 4.3% from RM574.0 million a year ago. This was attributable to new launches and strong take-up rate in both Bandar Sri Sendayan and Taman Seri Impian, were enhanced by further stages of completion in the ongoing projects at the townships. Additionally, the Group registered increased sales of industrial properties in Sendayan TechValley.

Benefitting from the larger topline and improved product mix, the Group's pre-tax profit leaped 19.3% to RM244.6 million, from RM205.1 million previously. Net profit jumped 20.2% to a record-high of RM182.2 million, compared to RM151.6 million in the previous year.

Furthermore, the Group maintained a strong balance sheet as at 31 December 2014, emphasising on sustainable growth.

Shareholders' equity grew to RM663.8 million from RM529.1 million previously, due to higher retained profits and share capital. However, the Group's borrowings rose to RM78.2 million from RM50.9 million previously, in line with our broader scope of development activities. That said, the Group still maintained a commendable net cash position.

On a whole, I am pleased to note that the Group performed commendably in FY2014, and look forward to again delivering respectable growth in the coming years.

## PENCAPAIAN KEWANGAN

Matrix menghasilkan pendapatan terbaik kami setakat ini yang berjumlah RM598.8 juta pada FY2014, meningkat 4.3% daripada RM574.0 juta pada tahun sebelumnya. Ini didokong oleh pelancaran baru dan kadar pembelian kukuh di kedua-dua Bandar Sri Sendayan dan Taman Seri Impian, yang telah dipertingkatkan oleh tahap penyediaan selanjutnya dalam projek-projek sedang berjalan di perbandaran tersebut. Tambahan lagi, Kumpulan ini telah mencatatkan peningkatan jualan hartanah industri di Sendayan TechValley.

Mendapat faedah daripada senarai hartanah terbaik yang lebih besar dan penambahbaikan campuran produk, keuntungan sebelum cukai Kumpulan ini melonjak 19.3% kepada RM244.6 juta, daripada RM205.1 juta sebelumnya. Keuntungan bersih melonjak 20.2% kepada rekod tertinggi RM182.2 juta, berbanding RM151.6 juta pada tahun sebelumnya.

Tambahan pula, Kumpulan ini mengekalkan kunci kira-kira kukuh setakat 31 Disember 2014, dengan menekankan pertumbuhan lestari.

Ekuiti pemegang saham berkembang kepada RM663.8 juta daripada RM529.1 sebelumnya, disebabkan oleh keuntungan tertahan dan modal saham lebih tinggi. Walau bagaimanapun, pinjaman Kumpulan ini meningkat kepada RM78.2 juta daripada RM50.9 juta sebelumnya, selari dengan ruang lingkup aktiviti-aktiviti pembangunan kami yang lebih luas. Walaupun

## DIVIDENDS

Since our listing in 2013, Matrix instituted a dividend policy to distribute at least 40% of the Group's net profit to shareholders.

Therefore, the Board had declared total dividends amounting to 17.33 sen per share in respect of FY2014,

During the year, the Board declared first, second, and third tax-exempt dividends of 3.331 sen, 3.75 sen, and 3.75 sen respectively. The Group had also paid a fourth interim tax-exempt dividend of 5.25 sen and special dividend of 1.25 sen for the FY 2014.

This brings the total dividend payout in respect of FY2014 to RM79.2 million, representing 43.5% of net profit for the year.

## CORPORATE DEVELOPMENTS

On 21 July 2014, Matrix completed the one-for-two Bonus Issue of 152.2 million new shares. The corporate exercise effectively raised our share capital from RM301.2 million to RM453.4 million, which has certainly improved the trading liquidity of Matrix shares on Bursa Malaysia Securities Berhad.

## FUTURE OUTLOOK

### **Property Development**

Property players are expected to adopt a cautious short-term outlook due to tepid consumer sentiment.

This comes as the country is anticipated to face economic challenges in the year ahead, on cautious domestic spending and lacklustre external demand due to ongoing uncertainties in various global economies. Also, the implementation of the Goods and Services Tax ("GST") in April 2015 may effect a temporary slowdown in property purchases.

That said, we remain confident of the viability of our developments due to the sustained long-term demand for new housing in Malaysia. This is further justified by positive feedback from our property buyers, as well as a growing young population in Negeri Sembilan and Johor.

Notably, the majority of our residential launches are priced affordably below the RM500,000 mark, while our higher-premium launches are priced not more than RM700,000 per home. This stands us in good stead to tap into growing demand for new housing in these regions.

begitu, Kumpulan ini masih mengekalkan kedudukan tunai bersih yang patut dipuji.

Secara keseluruhan, saya dengan rasa sukacita ingin menyatakan bahawa Kumpulan ini telah menunjukkan prestasi yang membanggakan pada FY2014, dan mengharapkan untuk sekali lagi mencatatkan pertumbuhan yang lebih besar pada tahun-tahun mendatang.

## DIVIDEN

Sejak penyenaian kami pada 2013, Matrix telah mewujudkan polisi dividen untuk mengagihkan sekurang-kurangnya 40% daripada keuntungan bersih kumpulan kepada pemegang saham.

Oleh itu, pihak Lembaga telah mengisytiharkan dividen keseluruhan berjumlah 17.33 sen sesaham bagi FY2014.

Pada tahun itu, pihak Lembaga telah mengisytiharkan dividen dikecualikan cukai pertama, kedua, dan ketiga di mana masing-masing berjumlah 3.331 sen, 3.75 sen, dan 3.75 sen. Kumpulan ini juga telah membayar dividen dikecualikan cukai interim keempat berjumlah 5.25 sen dan dividen khas berjumlah 1.25 sen untuk FY2014.

Ini menjadikan pembayaran dividen keseluruhan untuk FY2014 berjumlah RM79.2 juta, mewakili 43.5% daripada keuntungan bersih bagi tahun tersebut.

## PEMBANGUNAN KORPORAT

Pada 21 Julai 2014, Matrix menyiapkan terbitan Bonus satu untuk dua bagi 152.2 juta saham baru. Amalan korporat ini secara berkesan meningkatkan modal saham kami daripada RM301.2 juta kepada RM453.4 juta, yang sudah pasti menambahbaik kecairan dagangan saham Matrix di Bursa Malaysia Securities Berhad.

## PANDANGAN MASA HADAPAN

### **Pembangunan Hartanah**

Pemaju-pemaju hartanah dijangkakan akan mengambil langkah jangka pendek berhati-hati disebabkan oleh sentimen pengguna yang acuh tidak acuh.

Ini berlaku kerana negara kami dijangkakan akan menghadapi cabaran ekonomi pada tahun mendatang, perbelanjaan dalam negeri yang berhati-hati dan permintaan luaran yang suram disebabkan oleh ketidaktentuan yang sedang berlaku dalam pelbagai ekonomi global. Juga, pelaksanaan



In this regard, we target to launch new projects amounting to a gross development value ("GDV") of RM1 billion in Negeri Sembilan and Johor in FY2015, which will lay the Group's foundation to deliver stronger growth in the near future.

In addition, as part of diversification plan, we intend to venture out of Negeri Sembilan to other high growth areas in Malaysia.

### **Investment Properties**

Matrix strives to continuously enhance the attractiveness of our townships through various lifestyle amenities, thus transforming them into truly integrated developments that are ideal destinations to live, work, and play.

With that, the Group had successfully established an investment properties segment, which provides the Group with a new recurring income stream, beginning with the commencement of Matrix Global Schools and the d'Tempat Country Club in September 2014 and March 2015 respectively.

We are proud to note that d'Tempat Country Club has been accredited with "Gold Standard" (Provisional) from Green Building Index.

Situated right in the centre of Bandar Sri Sendayan, these newly-established landmarks are expected to not only contribute significantly to the Group's financial performance in the coming years, but also create the vibrancy to the township. Additionally, they play an



*Agora & Clock Tower at  
Matrix Global Schools*

Cukai Barang dan Perkhidmatan ("GST") pada April 2015 mungkin menyumbang kepada keperlahanan sementara dalam pembelian hartanah.

Walaupun begitu, kami kekal yakin kepada daya maju pembangunan kami disebabkan oleh permintaan jangka panjang berterusan untuk perumahan baru di Malaysia. Ini dikuatkan lagi oleh maklumbalas positif daripada pembeli-pembeli hartanah kami, dan juga populasi golongan muda yang berkembang di Negeri Sembilan dan Johor.

Harus dikongsikan terutamanya, majoriti pelancaran kediaman kami adalah dijual pada harga mampu beli di bawah aras RM500,000, manakala pelancaran kediaman premium berharga lebih tinggi kami adalah dijual pada harga tidak lebih daripada RM700,000 setiap kediaman. Ini meletakkan kami dalam kedudukan yang bagus untuk menembusi permintaan perumahan baru yang meningkat di kawasan ini.

Dalam hal ini, kami mensasarkan untuk melancarkan projek-projek baru dengan nilai pembangunan kasar ("GDV") RM 1 bilion di Negeri Sembilan dan Johor pada FY2015, yang akan mengukuhkan asas Kumpulan ini untuk menghasilkan pertumbuhan lebih kukuh di masa hadapan.

Di samping itu, sebagai sebahagian daripada rancangan kepelbagaian, kami berhasrat untuk meneroka keluar dari Negeri Sembilan ke kawasan lain dengan pertumbuhan tinggi di Malaysia.

### **Pelaburan Hartanah**

Matrix berusaha untuk terus meningkatkan daya tarikan perbandaran kami menerusi pelbagai kemudahan gaya hidup, yang demikian itu menukarkan mereka kepada pembangunan bersepadu sebenar yang merupakan destinasi paling sesuai untuk tinggal, bekerja dan bermain.

Dengan itu, Kumpulan ini telah berjaya mewujudkan segmen pelaburan hartanah, yang mana menyediakan Kumpulan ini dengan aliran pendapatan berulang yang baru, bermula dengan pelancaran Matrix Global Schools dan d'Tempat Country Club masing-masing pada September 2014 dan Mac 2015.

Kami berbangga untuk menyatakan bahawa d'Tempat Country Club telah diiktiraf dengan "Gold Standard" (Provisional) daripada Green Building Index.

Terletak betul-betul di pusat Bandar Sri Sendayan, mercu tanda yang baru didirikan ini dijangkakan bukan hanya memberi sumbangan bermakna kepada pencapaian kewangan Kumpulan ini pada tahun-tahun mendatang, tetapi juga mencipta tenaga



Sendayan TechValley industrial lots - perspective view

important role in accentuating the appeal of Bandar Sri Sendayan to house buyers, and to multinational corporations investing in the adjacent Sendayan TechValley.

### **Industrial Properties**

We are pleased to note that Sendayan TechValley is rapidly emerging as a formidable high-tech industrial hub in Negeri Sembilan, which continues to attract major international corporations, spanning the automotive, defence, metal, personal care, and other industries.

Owing to superior infrastructure and its strategic geographical location, Sendayan TechValley effectively highlights the state of Negeri Sembilan as a key investment destination in South East Asia appealing to value-added high-tech manufacturing industries.

In February 2015, the Group completed the acquisition of an additional 164 acres of industrial land near Sendayan TechValley. The new tract of land, to be

dan semangat kepada perbandaran ini. Tambahan lagi mereka memainkan peranan penting dalam menyerlahkan daya tarikan Bandar Sri Sendayan kepada pembeli rumah, dan kepada perbadanan multinasional yang melabur bersebelahan di Sendayan TechValley.

### **Hartanah Industri**

Kami dengan rasa sukacita ingin menyatakan bahawa Sendayan TechValley sedang pesat muncul sebagai pusat industri berteknologi tinggi mengagumkan di Negeri Sembilan, yang berterusan menarik perbadanan besar antarabangsa, merentangi industri automotif, pertahanan, logam, penjagaan peribadi dan lain-lain.

Dengan adanya infrastruktur yang lebih unggul dan kedudukan geografi yang strategik, Sendayan TechValley telah secara berkesan menonjolkan Negeri Sembilan sebagai satu destinasi pelaburan penting di Asia Tenggara yang menarik industri pembuatan berteknologi tinggi dengan nilai tambah.



One of the renowned corporations in Sendayan TechValley - Kayaku Safety Systems



Another renowned corporation in Sendayan TechValley - Schmidt + Clemens (Asia) Sdn Bhd

named Sendayan TechPark, would boost our balance net saleable land bank to 310 acres from about 187 acres currently.

## APPRECIATION

I would like to take this opportunity to extend my sincere appreciation to the Board of Directors, the management team and employees of Matrix for your relentless contributions to the Group.

On behalf of the Board, I would also like to express our gratitude to our shareholders for your unwavering support. We also thank our suppliers, financiers, buyers, and the government authorities for your ongoing support for Matrix.

**Dato' Haji Mohamad Haslah Bin Mohamad Amin**  
Chairman  
30 April 2015

Pada Februari 2015, Kumpulan ini telah melengkapkan pemerolehan 164 ekar tanah industri tambahan berdekatan Sendayan TechValley. Kawasan tanah baru ini, yang bakal dinamakan Sendayan TechPark, akan meningkatkan baki simpanan bersih tanah kami yang boleh dijual kepada 310 ekar daripada kira-kira 187 ekar sekarang ini.

## PENGHARGAAN

Saya ingin mengambil kesempatan ini untuk menyampaikan penghargaan ikhlas saya kepada Lembaga Pengarah, pasukan pengurusan dan pekerja Matrix terhadap sumbangan anda yang berterusan kepada Kumpulan ini.

Bagi pihak Lembaga, saya juga ingin melahirkan rasa terima kasih kami kepada para pemegang saham kami terhadap sokongan anda yang tidak goyah. Kami juga berterima kasih kepada para pembekal, pembiayaan, pembeli kami dan pihak berkuasa kerajaan terhadap sokongan anda yang berterusan kepada Matrix.

**Dato' Haji Mohamad Haslah Bin Mohamad Amin**  
Pengerusi  
30 April 2015

Group  
Managing  
Director/  
Chief  
Executive  
Officer's  
Review of  
Operations

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Ulasan Operasi  
Pengarah  
Urusan  
Kumpulan/  
Ketua Pegawai  
Eksekutif



In FY2014, both of Matrix's flagship township developments – Bandar Sri Sendayan in Seremban, Negeri Sembilan, and Taman Seri Impian in Kluang, Johor - remained the key contributors to the Group's financial performance.

Pada FY2014, kedua-dua pembangunan perbandaran kemegahan Matrix – Bandar Sri Sendayan di Seremban, Negeri Sembilan, dan Taman Seri Impian di Kluang, Johor – kekal sebagai penyumbang utama kepada pencapaian kewangan Kumpulan ini.





Type: Tritonix at Nusari Aman 2D, Bandar Sri Sendayan  
- completed and handed over to purchasers

Overall, the Group recorded new sales of RM630.2 million in FY2014 compared to RM788.0 million previously, effectively weathering the cautious property market seen in the year.

### BANDAR SRI SENDAYAN IN SEREMBAN, NEGERI SEMBILAN

Development projects in Bandar Sri Sendayan contributed to the majority of Matrix's revenue with RM504.3 million or 84.2% in FY2014, growing 3.4% from RM487.7 million or 85.0% achieved a year ago.

#### **Building a Community**

Matrix completed and delivered 660 units of residential properties in 2014 with a total GDV of RM224.8 million, for several completed projects in Bandar Sri Sendayan – namely Hijayu 1B, Idaman Bayu 2, Nusari Aman 2D, Nusari Aman 3A, and Nusari Bayu 2B.

Today the township boasts of more than 4,000 households with a population size of about 20,000-strong.

The number of properties completed and delivered in 2014 was however lower than 1,269 in the previous year, largely due to fewer project launches in 2012.

Secara keseluruhan, Kumpulan ini mencatatkan jualan baru berjumlah RM630.2 juta pada FY2014 berbanding RM788.0 juta pada tahun sebelumnya, di mana kami masih dapat menangani secara berkesan suasana pasaran hartanah berhati-hati yang dilihat pada tahun tersebut.

### BANDAR SRI SENDAYAN DI SEREMBAN, NEGERI SEMBILAN

Projek pembangunan di Bandar Sri Sendayan menyumbang kepada majoriti pendapatan Matrix dengan jumlah RM504.3 juta atau 84.2% pada FY2014, berkembang 3.4% daripada RM487.7 juta atau 85.0% yang telah dicapai setahun lalu.

#### **Membina Komuniti**

Matrix telah menyiapkan dan menyerahkan 660 unit hartanah kediaman pada 2014 dengan GDV keseluruhan sebanyak RM224.8 juta, bagi beberapa projek yang disiapkan di Bandar Sri Sendayan – iaitu Hijayu 1B, Idaman Bayu 2, Nusari Aman 2D, Nusari Aman 3A, dan Nusari Bayu 2B.

Hari ini, perbandaran ini menampung lebih daripada 4,000 buah keluarga dengan saiz populasi kira-kira 20,000 orang atau lebih.

Bilangan hartanah yang disiapkan dan diserahkan pada 2014 walau bagaimanapun adalah lebih rendah daripada 1,269 pada tahun sebelumnya, terutamanya disebabkan oleh pelancaran projek yang berkurangan pada 2012.

That said, we accelerated our launches after our initial public offering "IPO" in mid-2013; from RM133 million GDV worth of projects in 2013, to RM575.9 million in 2014.

The new launches in 2014 comprised 932 units of double-storey terrace houses for the second phase of Hijayu 1A (Phase 2), and four phases of the Hijayu 3A (Phase 1 – 4). The Group also launched Sendayan Metropark 2, featuring 50 units of double and three-storey shop offices.

We are pleased to note encouraging response across all new launches in FY2014, with Phases 1 and 2 of Hijayu 3A fully sold. This is followed by steady take up of Hijayu 1A (Phase 2) and Sendayan Metropark 2, registering at 84% and 96% respectively as at end-2014.

Meanwhile, Phase 3 and 4 of Hijayu 3A, which were launched in the second half of 2014, held an average take up of about 30% as at end-2014.

Going into the year 2015, we continued to launch more commercial products in line with the growing population in Bandar Sri Sendayan. The Group launched Sendayan Merchant Square Phase 1 in February 2015, comprising 163 double-storey shop offices and 3 commercial lots with a total GDV of RM170.0 million.

This was followed by the soft launch of the first phase of Hijayu Resort Homes (Phase 1) in March 2015, comprising 64 double-storey semi-detached houses with a total GDV of RM70.0 million.

Overall, our new launches and other ongoing projects in Bandar Sri Sendayan amounted to RM949.0 million in GDV as at end-March 2015, scheduled for delivery until 2017.

As at end-2014, Bandar Sri Sendayan had an estimated pipeline GDV of about RM2.6 billion, to be launched progressively until 2022.

### **Creating Landmarks**

While we continue to look at more land banks for development, it is also our strategic plan to establish a recurring income stream for the Group.

The completion of Matrix Global Schools ("MGS") and the d'Tempat Country Club in September 2014 and March 2015 respectively will be our first step towards the goal.

Situated on a 20-acre lakeside campus in Bandar Sri Sendayan, MGS houses the Matrix Private School, International School, and International Pre-School, all of which feature robust learning curriculum delivered by world-class teaching faculty.

Namun begitu, kami mempercepatkan pelancaran projek-projek kami selepas Tawaran Awam Permulaan (IPO) pada pertengahan 2013; daripada GDV projek bernilai RM133 juta pada 2013, kepada RM575.9 juta pada 2014.

Pelancaran baru pada 2014 terdiri daripada 932 unit rumah teres dua tingkat untuk fasa kedua Hijayu 1A (Fasa 2), dan empat fasa Hijayu 3A (Fasa 1 – 4). Kumpulan ini juga melancarkan Sendayan Metropark 2, yang terdiri daripada 50 unit kedai pejabat dua dan tiga tingkat.

Kami berasa sukacita untuk menyaksikan sambutan menggalakkan di dalam semua pelancaran baru pada FY2014, dengan Fasa 1 dan 2 Hijayu 3A dijual sepenuhnya. Ini diikuti dengan pembelian mantap Hijayu 1A (Fasa 2) dan Sendayan Metropark 2, masing-masing dengan pembelian sebanyak 84% dan 96% pada hujung 2014.

Sementara itu, Fasa 3 dan 4 Hijayu 3A, yang telah dilancarkan pada separuh kedua 2014, memperoleh pembelian secara purata kira-kira 30% pada hujung 2014.

Memasuki tahun 2015, kami terus melancarkan lebih banyak produk komersil selari dengan pertambahan populasi di Bandar Sri Sendayan. Kumpulan ini melancarkan Sendayan Merchant Square Fasa 1 pada Februari 2015, yang terdiri daripada 163 kedai pejabat dua tingkat dan 3 lot komersil dengan GDV keseluruhan berjumlah RM170.0 juta.

Ini diikuti dengan pelancaran fasa pertama Hijayu Resort Homes (Fasa 1) pada Mac 2015, yang terdiri daripada 64 rumah berkembar dua tingkat dengan GDV keseluruhan berjumlah RM70.0 juta.

Secara keseluruhan, pelancaran baru dan projek kami yang sedang berjalan di Bandar Sri Sendayan berjumlah RM949.0 juta dalam GDV setakat hujung Mac 2015, di mana projek-projek ini dijadualkan untuk penyerahan sehingga 2017.

Setakat hujung 2014, Bandar Sri Sendayan mempunyai anggaran GDV dalam perancangan berjumlah kira-kira RM2.6 bilion, yang akan dilancarkan secara berperingkat sehingga 2022.

### **Mencipta Mercu Tanda**

Sementara kami terus mencari lebih banyak simpanan tanah untuk pembangunan, ia juga merupakan rancangan strategik kami untuk mewujudkan aliran pendapatan berulang kepada Kumpulan ini.

Penyiapan Matrix Global Schools ("MGS") dan d'Tempat Country Club masing-masing pada

Latest enrollment no. for MGS is 416 students as at end March 2015. The first intake of MGS students originate from across Negeri Sembilan and the Klang Valley, indicative of the positive reception and strong public confidence towards MGS as a top quality private education provider.

MGS is targeting to attract up to 2,500 students in the coming years, thereby transforming Seremban into a highly-visible centre of educational excellence.

Furthermore, the d'Tempat Country Club is set to take the vibrancy and appeal of Bandar Sri Sendayan to the next level. The clubhouse is designed and purpose-built to cater to the lifestyle demands of all Bandar Sri Sendayan residents, employees of the multinational corporations invested in Sendayan TechValley, as well as the general Seremban population.

The clubhouse features over 458,000 square feet of comprehensive lifestyle and fitness amenities. These include food and beverage outlets, retail outlets, an Olympic-sized swimming pool, aqua-gym, tennis and squash courts, and banquet and meeting facilities, among a host of other attractive offerings.

These new highlights signify the first phase of our endeavours in the investment properties segment, which would not only strengthen the Group's long term prospects, but also further enhance the attractiveness of Bandar Sri Sendayan as a preferred living destination in Negeri Sembilan.

September 2014 dan Mac 2015 menjadi langkah pertama kami ke arah matlamat ini.

Terletak di atas kampus tepian tasik berkeluasan 20 ekar di Bandar Sri Sendayan, MGS menempatkan Sekolah Swasta Matrix, Sekolah Antarabangsa, dan Prasekolah Antarabangsa, di mana semuanya menonjolkan kurikulum pembelajaran lasak yang diberikan oleh fakulti pengajaran bertaraf dunia.

Setakat 2015, MGS telah memulakan penggal pertama persekolahannya dengan kira-kira 416 pelajar telah didaftarkan. Pengambilan pertama pelajar MGS yang berasal daripada seluruh Negeri Sembilan dan Lembah Kelang, menunjukkan penerimaan positif dan keyakinan umum yang kukuh kepada MGS sebagai penyedia pendidikan swasta berkualiti tinggi.

MGS mensasarkan untuk menarik sehingga 2,500 pelajar pada tahun berikutnya, dengan itu mengubah Seremban menjadi pusat kecemerlangan pendidikan yang dikenali ramai.

Tambahan lagi, d'Tempat Country Club telah bersedia untuk meningkatkan kerancakan dan daya tarikan Bandar Sri Sendayan ke tahap seterusnya. Rumah kelab telah direka dan dibina khas untuk memenuhi permintaan gaya hidup semua penduduk Bandar Sri Sendayan, pekerja perbadanan multinasional yang melabur di Sendayan TechValley, dan juga populasi umum di Seremban.

Rumah kelab mempunyai keluasan lebih daripada 458,000 kaki persegi dengan kemudahan gaya hidup dan kecergasan yang menyeluruh. Kemudahan ini termasuk kedai makanan dan minuman, kedai runcit,







Sendayan TechValley - progressively occupied by industrialists

## SENDAYAN TECHVALLEY

In FY2014, Matrix sold a total of 56.7 acres of land to global corporations such as Fibertex Personal Care from Denmark, Shimadzu Corporation from Japan and S-Form Co. from Korea.

As at end-2014, Sendayan TechValley had a balance land bank of 187 acres comprising 40 lots of industrial plots remaining to be sold to high-tech industrial players.

### Land Acquisition

In February 2015, we completed the acquisition of a 164-acre plot of industrial land situated in close proximity to Sendayan TechValley, for a total purchase consideration of RM71.5 million to be named Sendayan TechPark, currently in the planning stage for development.

The industrial properties to be sold at Sendayan TechPark are estimated to contribute at least RM170 million in additional GDV for the Group from FY2016 onwards.

On 21 April 2015, we had entered into a Sale and Purchase Agreement with IRDK Ventures Sdn Bhd to acquire a parcel of land in a prime area in Puchong for RM95 million. This additional acquisition will beef up the land banks of the Group as well as fulfill the Group's diversification plan to venture into other high growth areas in Malaysia beside Negeri Sembilan.

kolam renang bersaiz Olimpik, gim air, gelanggang tenis dan skuasy, kemudahan jamuan dan mesyuarat, di samping senarai tawaran menarik yang lain.

Sorotan-sorotan baru ini menandakan fasa pertama usaha kami dalam segmen hartanah pelaburan, yang tidak hanya akan menguatkan prospek jangka panjang Kumpulan ini, tetapi juga selanjutnya meningkatkan daya penarik Bandar Sri Sendayan sebagai destinasi tempat tinggal pilihan di Negeri Sembilan.

## SENDAYAN TECHVALLEY

Pada FY2014, Matrix menjual sejumlah 56.7 ekar tanah kepada perbadanan global seperti Fibertex Personal Care daripada Denmark, Shimadzu Corporation daripada Jepun dan S-Form Co. daripada Korea.

Setakat hujung 2014, Sendayan TechValley mempunyai baki simpanan tanah sebanyak 187 ekar terdiri daripada 40 lot petak industri yang masih tinggal untuk dijual kepada syarikat industri berteknologi tinggi.

### Pemerolehan Tanah

Pada Februari 2015, kami menyiapkan pemerolehan 164 ekar petak tanah industri terletak berdekatan dengan Sendayan TechValley, dengan pertimbangan pembelian keseluruhan berjumlah RM71.5 juta yang dinamakan sebagai Sendayan TechPark, kini di peringkat perancangan untuk pembangunan.

Hartanah industri yang akan dijual di Sendayan TechPark adalah dianggarkan untuk menyumbang sekurang-kurangnya RM170 juta sebagai GDV tambahan untuk Kumpulan ini bermula daripada FY2016 seterusnya.

Pada 21 April 2015, kami telah menandatangani Perjanjian Jual Beli dengan IRDK Ventures Sdn Bhd untuk membeli sebidang tanah di kawasan utama di kawasan Puchong untuk RM95 juta. Pengambilalihan tambahan ini akan meningkatkan bank tanah Kumpulan serta memenuhi pelan kepelbagaian Kumpulan untuk menceburi kawasan pertumbuhan lain yang tinggi di Malaysia selain daripada Negeri Sembilan.

## TAMAN SERI IMPIAN IN KLUANG, JOHOR

Matrix's Kluang township, Taman Seri Impian, continued to witness strong take-up on the back of strong demand for both affordably-priced and higher-premium housing in Johor. Revenue from Taman Seri Impian constituted RM80.0 million or 13.4% of total group revenue in FY2014, marginally lower from RM83.9 million or 14.6% in the previous year.

In the year under review, Matrix completed and delivered a residential project in Taman Seri Impian – Impiana Casa 2 – comprising 288 units of single-storey terrace and double-storey terrace houses with total GDV of RM67.5 million.

In April 2014, the Group also launched Impiana Avenue 3, featuring 26 units of double-storey shop offices with total GDV of RM18.0 million. This was followed with the launch of the first phase of Impiana Heights (Phase 1) in August 2014, constituting 82 units of single and double-storey semi-detached houses and bungalows, with total GDV of RM63.5 million.

As at end-2014, Impian Avenue 3 and Impiana Heights (Phase 1) commanded a take-up rate of about 70% and 50% respectively.

Overall, ongoing projects at Taman Seri Impian amounted to RM270.5 million in GDV as at end-2014, while total pipeline GDV amounted to approximately RM686.3 million to last the Group until 2018.



Type: Vistania 1, Taman Seri Impian, Kluang



Lobak Commercial Centre, Seremban

## TAMAN SERI IMPIAN DI KLUANG, JOHOR

Perbandaran Matrix Taman Seri Impian di Kluang terus menyaksikan pembelian kukuh dengan sokongan daripada permintaan kukuh di kedua-dua perumahan harga mampu milik dan perumahan premium berharga lebih tinggi di Johor. Pendapatan daripada Taman Seri Impian membentuk RM80.0 juta atau 13.4% daripada jumlah pendapatan keseluruhan kumpulan pada FY2014, sedikit kurang daripada RM83.9 juta atau 14.6% pada tahun sebelumnya.

Pada tahun dalam semakan, Matrix menyiapkan dan menyerahkan satu projek kediaman di Taman Seri Impian – Impiana Casa 2 – yang terdiri daripada 288 unit rumah teres satu tingkat dan dua tingkat dengan GDV keseluruhan berjumlah RM67.5 juta.

Pada April 2014, Kumpulan ini juga melancarkan Impiana Avenue 3, yang terdiri daripada 26 unit kedai pejabat dua tingkat dengan GDV keseluruhan berjumlah RM18.0 juta. Ini diikuti dengan pelancaran fasa pertama Impiana Heights (Fasa 1) pada Ogos 2014, yang terdiri daripada 82 unit rumah berkembar satu tingkat dan dua tingkat dan banglo, dengan GDV keseluruhan berjumlah RM63.5 juta.

Setakat hujung 2014, Impian Avenue 3 dan Impiana Heights (Fasa 1) masing-masing memperolehi kadar pembelian sebanyak kira-kira 70% dan 50%.

Keseluruhannya, projek-projek yang sedang berjalan di Taman Seri Impian berjumlah RM270.5 juta dalam GDV setakat hujung 2014, sementara jumlah keseluruhan GDV dalam perancangan berjumlah lebih kurang RM686.3 juta untuk menampung Kumpulan ini sehingga 2018.

## LAIN-LAIN – NEGERI SEMBILAN DAN KUALA LUMPUR

### Port Dickson dan Seremban, Negeri Sembilan

Selain daripada teras pembangunan perbandaran kami, Matrix juga menjalankan pelbagai projek bersaiz lebih kecil dan khusus di Negeri Sembilan.

## OTHERS – NEGERI SEMBILAN AND KUALA LUMPUR

### **Port Dickson and Seremban, Negeri Sembilan**

In addition to our core township developments, Matrix also undertakes a variety of smaller-sized and niche projects in Negeri Sembilan.

We fully completed and delivered Taman Desa PD 3 in Port Dickson in 2014, comprising 56 units of single-storey terrace houses with total GDV of RM5.5 million.

Also, our Lobak Commercial Centre (Phase 2) in Seremban, comprising 12 units of double-storey shop offices with a GDV of RM16.1 million, is on track for completion in mid-2015. Launched in 2014, the project was fully sold in the same year.

### **Kuala Lumpur**

We are scheduled to undertake our first mixed development project in Kuala Lumpur, encompassing high-rise serviced apartments with full facilities including retail and food and beverage outlets.

We target to launch this project early 2016, and the project is scheduled to be completed by 2019.

Located in the heart of Kuala Lumpur, the mixed development project is set to target urban families and working professionals in Kuala Lumpur. The project is situated on a 1.1 acre land adjacent to the Putra World Trade Centre, and features excellent connectivity by road and public transportation such as the Light Rail Transit and monorail networks.

## APPRECIATION

Matrix has certainly built a formidable reputation in the property market, with our meticulously planned Bandar Sri Sendayan development rapidly achieving its vibrancy and reputation as a major integrated township in Negeri Sembilan.

This is complemented by the Group's Taman Seri Impian township, progressively gaining its stature as a significantly-sized township in Southern Malaysia.

We look forward to the enduring partnership of all our stakeholders, in continuing the successes of the Group in the coming years.

Thank you.

### **Dato' Lee Tian Hock**

Group Managing Director/Chief Executive Officer  
30 April 2015

Kami telah menyiapkan dan menyerahkan sepenuhnya Taman Desa PD 3 di Port Dickson pada 2014, yang terdiri daripada 56 unit rumah teres satu tingkat dengan GDV keseluruhan berjumlah RM5.5 juta.

Juga, Lobak Commercial Centre (Fasa 2) kami di Seremban, yang terdiri daripada 12 unit kedai pejabat dua tingkat dengan GDV berjumlah RM16.1 juta, sedang berjalan lancar untuk penyiapan pada pertengahan 2015. Dilancarkan pada 2014, projek ini telah habis dijual sepenuhnya dalam tahun yang sama.

### **Kuala Lumpur**

Kami dijadualkan untuk menjalankan projek pembangunan bercampur kami yang pertama di Kuala Lumpur, terdiri daripada pangsapuri perkhidmatan bertingkat tinggi dengan kemudahan lengkap termasuk kedai runcit berserta makanan dan minuman.

Kami mensasarkan untuk melancarkan projek ini pada awal 2016, dan projek ini dijadualkan untuk disiapkan menjelang 2019.

Terletak di tengah-tengah Kuala Lumpur, projek pembangunan bercampur ini dirancang untuk mensasarkan keluarga bandar dan pekerja profesional Kuala Lumpur. Projek ini terletak di atas tanah berkeluasan 1.1 ekar bersebelahan kepada Pusat Dagangan Dunia Putra, dan mempunyai perhubungan baik melalui jalan raya dan pengangkutan awam seperti jaringan Transit Aliran Ringan dan monorel.

## PENGHARGAAN

Matrix pastinya telah membina reputasi yang mengagumkan dalam pasaran hartanah, menerusi pembangunan Bandar Sri Sendayan yang kami rancang secara amat teliti ianya dengan pantas telah mencapai kepesatan dan reputasi sebagai perbandaran bersepadu utama di Negeri Sembilan.

Ini dilengkapi oleh perbandaran Taman Seri Impian oleh Kumpulan kami, yang secara berperingkat-peringkat menempa nama sebagai perbandaran yang bersaiz besar di Selatan Malaysia.

Kami mengharapkan kepada perkongsian yang kukuh dan berpanjangan daripada semua pemegang saham kami, untuk meneruskan kejayaan Kumpulan ini pada tahun-tahun mendatang.

Terima kasih.

### **Dato' Lee Tian Hock**

Pengarah Urusan Kumpulan/Ketua Pegawai Eksekutif  
30 April 2015



## Building Sustainable Communities

*We remain steadfast in upholding a sustainable approach to the environment, as well as enhancing our social and economic responsibilities to the wider community.*



# Corporate Social Responsibility Activities



Matrix recognises that its businesses have direct and indirect impact on the communities in which it operates. We hold a special responsibility to use our knowledge and experience to further develop and initiate improvements for the betterment of the society. Some of our initiatives in contributing towards being a responsible corporate citizen included initiatives that were carried out benefitting the community, environment, marketplace and the workplace, which are highlighted in the Corporate Social Responsibility Statement in this Annual Report.

## CARING FOR COMMUNITY

### *A commitment by the Company*

Matrix continues to maintain and uphold its philosophy of giving back to society of what it receives. Through philanthropic contributions, Matrix continues to embark on activities to aid the deserving communities. During the year, Matrix had contributed generously towards the communities, some of the initiatives are summarised as follows:-

- **MATRIX BRINGS CNY CHEERS TO OLD FOLKS HOME**

Matrix brought Chinese New Year festive joy to senior citizens of the Weng Da Old Folks Home at Taman SEA, Seremban with a cash contribution of RM5,000 and basic home and daily necessities.



Safety always a priority for Bandar Sri Sendayan

- **SAFETY ALWAYS A PRIORITY FOR BANDAR SRI SENDAYAN**

In an effort to provide a safe and secure environment for live, work and play to the residents in Bandar Sri Sendayan, Matrix contributed one (1) unit of Mobile Van and three (3) units of

Police Beat to the police force. Located within the neighbourhood of Nusari Aman and Idaman Bayu as well as Sendayan TechValley, this initiative themed 'Working Together for a Safer Bandar Sri Sendayan' is aimed at promoting collaboration between Matrix and PDRM.



Matrix brings CNY cheers to old folks home

• **RAMADHAN AIDILFITRI CELEBRATION WITH THE UNDERPRIVILEGED**

In conjunction with a themed event “Enter The Matrix: StoryUnderTheSky”, an outdoor cinematic screening of the movie “The Journey” was organised by Matrix Global Schools. Coinciding with a Ramadhan and Aidilfitri celebration with two underprivileged homes located in Taman Nusari Bayu 3, Bandar Sri Sendayan and Taman England, Seremban. Financial assistance to each of the orphanage, as well as in-kind contributions to single mothers were made during the event.

• **MATRIX UPLIFTS THE SPIRIT OF THE UNDERPRIVILEGED**

Matrix recently brought the light of Deepavali cheer to the children at the orphanage home of Pertubuhan Kebajikan Kanak-Kanak Nanthisar in Temiang, Seremban. Matrix assisted in the building of a patio, an awning and extra bathrooms to cater to the orphanage’s growing needs, in addition to donation of cash, groceries and household necessities.

• **MATRIX CONCEPTS FOUNDATION UNDERTAKES TO SPONSOR PHYSIOTHERAPY TREATMENT**

Matrix has channeled some charitable activities via an independent charity trust, Matrix Concepts Foundation (“MCF”). Dato’ Logendran A/L K Narayanasamy, the Chairman of MCF’s funds committee set up to administer the activities with an aim to promote the following :-

- a) Promote activities towards earth conservation with the philosophy of “REUSE, RECYCLE & REDUCE”.
- b) Provide advancement of education for needy students without regard to race, creed and religion.
- c) Relieve poverty and other purposes beneficial to the community without regard to race, creed and religion.

Among the first to receive from MCF is Kirthana A/P Visvanathan, a 20-year old girl diagnosed with right hemiplegic cerebral palsy. Dato’ Logendran A/L K Narayanasamy visited Kirthana at the Physiotherapy Department of NCSMH Medical Centre in Seremban and undertakes to sponsor Kirthana’s 6-month physiotherapy treatment.



Ramadhan Aidilfitri Celebration with the underprivileged



**Dato’ Logendran A/L K Narayanasamy**  
Chairman of Matrix Concepts Foundation



Dato’ Logendran A/L K Narayanasamy visited Kirthana and undertakes to sponsor physiotherapy treatment





Matrix uplifts the underprivileged by spreading Deepavali cheers

## EDUCATION EXCELLENCE

### Shaping the minds of the future

- MATRIX'S MAIDEN PARTICIPATION IN THE EDGE KUALA LUMPUR RAT RACE 2014**

Matrix participated for the first-ever The Edge KL Rat Race in 2014 being one of two Gold Sponsors in this 15th edition of the charity race. This marathon-styled charity run was organised by The Edge Communications Sdn Bhd and is an annual event for the corporate sector in Malaysia with the primary objective of raising funds for the development of education in this country.

- MATRIX SPONSORS 61 RURAL AND SUB-URBAN SCHOOLS UNDER STAR NIE PROGRAMME**

In an effort to improve the English proficiency amongst school children in rural areas, Matrix sponsored copies of the Star newspaper for 61 schools under the Newspaper-In-Education (NIE) Programme. This sponsorship sees 51 primary and secondary schools in various districts in Negeri Sembilan and another 10 schools in Kluang, Johor benefitting from this collective efforts.



Matrix sponsors 61 rural and suburban schools under Star NIE programme



Matrix's maiden participation in the Edge Kuala Lumpur Rat Race 2014

## NURTURING ENVIRONMENT

### Caring for Mother Nature

- **"OUR EARTH, OUR HOME" CHARITY WALK**

During the Wesak Day Celebration, a total of 360 participants gathered at the Sendayan Green Park in support of a charity walk themed "Do Good Deeds, Speak Good Words and Conceive Kind Thoughts". This collaborative effort with the Malaysian Fo Guang Buddhist Association in Seremban aimed to create awareness on the importance of caring for the environment and preserving Mother Nature, as well as fostering the spirit of social harmony.

## MAKING WORK BETTER

### Enhancing employees' capacity and capability

- Matrix recognises that its employees are its asset and it is imperative to provide a conducive workplace and to reinforce its core values towards achieving the goals of the organisation. Matrix continues to provide opportunities to enhance the employees' capacity and capability while ensuring job satisfaction, as well as safety and health in the workplace.

As part of the employees' welfare, Matrix provides subsidised education at Matrix Global Schools to the employees' children. In addition, Matrix encourages social and leisure interaction among the employees in order for them to attain a balanced life. With this in mind, Matrix provides complimentary memberships at d'Tempat Country Club in Bandar Sri Sendayan to the employees and their immediate family members.

To enhance knowledge and skills, employees are encouraged to attend regular trainings to equip themselves in preparation for the increasingly challenging work requirements, besides improving their personal well-being and intellectual capability.

## A NATURE LOVING MARKET PLACE

### Encouraging operations through a "Green" initiative.

- In the daily operations, Matrix continues to encourage its suppliers on the usage of recycled materials for their end products. As part of this

encouragement, Matrix continues to purchase from, promote and support suppliers who cultivate such practices, for example, suppliers of construction materials with high recyclable contents, as well as product brochures, greeting cards, table calendars and stationeries printed on recycled materials or papers.

## CONTINUOUS EFFORTS FOR THE COMMUNITY

- As an established and caring developer in Malaysia, Matrix takes pride in being able to contribute its efforts towards the promotion of social responsibility activities.

Matrix remains focused to be a community developer and through all its annual contributions, upholds its tagline of "Nurturing Environments, Enriching Lives".



# Statement on Corporate Governance

The Board of Directors of Matrix Concepts Holdings Berhad ("Matrix" or "the Company") is committed towards adhering to the requirements and guidelines as per the Malaysian Code on Corporate Governance 2012 (the "Code") as well as the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and strives to adopt the substance behind the corporate governance prescriptions and not merely the form.

The Board of Directors ("the Board") is of the view that it has complied with the Code. Set out below is the manner in which the Group has applied the principles of good governance and the extent to which it has complied with the Code.

## BOARD RESPONSIBILITIES

The Board of Directors ("the Board") is responsible for the corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.

The key responsibilities include the primary responsibilities prescribed under the Code. These cover a review of the strategic direction for the Group, overseeing and evaluating the business operations of the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan and developing and implementing an investor relations program. The responsibility for matters material to the Group is in the hands of the Board, with no individuals having unfettered powers to make decisions.

In this regard, the Board is guided by the documented and approved Board Charter ("Board Charter") and Limits of Authority which define matters which are specifically reserved for the Board and day-to-day management of the Group delegated to the Group Managing Director ("GMD"). This formal structure of delegation is further cascaded by the GMD and Group Deputy Managing Director ("GDMD") to other senior management team within the Group. However, the GMD, GDMD and the senior management team remain accountable to the Board for the authority that is delegated.

In performing their duties, all Directors have access to the advice and services of the Company Secretary and if necessary, may seek independent professional advice about the affairs of the Group. The Company Secretary attends all Board meetings and advises the Board on regulatory procedure, the requirement of the Company's Memorandum and Articles of Association, the Companies Act, 1965 and the MMLR. The Company Secretary also ensures that there is good information flow within the Board between the Board, Board Committees and senior management. Board members are provided with Board papers in advance before each Board meeting for decision, including the overall Group's strategy and direction, acquisitions and divestments, approval of major capital expenditure projects and significant financial matters.

The Board has approved a Board Charter which sets out a list of specific functions that are reserved for the Board which are available for viewing at the Company's website. The Board Charter addresses, among others, the following matters:-

# Statement on Corporate Governance (cont'd)

## BOARD RESPONSIBILITIES (cont'd)

- Duties and responsibilities of the Board;
- Directors' Code of Ethics;
- Composition and Board balance;
- The role of Chairman and Chief Executive Officer/Managing Director;
- Appointments;
- Re-election;
- Supply of information;
- Separation of power;
- Board of committees;
- Remuneration;
- Financial reporting;
- General meetings;
- Investor relations and shareholder communication; and
- Relationship with other stakeholders (employees, environment, social responsibility).

The approval and adoption of the Board Charter and Directors' Code of Ethics formalizes the standard of ethical value and behavior that is expected of the Directors at all times. The Board Charter and Directors' Code of Ethics are reviewed periodically to ensure their relevance and compliance.

The Group is also committed towards sustainable development, employees' welfare, environment as well as community responsibilities are integral to the way in which the Group conducts its business. A Report on the activities pertaining to corporate social responsibilities is set out in pages 44 to 48 of this Annual Report.

## COMPOSITION OF THE BOARD

The Board currently has seven (7) members, comprising one (1) Non-Independent Non-Executive Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors. Four (4) of the Directors are Independent Directors, which is more than one third of MMLR requirements. Together, the Directors bring characteristics which allow a mix of qualifications, skills and experience which are necessary for the successful direction of the Group.

A brief profile of each Director is presented on pages 13 to 19 of this Annual Report.

The Group practices the division of responsibility between the Chairman and GMD and there is a balance of Executive, Non-Executive and Independent Non-Executive Directors. The roles of the Chairman and GMD are separate and clearly defined, and are held individually by two (2) persons. The GMD is primarily responsible for the overall management and the day-to-day operations of the business of the Group whereas the Chairman, who is a Non-Independent Non-Executive member of the Board, is primarily responsible for the overall implementation of Board policies and decisions.

The Board believes that the current size, gender diversification and composition is appropriate for its purpose, and is satisfied that the current Board composition fairly reflects the interest of minority shareholders within the Group.

# Statement on Corporate Governance (cont'd)

## BOARD MEETINGS

Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. The Board records its deliberations, in terms of issues discussed, and the conclusions in discharging its duties and responsibilities. All Directors are fully briefed in advance of Board meetings on the matters to be discussed and have access to any further information they may require. The Board may, whenever required, set up committees delegated with specified powers and responsibilities.

The Board has established the following Committees to assist the Board in the execution of its duties:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- ESOS Committee

The number of meetings of the Board and Board Committees held during the financial year ended 31 December 2014 were:

Board of Directors	5 meetings
Audit Committee	5 meetings
Nomination Committee	1 meeting
Remuneration Committee	1 meeting
Risk Management Committee	2 meetings
ESOS Committee	2 meetings

The composition of the Board and the attendance of each at the Board meetings held during the year are as follows:-

Name of Director	Designation	Status of Directorship	Attendance of Meetings
Dato' Haji Mohamad Haslah Bin Mohamad Amin	Chairman	Non-Independent and Non-Executive	5/5
Dato' Lee Tian Hock	Group Managing Director/Chief Executive Officer	Executive Director	5/5
Ho Kong Soon	Group Deputy Managing Director/Chief Operating Officer	Executive Director	5/5
Dato' Firdaus Muhammad Rom Bin Harun	Director	Independent and Non-Executive	5/5
Dato' (Ir.) Batumalai A/L Ramasamy	Director	Independent and Non-Executive	5/5
Rezal Zain Bin Abdul Rashid	Director	Independent and Non-Executive	5/5
Salmah Binti Sharif	Director	Independent and Non-Executive	5/5

# Statement on Corporate Governance (cont'd)

## INFORMATION FOR THE BOARD

The Directors are provided with adequate Board reports on a timely manner prior to the Board meeting to enable the Directors to obtain further explanations, where necessary. These reports provide information on the Group's performance and major operational, financial and corporate issue. Minutes of the Board Committees are also tabled at the Board meetings for the Board's information and deliberation. The Directors have access to the advice and services of the Company Secretary whose terms of appointment permit removal and appointment only by the Board as a whole.

## RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election at the next Annual General Meeting subsequent to their appointment. The Articles further provide that a least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

## BOARD INDEPENDENCE

Independent Non-Executive Directors play a leading role in Board Committees. The management and third parties are co-opted to the Committees as and when required. The Code, recommends that the tenure of an Independent Directors should not exceed a cumulative term of nine (9) years. At the moment, the present composition is still within the compliance with the Code.

The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in the MMLR. The MMLR's definition of independence includes a series of objective tests such as Director is not an employee of the Company and is not engaged in any type of business dealings with the Company. Hitherto, none of the Independent Directors engage in the day-to-day management of the Company, participate in any business dealings or are involved in any other relationship with the Company (other than in situations permitted by the applicable regulations). During the financial year, none of the Independent Directors had any relationship that could materially interfere with his unfettered and independent judgment.

## BOARD COMMITTEES

The Board appoints the following Board Committees with specific terms of reference:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- ESOS Committee

# Statement on Corporate Governance (cont'd)

## BOARD COMMITTEES (cont'd)

The Board has also approved and adopted a formal terms of reference that outlines the functions, duties and responsibilities of pertinent Board Committees in line with the Board's objective in pursuing good governance practice. Besides the major committees, other Board and Management committees, namely ESOS Committee and Executive Management Committee were also formed to assist the Group with the inclusion of senior management in the administration of employees share options and operational matters.

### Audit Committee

The Company has an Audit Committee whose composition meets the MMLR, where Independent Directors form the majority. All members of the Audit Committee are relatively financially literate, while the Chairman of the Audit Committee, an Independent Director, is a member of the Malaysian Institute of Accountants. The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with external auditors.

The Audit Committee has full access to both the internal and external auditors who in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the numbers of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in this Annual Report.

### Nomination Committee

The Board has established a Nomination Committee comprising entirely Non-Executive Directors, a majority of whom are independent and chaired by an Independent Director. The composition of the Nomination Committee is as follows:

Dato' Firdaus Muhammad Rom Bin Harun (Chairman)  
Dato' (Ir.) Batumalai A/L Ramasamy  
Rezal Zain Bin Abdul Rashid

The Nomination Committee is responsible for proposing new nominees to the Board and Board Committees, for assessing on an annual basis, the contribution of each individual Director and the overall effectiveness of the Board. The final decision as to who shall be appointed as Director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

The terms of reference of the Nomination Committee are as follows:

- To annually review the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and such information will be disclosed in the annual report;

# Statement on Corporate Governance (cont'd)

## Nomination Committee (cont'd)

- To recommend to the Board, candidates for all directorships by reviewing the composition of Independent Directors in the board by taking into consideration the tenure of Independent Directors shall not exceed nine (9) years and assessment of the Independent Directors to be done annually;
- To consider, in making its recommendations, candidates for directorships and senior executive management within the bounds of practicability, by any other senior executive or any Director or shareholder;
- To recommend to the Board, Directors to fill the seats on Board committee including gender diversity policies with encouragement on recruitment of female Directors;
- To assess the effectiveness of the Board as a whole, the committees of the Board, and the contributions of each individual Director;
- To examine the size of the Board with a view to determining the impact of the number upon its effectiveness.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. The Nomination Committee met once during the financial year and all members registered full attendance. During the year, the Nomination Committee, upon its recent annual review carried out, is satisfied that the size of the Board is optimum and in compliance with the gender diversification policy with good mix of experiences and expertise in the composition of the Board.

The following activities were undertaken by the Nomination Committee during the year under review:-

- Reviewed the outcome of the self and peer assessment of individual Directors
- Reviewed the outcome of the assessment of the Board
- Reviewed the outcome of the assessment of the contribution of the GMD/GDMD
- Reviewed the adequacy of the Board in terms of its mix of skills and the core competencies

As documented in the Board Charter, the appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation by the Nomination Committee. New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board, performance of its duties and to give sufficient commitment, time and attention to the affairs of the Company.

The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed.

## Board Assessment

The Board of Directors including the GMD/CEO and GDMD/COO are subject to the process of self and peer assessment annually. The Directors are provided with a survey form to carry out the assessment with absolute anonymity.



# Statement on Corporate Governance (cont'd)

## Board Assessment (cont'd)

The results are then tabulated by the Secretary and presented to the Nomination Committee for its review and recommendation to the Board. A full set of the results plus summarized version are also provided to each Director for their information. The criteria that are used in the assessment of the Board include the adequacy of the Board structure, the efficiency and integrity of the Board's operations and the effectiveness of the Board in the discharge of its duties and responsibilities.

The individual Directors are assessed based on their competence, capability, commitment, objectivity, participation in Board deliberations and their contribution to the objectives of the Board and the Board Committees on which they serve. The assessment of the GMD and GDMD are co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board.

## Remuneration Committee

The Board has established a Remuneration Committee consisting of the following Directors, majority of whom are Independent Directors:

Salmah Binti Sharif (Chairperson)  
 Dato' Lee Tian Hock  
 Dato' (Ir.) Batumalai A/L Ramasamy

The Remuneration Committee reviews the remuneration packages, reward structure and fringe benefits applicable to the GMD, GDMD, Executive Director and senior management on an annual basis and makes recommendations to the Board. The Board as a whole determines the remuneration of the GMD, GDMD and the Executive Director with each individual Director abstaining from decision in respect of his own remuneration.

In establishing the level of remuneration for the GMD, GDMD, Executive Directors and senior management, the Remuneration Committee has regard to packages offered by comparable companies and may also obtain independent advice if deem necessary.

The remuneration of the GMD, GDMD and the Executive Directors comprises a fixed salary and allowances, and a bonus approved by the Board. The remuneration for Non-Executive Directors comprises annual fees, meeting allowance and reimbursement of expenses for their services in connection with the Board and Board Committee meetings.

The terms of reference of the Remuneration Committee with regard to its role are as follows:

- To review and recommend the remuneration packages of the Executive Directors and senior management in all its terms, drawing from outside advice whenever necessary prior to making the relevant recommendations to the Board such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully;

# Statement on Corporate Governance (cont'd)

## Remuneration Committee (cont'd)

- The determination of remuneration package of Non-Executive Directors should be a matter of the Board as a whole.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Remuneration Committee met once during the financial year and all the members registered full attendance.

## DIRECTORS' REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than necessary to achieve this goal. The level of remuneration for the GMD, GDMD and Executive Director is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. A formal review of the Directors' remuneration is undertaken on a periodic basis as determined by the Board.

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2014 are as follows:

	Non-Executive Directors RM'000	Executive Directors RM'000	Total RM'000
Directors' fees	1,220	-	1,220
Meeting allowances	62	-	62
Salaries	-	2,904	2,904
Bonuses	-	2,904	2,904
Employees provident fund contribution	-	872	872
Benefits in kind & allowances	286	306	592
<b>Total</b>	<b>1,568</b>	<b>6,986</b>	<b>8,554</b>

Remuneration paid to Directors during the year analysed into bands of RM50,000, which complies with the disclosure requirements under the MMLR is as follows:

	Non-Executive Directors	Executive Directors
RM100,000 and below	1	-
RM200,001 to RM250,000	3	-
RM1,270,001 to RM1,320,000	1	-
RM3,350,001 to RM3,400,000	-	1
RM3,950,001 to RM4,000,000	-	1

# Statement on Corporate Governance (cont'd)

## Risk Management Committee

The Board has established a Risk Management Committee ("RMC") consisting of the following Directors, majority of whom are Independent Directors:-

Rezal Zain Bin Abdul Rashid (Chairman)  
Ho Kong Soon  
Salmah Binti Sharif

The RMC is responsible for formulating and reviewing the risk management policies and risk strategy of Matrix Group. The RMC reviews the overall risk profile on a periodic basis and approves the methodology to be followed and contingency plan for dealing with various risk exposures.

RMC shall carry out its duties for Matrix Group as a whole, on an independent basis free from management or other restrictions. Overall, the duties of RMC is to identify, assess, monitor and manage risk including to oversee, report and make recommendations to the Board in respect of any risks exposure faced by the Group.

The terms of reference of RMC with regard to its risk management role are as follows:-

- Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking into account of the current and prospective macroeconomic and financial environment;
- Review the Company's capability to identify and manage new risk types;
- Review reports on any material breaches of risk limits and the adequacy of proposed action;
- Keep under review the effectiveness of the Company's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
- Consider and approve the limits of risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
- Review promptly all reports on the company from the risk officer;
- Review and monitor management's responsiveness to the findings and recommendations of the risk officer;
- Recommend to the Board on the appointment/removal of risk officer.

Details on Risk Management Framework are elaborated in the Statement on Risk Management and Internal Control of this Annual Report.

## DIRECTORS' TRAINING

The Company has engaged educational/training programs to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

In addition to the Mandatory Accreditation Program, Board members are also encouraged to attend training programs conducted by highly competent professionals that are relevant to the Company's operations and business. All Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

# Statement on Corporate Governance (cont'd)

## DIRECTORS' TRAINING (cont'd)

The Board has assessed the training needs of the Directors and that the courses that had been attended by the Directors are as follows:-

Name of Director	Topics of Courses Attended
Dato' Haji Mohamad Haslah Bin Mohamad Amin	<ul style="list-style-type: none"> <li>Board Chairman Series : The Role Of The Chairman</li> </ul>
Dato' Lee Tian Hock	<ul style="list-style-type: none"> <li>National Economic Summit &amp; Dialogue With The Prime Minister Of Malaysia</li> </ul>
Ho Kong Soon	<ul style="list-style-type: none"> <li>Understanding of Goods and Services Tax (GST)</li> </ul>
Dato' Firdaus Muhammad Rom Bin Harun	<ul style="list-style-type: none"> <li>Governance In Action – What Every Director Should Know</li> <li>Board Leadership And Value Systems – The Tone At The Top</li> <li>Ethics And The Board Of Directors</li> <li>Reviewing The Risk And Control On The Quality Of Financial Statements</li> <li>Understanding And Awareness Of Goods And Services Tax (GST)</li> <li>Appreciation &amp; Application Of ASEAN Corporate Governance Scorecard</li> <li>Risk Management And Internal Control For Audit Committees – Post Workshop Discussion</li> <li>19th Malaysian Capital Market Summit</li> </ul>
Dato' (Ir.) Batumalai A/L Ramasamy	<ul style="list-style-type: none"> <li>Independent Directors – A Necessity, Not A Choice</li> <li>Ethics And The Board Of Directors</li> <li>Understanding And Awareness Of Goods And Services Tax (GST)</li> <li>Appreciation &amp; Application Of ASEAN Corporate Governance Scorecard</li> <li>The New Landscape For Global Political Risk Management</li> </ul>
Rezal Zain Bin Abdul Rashid	<ul style="list-style-type: none"> <li>MIA Conference 2014</li> </ul>
Salmah Binti Sharif	<ul style="list-style-type: none"> <li>Managing In Uncertainty : Surviving The Turbulence</li> </ul>

## ACCOUNTABILITY AND AUDIT

The Company has established an Audit Committee to review the integrity of the financial reporting and to oversee the independence of the external auditors.

### Transparency and Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Board aims to present a balanced and understand assessment of the Group's position and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. The role of the Audit Committee in the review and reporting of the financial information of the Group is outlined in the Audit Committee Report in this Annual Report.

# Statement on Corporate Governance (cont'd)

## ACCOUNTABILITY AND AUDIT (cont'd)

### Related Party Transactions

Directors recognize that they have to declare their respective interest in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. All related party transaction are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that causes questions of management integrity to arise. Details of related party transactions are set out in Note 38 to the annual financial statements.

### Internal Control

The information on the Group's internal control is presented in the Statement on Internal Control in this Annual Report.

### Relationship with External Auditors

The Board has established transparent and appropriate relationship with the external auditors through the Audit Committee. The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report in the annual Report.

## RECOGNISE AND MANAGE RISKS

### Sound Framework to Manage Material Business Risks

The Company has established a general framework under the Risk Management Committee for the oversight and management of material business risks. As required by the Board, the management has devised and implemented appropriate risk management systems coupled with internal control and reports to the Board and senior management. The Risk Management Committee is charged with monitoring the effectiveness of risk management systems and is required to report to the Board on any significant risk exposure.

The Nomination and Remuneration Committee is entrusted by the Board with the responsibility to review candidates for Directors and key management positions appointment and assessment. In addition, to ensure that the Group has a robust leadership pool to meet future challenges and for succession planning, the Group encourages, in particular, the senior management team to participate in leadership programs to be groomed and nurtured to undertake new challenges with a view to enhance their leadership skills.

### Internal Audit Function

In a desire to maintain total independence in the management of the internal control environment and remain in compliance with the MMLR, the Company has engaged Wensen Asia Consulting Sdn Bhd in addition to our in house internal auditor to manage the Company's internal audit function for the Group.

# Statement on Corporate Governance (cont'd)

## Internal Audit Function (cont'd)

The internal auditors report independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with the internal auditors agreed on the scope and planned Internal Audit activity annually and all audit findings arising therefrom are reported to the Audit Committee on a quarterly basis.

Further details of the activities of the risk management and internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

## Whistle Blowing Policy

The Company has in place a whistle blowing policy which provides a mechanism for officers and employees of the Company to report instances of ethical behavior, actual or suspected fraud or dishonestly or violation of the Company's code of conduct.

There were no concerns reported during the financial year 2014 or during the period from 1 January 2015 to the date of publication of this statement.

## TIMELY DISCLOSURE AND INVESTOR RELATIONSHIP

The Company is fully committed in maintaining a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders. The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders particularly through the annual report, announcements to Bursa Securities, media releases, quarterly results, analyst briefings, Company websites and investor relations.

The annual report has comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investor with financial information. Apart from the mandatory public announcements through Bursa Malaysia, the Group's website at [www.Matrix.com.my](http://www.Matrix.com.my) provides corporate, financial and non-financial information. Through the website, shareholders are able to direct queries to the Company. The Group's investor relation activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby enabling investors to make informed decision in valuing the Company's shares.

The GMD and the senior management meet regularly with analysts, institutional shareholders and investors. At general meetings, the Board encourages shareholders' participation and responds to their questions. Shareholders may also leave written questions for the Board to respond. The Share Registrar is available to attend to matters relating to shareholder's interests.

# Statement on Corporate Governance (cont'd)

## TIMELY DISCLOSURE AND INVESTOR RELATIONSHIP (cont'd)

The primary contact for investor relation matters is:

Chan Yee Chun  
Deputy Head, Group Corporate Communication and Public Relation Division  
Email : ycchan@mchb.com.my

## DIVIDEND POLICY

The Board has adopted a dividend policy of paying out about 40% of the Group's consolidated profit after tax subject to, among others, availability of distributable reserves and adequate cash flow from operations, to allow the shareholders to participate in the profits of the Company.

Whilst the dividend policy reflects the Board's current views of the Group's financial and cash flow position, the dividend policy will be reviewed from time to time as deemed fit by the Board.

## EFFECTIVE COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

The Company is of the view that the Annual General Meeting and other general meetings are important opportunities for meeting investors and addressing their concerns. The Board, senior management and external auditors attend all such meetings. Registered shareholders are invited to attend and participate actively in such meetings, including clarifying and questioning the Company's strategic direction, business operations, performance and proposed resolutions.

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded. Generally, resolutions will be carried out by show of hands except for substantive resolutions or as mandated by the authorities, the resolutions will be voted through polling session.

A press conference is normally held after every Annual General Meeting to brief members of the press on the performance of the Group for the benefit of potential investors as well as those shareholders who were unable to attend the meeting.

# Audit Committee Report

The Board of Directors of Matrix Concepts Holdings Berhad is pleased to present the report on the Audit Committee of the Board for the year ended 31 December 2014.

## OBJECTIVE

The Audit Committee was established to act as a Committee of the Board of Directors to fulfill its fiduciary responsibilities in accordance with the Terms of Reference of the Audit Committee of Matrix Concepts Holdings Berhad and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration and reporting and internal control.

## MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:

### Chairman

Rezal Zain Bin Abdul Rashid (Independent Non-Executive Director)

### Members

Dato' Firdaus Muhammad Rom Bin Harun (Independent Non-Executive Director)

Salmah Binti Sharif (Independent Non-Executive Director)

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

### Membership

1. The Audit Committee shall be appointed by the Board from amongst their members and shall consist of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.
2. At least one (1) member of the Audit Committee:
  - a) must be a member of the Malaysian Institute of Accountants; or
  - b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' of working experience and
    - Must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - Must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or



# Audit Committee Report (cont'd)

## Membership (cont'd)

- c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
3. The members of the Audit Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director.
4. In the event of any vacancy in the Audit Committee, within three (3) months of that event, the Board shall appoint new members to make up the minimum number of three (3) members.
5. No alternate Director shall be appointed as a member of the Audit Committee.
6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three years.

## AUTHORITY

The Audit Committee is authorised by the Board:

1. To investigate any activity within its terms of reference;
2. To have the resources required to perform its duties;
3. To have full and unrestricted access to information about the Company and the Group;
4. To have unrestricted access to both the internal and external auditors and to all employees of the Group;
5. To have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
6. To obtain external legal or other independent professional advice as necessary; and
7. To be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees, whenever deemed necessary.
8. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Listing Requirements, the Committee shall promptly report such matters to the authorities.

# Audit Committee Report (cont'd)

## FUNCTIONS

The functions of the Audit Committee shall be:

1. To review with the external auditors and report to the Board:
  - the audit planning memorandum.
  - their evaluation of the system of internal controls.
  - their audit reports, to ensure that their recommendations regarding management weaknesses are implemented.
  - the annual financial statements and recommend the adoption of the financial statements.
  - the audit fees.
  - any related party transactions and conflict of interest that may arise within the Company and the Group including any transaction, procedure or course of conduct that raise questions of management integrity.
  
2. To review with the internal auditors and report to the Board:
  - the Group's internal control procedures, including organisational and operational controls.
  - the internal audit's scope of work, functions, competency and resources and that it has the necessary authority to carry out its work.
  - the annual internal audit Plan.
  - the results of audit findings and other relevant reports.
  - the assistance given by the Company's officers to the internal auditors.
  - the regular management information and to ensure that audit recommendations regarding management weaknesses are effectively implemented.
  - To review, approve and note the following relating to the internal audit function:
    - i) To review any appraisal or assessment of the performance of members (or the independent professional service provider firm as the case may be) of the internal audit function.
    - ii) To approve any appointment or termination of senior staff members (or the independent professional service provider firm as the case may be) of the internal audit function.
    - iii) To note resignation of internal audit staff members (or the independent professional service provider firm as the case may be) and providing the staff members (or the independent professional service provider firm as the case may be) an opportunity to submit his/their reasons for resigning.
  
3. To review the Group's quarterly financial results and year end financial statements, prior to the approval by the board of Directors focusing particularly on:-
  - i) changes in or implementation of major accounting policy changes;
  - ii) significant and unusual events; and
  - iii) compliance with accounting standards and other legal requirements.

# Audit Committee Report (cont'd)

## FUNCTIONS (cont'd)

4. To review and recommend the appointment of the external auditors.
5. To review on any removal or resignation of the external auditors.
6. To undertake such other functions as may be agreed to by the Audit Committee and the Board.

## MEETINGS

1. Meetings shall be held not less than four (4) times a year.
2. The quorum for each meeting shall be two members present and a majority must be Independent Directors.
3. The Group Managing Director, Group Deputy Managing Director, the Chief Financial Officer and the internal auditors shall normally be invited to attend the meetings. Other Board members and employees may also attend the meetings upon the invitation of the Audit Committee.
4. At least once a year, the Audit Committee shall meet with the external auditors without the presence of management and Executive Directors.
5. The Company Secretary shall be the Secretary of the Audit Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and of the Board.
6. The Chairman of the Audit Committee shall report on each meeting to the Board.

During the financial year, there were five (5) Audit Committee Meetings held and the attendance by the members are as shown below:-

Audit Committee Member	Attendance
Rezal Zain Bin Abdul Rashid	5/5
Dato' Firdaus Muhammad Rom Bin Harun	5/5
Salmah Binti Sharif	5/5

# Audit Committee Report (cont'd)

## SUMMARY OF ACTIVITIES

Activities carried out by the Audit Committee during the financial year ended 31 December 2014 included the following:-

- a) Review the quarterly unaudited financial results and make necessary recommendations to the Board prior to release to the relevant authorities and public on:-
  - i) Compliance with existing and new accounting standards, policies and practices;
  - ii) Highlight any significant adjustments or unusual events;
  - iii) Compliance with listing requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 and other regulatory requirements.
- b) Make enquiry if there are any related party transactions and to review to ensure the related party transactions, if any, are on ordinary commercial terms and are not favourable to the related party than is generally available to the public, and that the transactions are not detrimental to the minority party;
- c) Review the internal audit plan, scope of work and its finding at every quarter, and to highlight to the Board on any material findings
- d) Review the Employees Share options Scheme's records every quarterly

## REPORT ON THE ALLOCATION OF EMPLOYEES SHARE OPTIONS

The Audit Committee has verified the allocation of options pursuant to the employees share option scheme and confirms that the criteria for allocation of options pursuant to the scheme had been disclosed to the employees and the said allocation has been duly complied with the criteria set.

# Statement on Risk Management and Internal Control

## INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("the Board") is pleased to provide the following statement on the state of internal control and risk management of the Group. This statement was prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors Listed Issuers" issued by the Institute of Internal Auditors Malaysia.

## RESPONSIBILITIES OF THE BOARD

The Board acknowledges its responsibility in maintaining an effective and sound system of internal control and risk management, including reviewing its adequacy and integrity in order to safeguard the assets of the Group and shareholders' investments.

The Board has established an on-going process to continuously review the adequacy, integrity and effectiveness of the Group's system of internal controls and risk management framework to ensure implementation of appropriate systems to effectively identify, evaluate and manage principal risks of the Group and to mitigate the effects of the principal risks on achieving the Group's business objectives. This process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

In view of the limitations inherent in any system of internal controls and risk management, it should be appreciated that an effective system of internal controls and risk management framework is designed to manage principal risks of the Group rather than to eliminate the risks. These systems can only provide reasonable and not absolute assurance against material misstatement, fraud or losses.

The Audit Committee with the assistance of the Risk Management Committee will assist the Board in reviewing the adequacy, integrity and effectiveness of the system of internal controls and risk management framework within the Group and to ensure adequate resources are channeled to obtain the level of assurance required by the Board. The Audit Committee presents all its findings to the Board.

The Board is assisted by the Management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

The key features of the internal control systems and risk management are as described henceforth.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The following key features have been implemented by the Board in their effort to maintain an effective and sound systems of risk management and internal controls:-

# Statement on Risk Management and Internal Control (cont'd)

## RISK MANAGEMENT AND INTERNAL CONTROLS (cont'd)

### Risk Management Framework

The Board had established a Risk Management Committee with clear defined lines of accountability and authority.

They are responsible for identifying business risks, implementing appropriate systems of internal controls to manage these risks and ensuring that there is an on-going programme to continuously assess, monitor and manage the principal risk of the Group. The Board and Management ensure that the risk management and control framework is embedded into the culture, processes and structures of the Group. The framework is responsive to changes in the business environment and clearly communicated to all key management personnel.

The following are initiatives undertaken by the Risk Management Committee during the year:-

- Review the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group; and
- Continuously monitor the action plans derived by the "Risk Owners" to address principal risks of the Group.

Based on the Risk Management Policies and Framework adopted and approved by the Board of Directors, the Risk Management Committee have delegated the responsibilities of identifying Key Risks of the Group to the respective "Risk Management Business Units" and "Risk Owners" whereby the "Risk Owners" are required to report the Key Risks of the Group with proposed action plans to the Risk Management Committee for review and consideration. The Key Risks of the Group with proposed action plans have been updated and presented to the Risk Management Committee in its meetings periodically.

### Organisation Structure

The Board has established an Organisation Structure of the Group, with clear lines of job scope and responsibilities for each department and divisions to administer and actively oversee the daily operations of the Group.

The Organisation Structure plays a vital role in acting out the Board's expectations through active participation in the operations of the business. Management meetings with the heads of all departments are held on a weekly basis, led by the Group Managing Director/Group Deputy Managing Director to discuss the progress of each project and other operational issues that require immediate attention of the Board.

### Audit Committee

The Audit Committee was established with a view to assist and to provide the Board with added focus in discharging the Board's duties.

The primary objectives of the Audit Committee are to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practice of the Group and to improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

# Statement on Risk Management and Internal Control (cont'd)

## RISK MANAGEMENT AND INTERNAL CONTROLS (cont'd)

### Audit Committee (cont'd)

The Audit Committee also ensures that there are continuous efforts by Management to address and resolve areas with control weaknesses.

### Internal Audit

During the financial year ended 31 December 2014, internal audit function of the Group has been undertaken via the engagement of an independent consulting firm ("Internal Auditor") to assist the Audit Committee and the Board primarily in formalising the Internal Audit Plan based on the established risk profile of the Group and carries out continuous internal controls reviews on the business processes that manages the principal risks identified on a quarterly basis based on the Internal Audit Plan prepared and approved by the Audit Committee. The total costs incurred for internal audit was RM60,000. The Board has also recently approved the appointment of an in-house internal auditor to enhance the internal audit function which shall be implemented at the next financial year.

All findings including the recommendations for further improvement will be presented independently by the Internal Auditor to the Audit Committee subsequent to discussions with Management on a quarterly basis. The independent monitoring, review and reporting arrangements undertaken by the Internal Auditor give reasonable assurance that the structure of internal controls and business processes are appropriate to the Group's operations so as to properly manage the principal risks to an acceptable level throughout the Group's businesses. Internal control weaknesses are identified and duly addressed either immediately or progressively.

In the year under review, the following areas are the internal audit compliance reviews carried out by the Internal Auditor:-

- 1) Contractor and Sub-contractor Management;
- 2) Procurement Management (Building Materials);
- 3) Project Pre-Development;
- 4) Project Execution;
- 5) Project Closure;
- 6) Project Site Management;
- 7) Fixed Asset Sighting and Verification (at Project Site);
- 8) Accounting Management;
- 9) Cash Flow and Finance Management;
- 10) Fixed Asset Management; and
- 11) Human Resources and Payroll Management.

The findings arising from the above reviews have been reported to Management for their response and subsequently for Audit Committee deliberation.

# Statement on Risk Management and Internal Control (cont'd)

## OTHER KEY INTERNAL CONTROL ELEMENTS

Other key internal control elements are as described below:-

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.
- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to senior management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in the regular management meetings attended by division and business unit heads. The Group Managing Director/Group Deputy Managing Director meet regularly with senior management to consider the Group's financial performance, business initiatives and other management and corporate issues.
- There are regular Board meetings and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.
- The Audit Committee reviews the effectiveness of the Group's system of internal controls on behalf of the Board. The Audit Committee comprise of Non-Executive members of the Board, who are Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- Review by the Audit Committee of internal control issues identified by the external and internal auditors and actions taken by Management in respect of the findings arising there from. The Internal Audit function reports directly to the Audit Committee. All findings are communicated to Management and the Audit Committee with recommendations for improvements and are followed up to confirm that all agreed recommendations are implemented. The Internal Audit Plan is structured on risk based approach and is reviewed and approved by the Audit Committee.
- Review of all proposals for material capital and investment opportunities by the management committee and approval for the same by the Board prior to expenditure being committed.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management Accounts are prepared timely and on a monthly basis and is reviewed by the Group Managing Director and senior management.



# Statement on Risk Management and Internal Control (cont'd)

## OTHER KEY INTERNAL CONTROL ELEMENTS (cont'd)

- The professionalism and competency of staff are enhanced through a structured training and development program. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.
- In the course of conducting annual statutory audit, the external auditor will highlight any significant audit, accounting and internal controls matters which require attention to the Board and Audit and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the external auditor without the Executive Directors and management being present. This year, the Audit Committee met once with the external auditor without the Executive Directors and management being present.

## REVIEW BY BOARD

The Board considered the risk management and internal control process in the Group during the financial year to be adequate and effective.

A review on the adequacy and effectiveness of the risk management and internal controls systems has been undertaken based on information from:

- a) Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- b) Assessments of major business units and functional controls by respective management to complement the above input in providing a holistic view on the effectiveness of the Group's risk and control framework; and
- c) The work by the internal audit function which submitted the Internal Audit Plan document highlighting the key processes, which have been defined based on the Risk Profile of the Group, and Internal Audit reports to the Audit and Risk Management Committee together with recommendations for improvement.

The Audit and Risk Management Committee will address and monitor the implementation of key action plans and any internal control weakness and ensure continuous process improvement. During the financial year under review, a number of improvements to internal controls were identified and addressed. There have been no significant weaknesses noted which have resulted in any material losses.

The Board has also received assurance from the Group Deputy Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. As the development of an efficient system of internal controls is an ongoing process, the Board and management maintain an ongoing commitment to continue taking appropriate measures to strengthen the risk management and internal control environment of the Group.

# Statement on Risk Management and Internal Control (cont'd)

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5 issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for the financial year ended 31 December 2014, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of risk management and internal controls within the Group.

RPG 5 does not require the external auditors to consider whether the Director’s Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and management thereon. RPG 5 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the Annual Report will, in fact, mitigate the risks identified or remedy the potential problems.

# Statement of Responsibility by Directors

## **IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS (Pursuant to Paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)**

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia and the MMLR of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2014, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgments and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps based on best effort basis to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

# FINANCIAL STATEMENTS

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# Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year	182,235,590	310,904,471

## DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

	RM
In respect of the financial year ended 31 December 2013:	
- a fourth interim single tier dividend of 5 sen per ordinary share, paid on 11 April 2014	15,147,845
In respect of the financial year ended 31 December 2014:	
- a first interim single tier dividend of 5 sen per ordinary share, paid on 10 July 2014	15,207,625
- a second interim single tier dividend of 3.75 sen per ordinary share, paid on 16 October 2014	17,133,169
- a third interim single tier dividend of 3.75 sen per ordinary share, paid on 15 January 2015	17,140,916
	64,629,555

# Directors' Report (cont'd)

## DIVIDENDS (cont'd)

Subsequent to the end of financial year, the Directors, on 12 February 2015 declared the following dividends:-

- a) a fourth interim single tier dividend of 5.25 sen per ordinary share amounting to RM23,996,886 in respect of the current financial year, payable on 9 April 2015 to shareholders whose names appeared in the record of depositors on 27 March 2015; and
- b) a special interim single tier dividend of 1.25 sen per ordinary share amounting to RM5,713,544 in respect of the current financial year, payable on 9 April 2015 to shareholders whose names appeared in the record of depositors on 27 March 2015.

The financial statements for the current financial year do not reflect the above declared interim dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

The Directors do not recommend the payment of any final dividend for the current financial year.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

## ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised capital of the Company;
- (b) During the financial year, the Company increased its issued and paid-up ordinary shares from RM301,173,200 to RM457,083,546 by:-
  - (i) the issuance of 3,743,200 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average exercise price of RM2.55 per share. The new shares were issued for cash consideration; and
  - (ii) the issuance of 152,167,146 new ordinary shares of RM1 each at par by capitalisation of the share premium and retained profits accounts by way of bonus issue, in proportion of 1 bonus share for every 2 existing ordinary shares held.
- (c) there were no issues of debentures by the Company.

# Directors' Report (cont'd)

## ISSUES OF SHARES AND DEBENTURES (cont'd)

Subsequent to the end of financial year, the Company increased its issued and paid-up capital from RM457,083,546 to RM461,478,631 by the issuance of 4,395,085 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average price of RM1.94 per share. The new shares were issued for cash consideration.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Employee Share Option Scheme below.

## EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 1 April 2013. The ESOS is to be in force for a period of 5 years effective from 28 May 2013.

The main features of the ESOS are disclosed in Note 19 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of holders to whom options have been granted to subscribe for less than 300,000 ordinary shares of RM1 each. The names of option holders granted options to subscribe for 300,000 or more ordinary shares of RM1 each during the financial year, other than Directors whose details are disclosed in the section on Directors' Interests in this report, are as follows:-

		Number Of Options Over Ordinary Shares Of RM1 Each				
		At				At
		1.1.2014	Granted	Bonus issue	Exercised	31.12.2014
1.	Mustaza Bin Musa	70,000	360,002	82,998	(84,000)	429,000
2.	Tan Say Kuan	70,000	420,002	89,998	(90,000)	490,000
3.	Tan Seng Heng	70,000	360,002	109,998	(30,000)	510,000
4.	Tan Sze Chee	56,000	320,002	71,998	(72,000)	376,000
5.	Tee Kam Mee	70,000	360,002	82,998	(84,000)	429,000
6.	Tiong Ting Hap	70,000	420,002	89,998	(90,000)	490,000

# Directors' Report (cont'd)

## **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance on impairment losses on receivables is required.

At the date of this report, the Directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## **VALUATION METHODS**

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## **CONTINGENT AND OTHER LIABILITIES**

The contingent liabilities are disclosed in Note 41 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.



# Directors' Report (cont'd)

## CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

## DIRECTORS

The Directors who served since the date of the last report are as follows:-

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN  
DATO' LEE TIAN HOCK  
HO KONG SOON  
REZAL ZAIN BIN ABDUL RASHID  
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN  
DATO' (Ir.) BATUMALAI A/L RAMASAMY  
SALMAH BINTI SHARIF

Pursuant to Article 97 of the Articles of Association of the Company, Dato' Haji Mohamad Haslah Bin Mohamad Amin and Rezal Zain Bin Abdul Rashid retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

# Directors' Report (cont'd)

## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors holding office at the end of the financial year in shares and options over shares of the Company and its related corporations during the financial year are as follows:-

The Company	Number Of Ordinary Shares Of RM1 Each				At 31.12.2014
	At 1.1.2014	Bought	Bonus Issue	Sold /Transfer	
<b>Direct Interests</b>					
Dato' Haji Mohamad Haslah					
Bin Mohamad Amin	210,000	150,000	180,000	-	540,000
Dato' Lee Tian Hock	59,884,052	210,000	30,047,026	(5,000,000)	85,141,078
Ho Kong Soon	6,974,352	225,000	3,487,176	(7,236,100)	3,450,428
Dato' Firdaus Muhammad Rom					
Bin Harun	80,000	30,000	55,000	-	165,000
Rezal Zain Bin Abdul Rashid	100,000	157,500	-	(40,000)	217,500
Dato' (Ir.) Batumalai A/L					
Ramasamy	190,000	117,500	105,000	(70,000)	342,500
<b>Indirect Interest In The Company</b>					
Dato' Lee Tian Hock	75,547,370	-	37,773,683	-	113,321,053
Ho Kong Soon	15,331,220	-	7,665,610	(3,000,000)	19,996,830
Dato' (Ir.) Batumalai A/L Ramasamy	2,000	10,000	6,000	-	18,000

The Company	Number Of Options Over Ordinary Shares Of RM1 Each				At 31.12.2014
	At 1.1.2014	Granted	Bonus Issue	Exercised	
<b>Share Options Of The Company</b>					
Dato' Haji Mohamad Haslah					
Bin Mohamad Amin	140,000	800,002	144,998	(150,000)	935,000
Ho Kong Soon	140,000	800,002	219,998	(225,000)	935,000
Dato' Lee Tian Hock	200,000	800,002	144,998	(210,000)	935,000
Dato' Firdaus Muhammad Rom					
Bin Harun	70,000	300,002	94,998	(30,000)	435,000
Rezal Zain Bin Abdul Rashid	100,000	300,002	109,998	(112,500)	397,500
Dato' (Ir.) Batumalai A/L Ramasamy	70,000	300,002	94,998	(97,500)	367,500
Salmah Binti Sharif	-	150,000	-	-	150,000

# Directors' Report (cont'd)

## **DIRECTORS' INTERESTS (cont'd)**

By virtue of his shareholdings in the Company, Dato' Lee Tian Hock is deemed to have interests in the shares in the Company and its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

## **DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 38 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain Directors pursuant to the ESOS of the Company.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 43 to the financial statements.

# Directors' Report (cont'd)

## AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

## SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 14 APRIL 2015

**Dato' Lee Tian Hock**

**Ho Kong Soon**

# Statement by Directors

We, Dato' Lee Tian Hock and Ho Kong Soon, being two of the Directors of Matrix Concepts Holdings Berhad., state that, in the opinion of the Directors, the financial statements set out on pages 87 to 164 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 14 APRIL 2015

**Dato' Lee Tian Hock**

**Ho Kong Soon**

# Statutory Declaration

I, Tan Say Kuan, I/C No. 740912-01-5787, being the officer primarily responsible for the financial management of Matrix Concepts Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 87 to 164 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
Tan Say Kuan, I/C No. 740912-01-5787, at  
Seremban in the state of Negeri Sembilan  
on this 14 April 2015

**Tan Say Kuan**

Before me

# Independent Auditors' Report

To The Members of  
**MATRIX CONCEPTS HOLDINGS BERHAD**  
(Incorporated In Malaysia)  
Company No : 414615-U

## Report on the Financial Statements

We have audited the financial statements of Matrix Concepts Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 87 to 164. The financial statements of the Group and the Company for the financial year ended 31 December 2013 were audited by another firm of chartered accountants whose report dated 11 April 2014 expressed an unqualified opinion.

### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

# Independent Auditors' Report

To The Members of  
**MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)**  
(Incorporated In Malaysia)  
Company No : 414615-U

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## Other Reporting Responsibilities

The supplementary information set out in Note 45 on page 165 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

# Independent Auditors' Report

To The Members of  
**MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)**  
(Incorporated In Malaysia)  
Company No : 414615-U

## Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Horwath**  
Firm No. : AF 1018  
Chartered Accountants

**Tan Lin Chun**  
Approval No : 2839/10/15 (J)  
Chartered Accountant

14 April 2015

Melaka



# Statements of Financial Position

At 31 December 2014

	NOTE	THE GROUP		THE COMPANY	
		2014 RM	2013 RM (RESTATED)	2014 RM	2013 RM (RESTATED)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	5	-	-	23,193,914	13,043,914
Property, plant and equipment	6	190,512,103	78,164,256	-	-
Investment properties	7	1,092,000	1,400,000	-	-
Other investment	8	-	15,000,000	-	15,000,000
Goodwill	9	1	1	-	-
Property development cost	10	38,540,210	16,587,340	-	-
Deferred tax assets	11	7,154,621	6,506,000	-	-
		237,298,935	117,657,597	23,193,914	28,043,914
<b>CURRENT ASSETS</b>					
Inventories	12	2,092,556	773,304	-	-
Property development cost	13	565,028,648	511,555,138	-	-
Trade receivables	14	112,714,331	116,923,131	-	-
Other receivables, deposits and prepayments	15	22,637,137	30,077,202	34,500	18,034,500
Amount owing by subsidiaries	16	-	-	680,612,314	338,309,201
Fixed deposits with licensed bank	17	36,848,912	80,707,753	34,132,695	78,072,807
Cash and bank balances	18	59,890,168	20,261,173	38,416	1,454,019
		799,211,752	760,297,701	714,817,925	435,870,527
<b>TOTAL ASSETS</b>		<b>1,036,510,687</b>	<b>877,955,298</b>	<b>738,011,839</b>	<b>463,914,441</b>

# Statements of Financial Position

At 31 December 2014 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2014 RM	2013 RM (RESTATED)	2014 RM	2013 RM (RESTATED)
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	19	457,083,546	301,173,200	457,083,546	301,173,200
Retained profits/(Accumulated losses)	20	199,185,915	157,836,841	167,870,968	(2,146,987)
Other reserves	21	7,487,531	70,128,173	7,487,531	70,128,173
Equity attributable to owners of the Company		663,756,992	529,138,214	632,442,045	369,154,386
Non-controlling interests		1	1	-	-
<b>TOTAL EQUITY</b>		<b>663,756,993</b>	<b>529,138,215</b>	<b>632,442,045</b>	<b>369,154,386</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	22	28,409,240	11,042,839	-	-
Deferred tax liabilities	11	644,390	823,190	-	-
		29,053,630	11,866,029	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	25	135,517,653	120,701,295	-	-
Other payables, deposits and accruals	26	138,517,969	156,793,291	17,641,455	30,809,096
Amount owing to subsidiaries	16	-	-	85,269,811	63,514,676
Bank overdrafts	27	38,315,886	32,177,005	2,606,444	56,786
Short-term borrowings	28	11,475,023	7,654,606	-	-
Provision for taxation		19,873,533	19,624,857	52,084	379,497
		343,700,064	336,951,054	105,569,794	94,760,055
<b>TOTAL LIABILITIES</b>		<b>372,753,694</b>	<b>348,817,083</b>	<b>105,569,794</b>	<b>94,760,055</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,036,510,687</b>	<b>877,955,298</b>	<b>738,011,839</b>	<b>463,914,441</b>

# Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	NOTE	THE GROUP		THE COMPANY	
		2014 RM	2013 RM (RESTATED)	2014 RM	2013 RM
REVENUE	29	598,841,791	574,044,624	311,506,000	75,400,000
COST OF SALES		(270,921,199)	(299,583,689)	-	-
GROSS PROFIT		327,920,592	274,460,935	311,506,000	75,400,000
OTHER OPERATING INCOME		3,918,569	4,910,560	1,376,123	3,497,026
		331,839,161	279,371,495	312,882,123	78,897,026
SELLING AND MARKETING EXPENSES		(26,155,336)	(21,954,784)	-	-
ADMINISTRATIVE EXPENSES		(58,377,183)	(50,566,798)	(1,509,723)	(680,525)
FINANCE COSTS		(2,721,055)	(1,798,489)	(127,929)	(7,123)
PROFIT BEFORE TAXATION	30	244,585,587	205,051,424	311,244,471	78,209,378
TAXATION	31	(62,349,997)	(53,488,757)	(340,000)	(838,349)
PROFIT AFTER TAXATION		182,235,590	151,562,667	310,904,471	77,371,029
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		182,235,590	151,562,667	310,904,471	77,371,029

# Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2014 RM	2013 RM (RESTATED)	2014 RM	2013 RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		182,235,590	151,562,667	310,904,471	77,371,029
Non-controlling interests		-	-	-	-
		182,235,590	151,562,667	310,904,471	77,371,029
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		182,235,590	151,562,667	310,904,471	77,371,029
Non-controlling interests		-	-	-	-
		182,235,590	151,562,667	310,904,471	77,371,029
EARNINGS PER SHARE (SEN)					
Basic	32(a)	40	36		
Diluted	32(b)	38	35		

# Statements of Changes in Equity

For the year ended 31 December 2014

THE GROUP	Note	NON-DISTRIBUTABLE				DISTRIBUTABLE			ATTRIBUTABLE TO OWNERS OF THE COMPANY		NON-CONTROLLING INTEREST	TOTAL EQUITY
		SHARE CAPITAL RM	SHARE PREMIUM RM	OPTION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM	RM	RM	RM	RM		
At 1.1.2013												
- As previously reported		51,100,940	-	-	302,855	290,529,170	341,932,965	1	341,932,966			
- Prior year adjustment	34	-	-	-	(302,855)	(21,587,143)	(21,889,998)	-	(21,889,998)			
- As restated		51,100,940	-	-	-	268,942,027	320,042,967	1	320,042,968			
Total comprehensive income for the financial year		-	-	-	-	151,562,667	151,562,667	-	151,562,667			
Contribution by and distribution to owners of the Company:-												
- Bonus issue	19	186,399,060	-	-	-	(186,399,060)	-	-	-	-	-	-
- Public issue	19	62,500,000	75,000,000	-	-	-	137,500,000	-	137,500,000	-	-	137,500,000
- Share options to employees		-	-	1,403,976	-	-	1,403,976	-	1,403,976	-	-	1,403,976
- Employees' share option exercised	19	1,173,200	1,912,316	(504,476)	-	-	2,581,040	-	2,581,040	-	-	2,581,040
- Dividends	33	-	-	-	-	(76,268,793)	(76,268,793)	-	(76,268,793)	-	-	(76,268,793)
Total transactions with owners		250,072,260	76,912,316	899,500	-	(262,667,853)	65,216,223	-	65,216,223	-	-	65,216,223
Listing expenses		-	(7,683,643)	-	-	-	(7,683,643)	-	(7,683,643)	-	-	(7,683,643)
Balance at 31.12.2013		301,173,200	69,228,673	899,500	-	157,836,841	529,138,214	1	529,138,215			

# Statements of Changes in Equity

For the year ended 31 December 2014 (cont'd)

THE GROUP	Note	[-----NON-DISTRIBUTABLE-----]					DISTRIBUTABLE			NON-CONTROLLING INTEREST RM	TOTAL EQUITY RM
		SHARE CAPITAL RM	SHARE PREMIUM RM	OPTION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM				
At 1.1.2014											
- As previously reported		301,173,200	69,228,673	899,500	302,855	179,423,984	551,028,212	1	551,028,213		
- Prior year adjustment	34	-	-	-	(302,855)	(21,587,143)	(21,889,998)	-	(21,889,998)		
- As restated		301,173,200	69,228,673	899,500	-	157,836,841	529,138,214	1	529,138,215		
Total comprehensive income for the financial year		-	-	-	-	182,235,590	182,235,590	-	182,235,590		
Contribution by and distribution to owners of the Company:-											
- Bonus issue	19, 21(b)	152,167,146	(75,890,436)	-	-	(76,276,710)	-	-	-		
- Share options to employees		-	-	7,484,925	-	-	7,484,925	-	7,484,925		
- Employees' share options exercised	19, 21(b)	3,743,200	7,879,452	(2,094,834)	-	-	9,527,818	-	9,527,818		
- Dividends	33	-	-	-	-	(64,629,555)	(64,629,555)	-	(64,629,555)		
- ESOS lapsed		-	-	(19,749)	-	19,749	-	-	-		
Total transactions with owners		155,910,346	(68,010,984)	5,370,342	-	(140,886,516)	(47,616,812)	-	(47,616,812)		
Balance at 31.12.2014		457,083,546	1,217,689	6,269,842	-	199,185,915	663,756,992	1	663,756,993		

# Statements of Changes in Equity

For the year ended 31 December 2014 (cont'd)

THE COMPANY	Note	[-----NON-DISTRIBUTABLE-----]				DISTRIBUTABLE		TOTAL EQUITY RM
		SHARE CAPITAL RM	SHARE PREMIUM RM	OPTION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM		
At 1.1.2013								
- As previously reported		51,100,940	-	-	302,855	204,736,980	256,140,775	
- Prior year adjustment	34	-	-	-	(302,855)	(21,587,143)	(21,889,998)	
- As restated		51,100,940	-	-	-	183,149,837	234,250,777	
Total comprehensive income for the financial year		-	-	-	-	77,371,029	77,371,029	
Contribution by and distribution to owners of the Company:-								
- Bonus issue	19	186,399,060	-	-	-	(186,399,060)	-	
- Public issue	19	62,500,000	75,000,000	-	-	-	137,500,000	
- Share options to employees	19	-	-	1,403,976	-	-	1,403,976	
- Employees' share options exercised	19	1,173,200	1,912,316	(504,476)	-	-	2,581,040	
- Dividends	33	-	-	-	-	(76,268,793)	(76,268,793)	
Total transactions with owners		250,072,260	76,912,316	899,500	-	(262,667,853)	65,216,223	
Listing expenses		-	(7,683,643)	-	-	-	(7,683,643)	
Balance at 31.12.2013		301,173,200	69,228,673	899,500	-	(2,146,987)	369,154,386	

# Statements of Changes in Equity

For the year ended 31 December 2014 (cont'd)

THE COMPANY	Note	[-----NON-DISTRIBUTABLE-----]				DISTRIBUTABLE		TOTAL EQUITY RM
		SHARE CAPITAL RM	SHARE PREMIUM RM	OPTION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM		
At 1.1.2014		301,173,200	69,228,673	899,500	302,855	19,440,156	391,044,384	
- As previously reported								
- Prior year adjustment	34	-	-	-	(302,855)	(21,587,143)	(21,889,998)	
- As restated		301,173,200	69,228,673	899,500	-	(2,146,987)	369,154,386	
Total comprehensive income for the financial year		-	-	-	-	310,904,471	310,904,471	
Contribution by and distribution to owners of the Company:-								
- Bonus issue	19, 21 (b)	152,167,146	(75,890,436)	-	-	(76,276,710)	-	
- Share options to employees		-	-	7,484,925	-	-	7,484,925	
- Employees' share options exercised	19	3,743,200	7,879,452	(2,094,834)	-	-	9,527,818	
- Dividends	33	-	-	-	-	(64,629,555)	(64,629,555)	
- ESOS lapsed		-	-	(19,749)	-	19,749	-	
Total transactions with owners		155,910,346	(68,010,984)	5,370,342	-	(140,886,516)	(47,616,812)	
Balance at 31.12.2014		457,083,546	1,217,689	6,269,842	-	167,870,968	632,442,045	



# Statements of Cash Flows

For the year ended 31 December 2014

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	244,585,587	205,051,424	311,244,471	78,209,378
Adjustments for:-				
Depreciation of property, plant and equipment	2,549,865	2,655,177	-	-
Depreciation of investment properties	308,000	-	-	-
ESOS expenses	7,484,925	1,403,976	451,528	76,691
Interest expenses	2,721,055	1,798,489	127,929	7,123
Property development cost written off	101,620	-	-	-
Interest income	(2,859,072)	(3,993,056)	(1,376,123)	(3,497,873)
Gain on disposal of property, plant and equipment	(226,625)	(62,756)	-	-
Operating profit before working capital changes	254,665,355	206,853,254	310,447,805	74,795,319
Increase/(Decrease) in inventories	(1,319,252)	1,627,700	-	-
Increase in properties development cost	(75,528,000)	(139,747,554)	-	-
Decrease/(Increase) in receivables	11,648,865	(30,908,669)	18,000,000	174,611,085
Increase/(Decrease) in payables	9,517,444	49,214,393	(191,233)	163,266
<b>CASH FROM OPERATIONS</b>	<b>198,984,412</b>	<b>87,039,124</b>	<b>328,256,572</b>	<b>249,569,670</b>
Interest received	2,859,072	3,993,056	1,376,123	3,497,873
Tax paid	(62,928,742)	(49,608,330)	(667,413)	(458,249)
Tax refunded	-	78,146	-	-
Interest paid	(2,721,055)	(1,798,489)	(127,929)	(7,123)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>136,193,687</b>	<b>39,703,507</b>	<b>328,837,353</b>	<b>252,602,171</b>

# Statements of Cash Flows

For the year ended 31 December 2014 (cont'd)

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM (RESTATED)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	-	(10,150,000)	(675,000)
Withdrawal/(Purchase) of unit trust	15,000,000	(15,000,000)	15,000,000	(15,000,000)
Proceeds from disposal of property, plant and equipment	1,681,750	140,000	-	-
Purchase of property, plant and equipment	35 (116,352,837)	(69,289,700)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(99,671,087)	(84,149,700)	4,850,000	(15,675,000)
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES				
Dividends paid	(77,605,963)	(46,151,469)	(77,605,963)	(46,151,469)
Drawdown of term loans	38,000,000	-	-	-
Payment of listing expenses	-	(7,683,643)	-	(7,683,643)
Proceeds from issuance of shares	9,527,818	140,081,040	9,527,818	140,081,040
Repayment to related parties	-	-	(313,514,581)	(251,378,516)
Repayment of term loans	(16,597,084)	(2,784,671)	-	-
Repayment of hire purchase	(216,098)	(617,058)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(46,891,327)	82,844,199	(381,592,726)	(165,132,588)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,368,727)	38,398,006	(47,905,373)	71,794,583
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	68,791,921	30,393,915	79,470,040	7,675,457
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36 58,423,194	68,791,921	31,564,667	79,470,040

# Notes to the Financial Statements

For the financial year ended 31 December 2014

## 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Wisma Matrix  
57, Jalan Tun Dr. Ismail  
70200 Seremban  
Negeri Sembilan Darul Khusus

Principal place of business : Wisma Matrix  
57 A & B, Jalan Tun Dr. Ismail  
70200 Seremban  
Negeri Sembilan Darul Khusus

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 14 April 2015.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 3. BASIS OF PREPARATION (cont'd)

- 3.1 During the current financial year, 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 10, MFRS 12 and MFRS 127 (2011): Investment Entities  
 Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities  
 Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets  
 Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting  
 IC Interpretation 21 Levies

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

- 3.2 The Company has adopted MFRS since the previous financial year ended 31 December 2012 even though the Company is allowed to remain adoption of FRS under the "transitioning entity". At that time of adoption of MFRS, the Company inadvertently did not apply its revenue recognition policy based on completed method as stipulated in MFRS 118 Revenue and IC Interpretation 15 Agreements for the Construction of Real Estate but instead applied percentage of completion method. However, there is no material impact on the Company's financial statements as the Company decided for an early adoption of MFRS 15 Revenue from Contracts with Customers during the current financial year instead of the effective date for period beginning on or after 1 January 2017. The adoption of MFRS 15 allows the Company to apply percentage of completion method for its development properties.

There were no restatement of comparative figures arising from the revenue recognition policy based on completed method as there will be no impact to the financial statements upon the early adoption of MFRS 15 as summarised below:

### Statement of Profit or Loss and Other Comprehensive Income (Extract)

Financial year ended 31 December 2013

	Revenue RM	Cost of sales RM	Gross Profit RM
As previously reported	574,044,624	(299,583,689)	274,460,935
Application of IC Interpretation 15	57,229,516	(42,037,529)	15,191,987
As restated before early adoption	631,274,140	(341,621,218)	289,652,922
Early adoption of MFRS 15	(57,229,516)	42,037,529	(15,191,987)
As restated after early adoption	574,044,624	(299,583,689)	274,460,935

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 3. BASIS OF PREPARATION (cont'd)

### 3.2 (cont'd)

#### Statement of Changes in Equity (Extract):

	Retained earnings
As at 31 December 2013	
As previously reported	157,836,841
Application of IC Interpretation 15	<u>15,191,987</u>
As restated before early adoption	173,028,828
Early adoption of MFRS 15	<u>(15,191,987)</u>
As restated after early adoption	<u>157,836,841</u>

3.3 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 (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above mentioned accounting standards and interpretations (including the consequential amendments) are not expected to have any material impact on the Group's financial statements upon their initial application.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

#### (a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### (c) Property Development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialist.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### (d) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

##### (i) Contract Revenue

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

##### (ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

#### (e) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

#### (g) Classification between Investment Properties and Owner occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### (g) Classification between Investment Properties and Owner occupied Properties (cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

#### (h) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

#### (i) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### (j) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

#### (k) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

#### (l) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 BASIS OF CONSOLIDATION (cont'd)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### (a) Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

An acquisition that resulted in a business combination involving common control entities is outside the scope of MFRS 3 Business Combinations. For such common control combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statements items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses come under the control of the controlling party or parties.

Under merger accounting, the Group recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amount as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Groups' accounting policies and applying those policies to all period presented. There is no recognition of any goodwill or a gain from a bargain purchase at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited financial statements of the Group.

However, in future, acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 BASIS OF CONSOLIDATION (cont'd)

#### (a) Business Combinations (cont'd)

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

#### (c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 BASIS OF CONSOLIDATION (cont'd)

#### (d) Loss of Control (cont'd)

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between (cont'd):-

- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

### 4.4 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Group are measured using the currency of the primary economic environment in which the Group operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

#### (a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

##### (i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.5 FINANCIAL INSTRUMENTS (cont'd)

#### (a) Financial Assets (cont'd)

##### (i) Financial Assets at Fair Value through Profit or Loss (cont'd)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at the end of the reporting period, there were no financial assets classified under this category.

##### (ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

##### (iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

##### (iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.5 FINANCIAL INSTRUMENTS (cont'd)

#### (a) Financial Assets (cont'd)

##### (iv) Available-for-sale Financial Assets (cont'd)

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

As at the end of the reporting period, there were no financial assets classified under this category.

#### (b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.5 FINANCIAL INSTRUMENTS (cont'd)

#### (c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

#### Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Leasehold land and buildings	Over the lease period of 98 years
Office equipment, furniture and fittings	10% - 20%
Plant and machinery	10% - 12%
Motor vehicles	15%
Building in progress	NIL

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Depreciation of building in progress commences when the assets are completed and ready for commercial use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.8 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

### 4.9 PROPERTY DEVELOPMENT COSTS

#### (a) Non-current Property Development

Non-current property development costs consists of land and development costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are carried at cost less and accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Non-current property development costs are transferred to the current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

#### (b) Current Property Development

Current property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.9 PROPERTY DEVELOPMENT COSTS (cont'd)

#### (b) Current Property Development (cont'd)

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in profit or loss are determined by reference to the stage of completion of development activity at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

### 4.10 IMPAIRMENT

#### (a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.10 IMPAIRMENT (cont'd)

#### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

### 4.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

### 4.12 INVENTORIES

Completed properties held for resale are measured at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes land, all direct building costs and other related development costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.13 PROGRESS BILLINGS/ACCRUED BILLINGS

In respect of progress billings:-

- (a) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and
- (b) where billings to purchasers exceed the revenue recognised to profit or loss, the balance is shown as progress billings under current liabilities.

### 4.14 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 INCOME TAXES (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

### 4.15 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

### 4.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and bank overdraft that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

### 4.17 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

### 4.18 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.18 EMPLOYEE BENEFITS (cont'd)

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### (c) Share-based Payment Transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (share options).

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the amount owing by subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital or share premium if new ordinary shares are issued.

### 4.19 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.19 RELATED PARTIES (cont'd)

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 4.20 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

### 4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.21 FAIR VALUE MEASUREMENTS (cont'd)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4.22 REVENUE RECOGNITION AND OTHER INCOME

#### (a) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised on the extend of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

#### (b) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.22 REVENUE RECOGNITION AND OTHER INCOME (cont'd)

#### (c) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contracts costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in loss.

The stage of completion is determined based on surveys of work performed.

#### (d) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

#### (e) Interest Income

Interest income is recognised on an accrual basis.

#### (f) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

#### (g) Rental Income

Rental income is recognised on an accrual basis.

### 4.23 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2014 RM	2013 RM
Unquoted shares - at cost	23,193,914	13,043,914

The details of the subsidiaries are as follows:-

Name of subsidiaries	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014 %	2013 %	
Pembinaan Juwasan Sdn. Bhd.	Malaysia	100	100	Project management
Matrix Concepts (Central) Sdn. Bhd.	Malaysia	100	100	Property development
Riverine Projects Sdn. Bhd.	Malaysia	100	100	Property development
Matrix Global Education Sdn. Bhd.	Malaysia	100	100	Provision of education services
Masuda Corporation Sdn. Bhd.	Malaysia	100	100	Property development
Matrix Concepts Sdn. Bhd.	Malaysia	100	100	Sales of land and property development
Seventech Sdn. Bhd.	Malaysia	100	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	100	100	Landscape management
BSS Development Sdn. Bhd.	Malaysia	100	10	Sales of land and property development
MCHB Properties Sdn. Bhd.	Malaysia	100	100	Investment in properties
Insani Utama Sdn. Bhd.	Malaysia	100	100	Sales of land and property development

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 5. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows (cont'd):-

Name of subsidiaries	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014 %	2013 %	
Matrix IBS Sdn. Bhd.	Malaysia	100	100	Dormant company
<b>Subsidiaries of Pembinaan Juwasan Sdn. Bhd.</b>				
Juwasan Maju Sdn. Bhd.	Malaysia	100	100	Project management and procurement of building materials
Juwasan Trading Sdn. Bhd.	Malaysia	100	100	Procurement of building materials
<b>Subsidiary of Masuda Corporation Sdn. Bhd.</b>				
MCHB Management Services Sdn. Bhd.	Malaysia	100	100	Provision of management and administration services
<b>Subsidiaries of Matrix Concepts Sdn. Bhd.</b>				
Matrix Country Club Sdn. Bhd.	Malaysia	100	100	Clubhouse operator
Kris Benua Sdn. Bhd.	Malaysia	100	100	Project management

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP NET BOOK VALUE	AT 1.1.2014 RM	ADDITIONS RM	DISPOSAL RM	DEPRECIATION CHARGE RM	AT 31.12.2014 RM
Freehold land	1,257,313	-	-	-	1,257,313
Buildings	7,470,609	31,170,767	-	(338,423)	38,302,953
Leasehold land and buildings	146,283	-	-	(1,762)	144,521
Office equipment, furniture and fittings	186,279	3,482,540	-	(605,555)	3,063,264
Plant and machinery	928,535	48,480	-	(138,233)	838,782
Motor vehicles	6,512,549	400,995	(1,455,125)	(1,465,892)	3,992,527
Building in progress	61,662,688	81,250,055	-	-	142,912,743
<b>Total</b>	<b>78,164,256</b>	<b>116,352,837</b>	<b>(1,455,125)</b>	<b>(2,549,865)</b>	<b>190,512,103</b>

THE GROUP NET BOOK VALUE	AT 1.1.2014 RM	ADDITIONS RM	DISPOSAL RM	DEPRECIATION CHARGE RM	AT 31.12.2014 RM
Freehold land	1,257,313	-	-	-	1,257,313
Buildings	2,928,216	4,610,307	-	(67,914)	7,470,609
Leasehold land and buildings	148,045	-	-	(1,762)	146,283
Office equipment, furniture and fittings	142,521	236,686	-	(192,928)	186,279
Plant and machinery	742,575	322,610	-	(136,650)	928,535
Motor vehicles	6,298,307	2,547,409	(77,244)	(2,255,923)	6,512,549
Building in progress	-	61,662,688	-	-	61,662,688
<b>Total</b>	<b>11,516,977</b>	<b>69,379,700</b>	<b>(77,244)</b>	<b>(2,655,177)</b>	<b>78,164,256</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE GROUP AT 31 DECEMBER 2014	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Freehold land	1,257,313	-	1,257,313
Buildings	39,176,789	(873,836)	38,302,953
Leasehold land and buildings	172,715	(28,194)	144,521
Office equipment, furniture and fittings	5,397,312	(2,334,048)	3,063,264
Plant and machinery	1,489,432	(650,650)	838,782
Motor vehicles	14,281,856	(10,289,329)	3,992,527
Building in progress	142,912,743	-	142,912,743
<b>Total</b>	<b>204,688,160</b>	<b>(14,176,057)</b>	<b>190,512,103</b>

THE GROUP AT 31 DECEMBER 2013	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Freehold land	1,257,313	-	1,257,313
Buildings	8,006,022	(535,413)	7,470,609
Leasehold land and buildings	172,715	(26,432)	146,283
Office equipment, furniture and fittings	1,914,772	(1,728,493)	186,279
Plant and machinery	1,440,952	(512,417)	928,535
Motor vehicles	19,018,301	(12,505,752)	6,512,549
Building in progress	61,662,688	-	61,662,688
<b>Total</b>	<b>93,472,763</b>	<b>(15,308,507)</b>	<b>78,164,256</b>

Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM254,728 (2013 – RM752,242), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 7. INVESTMENT PROPERTIES

THE GROUP NET BOOK VALUE	At 1.1.2014 RM	ADDITIONS RM	DEPRECIATION CHARGE RM	At 31.12.2014 RM
Houses	1,400,000	-	(308,000)	1,092,000

THE GROUP NET BOOK VALUE	At 1.1.2013 RM	Additions RM	At 31.12.2013 RM
Houses	1,400,000	-	1,400,000

THE GROUP AT 31.12.2014	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Houses	1,400,000	(308,000)	1,092,000

THE GROUP AT 31.12.2013	AT COST RM	NET BOOK VALUE RM
Houses	1,400,000	1,400,000

The estimated fair value of the investment properties for the subsidiary as at the end of the reporting period approximates RM2,400,000.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 8. OTHER INVESTMENTS

	THE GROUP / THE COMPANY	
	2014	2013
	RM	RM
Quoted unit trusts in Malaysia, at cost	-	15,000,000
Represented by:-		
At fair value	-	15,000,000

## 9. GOODWILL

	THE GROUP	
	2014	2013
	RM	RM
Goodwill arising from consolidated	18,144	18,144
Accumulated impairment losses	(18,143)	(18,143)
At 31 December	1	1

## 10. PROPERTY DEVELOPMENT COSTS (NON-CURRENT)

	THE GROUP	
	2014	2013
	RM	RM
Land, at cost		
At beginning of the year	9,297,656	1,397,656
Costs incurred during the year	-	7,900,000
At the end of the year	9,297,656	9,297,656
Development costs		
At beginning of the year	7,289,684	7,271,524
Costs incurred during the year	21,952,870	18,160
At the end of the year	29,242,554	7,289,684
Carrying amount	38,540,210	16,587,340



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 10. PROPERTY DEVELOPMENT COSTS (NON-CURRENT) (cont'd)

The title of the above properties has yet to be transferred to the name of subsidiary as at the end of reporting period.

## 11. DEFERRED TAX (ASSETS)/LIABILITIES

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Deferred tax assets</b>				
At 1 January	(5,682,810)	(2,016,630)	-	15,339,500
Recognised in profit or loss (Note 31)	(827,421)	(3,666,180)	-	(15,339,500)
At 31 December	(6,510,231)	(5,682,810)	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(7,154,621)	(6,506,000)	-	-
Deferred tax liabilities	644,390	823,190	-	-
	(6,510,231)	(5,682,810)	-	-

Deferred tax assets and liabilities are attributable to the following items:-

	THE GROUP	
	2014 RM	2013 RM
<b>Deferred tax liabilities</b>		
An excess of carrying amount over tax base	771,790	857,190
<b>Deferred tax assets</b>		
Hire purchase payables	-	(34,000)
Provisions	(399,000)	-
Unrealised profits	(6,883,021)	(6,506,000)
	(7,282,021)	(6,540,000)
Net deferred tax assets	(6,510,231)	(5,682,810)

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 12. INVENTORIES

	THE GROUP	
	2014 RM	2013 RM
At cost:-		
Completed properties	2,092,556	773,304

None of the inventories are stated at net realisable value.

## 13. PROPERTY DEVELOPMENT COSTS (CURRENT)

	THE GROUP	
	2014 RM	2013 RM
<b>Land, at cost</b>		
At beginning of the year	317,894,426	239,501,352
Costs incurred during the year	83,557,430	123,067,344
Reversal of completed project	(23,146,289)	(44,674,270)
At the end of the year	378,305,567	317,894,426
<b>Development costs</b>		
At beginning of the year	430,843,128	494,103,063
Costs incurred during the year	259,255,425	275,796,762
Reversal of completed project	(180,298,602)	(339,056,697)
Cost written off	(101,620)	-
At the end of the year	509,698,331	430,843,128

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 13. PROPERTY DEVELOPMENT COSTS (CURRENT) (cont'd)

	THE GROUP	
	2014 RM	2013 RM
<b>Cumulative cost</b>	888,003,898	748,737,554
<b>Cumulative cost recognised in income statement</b>		
At beginning of the year	(237,182,416)	(287,862,228)
Recognised during the year	(287,457,395)	(333,051,155)
Reversal of completed project	203,444,891	383,730,967
Unsold completed unit transfer to inventories	(1,780,330)	-
At the end of the year	(322,975,250)	(237,182,416)
<b>Carrying amount</b>	565,028,648	511,555,138

Certain development properties have been pledged to financial institution as security for banking facilities granted to the Group as disclosed in Note 27 to the financial statements.

Included in the development costs are interest capitalised during the year of RM734,297 (2013: RM290,441).

Included in the land cost is an amount of RM70,626,468 (2013: RM120,172,761) development land registered under the Menteri Besar, Negeri Sembilan (Permerbadanan), ("MBI"). Pursuant to the shareholders cum joint venture agreement, upon the full and final settlement of the purchase consideration together with all interest charge and other costs on 11 August 2011, MBI shall transfer or caused to be transferred the Development Land or any part or parts thereof to the subsidiary company or to the end purchaser(s) so nominated by the subsidiary company.

## 14. TRADE RECEIVABLES

	THE GROUP	
	2014 RM	2013 RM
Trade receivables	40,204,737	26,758,661
Revenue recognised in excess of progress billings	72,509,594	90,164,470
	112,714,331	116,923,131

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 14. TRADE RECEIVABLES (cont'd)

- (a) The credit terms of the Group range from 14 to 21 (2013: 14 to 21) days.
- (b) Other credit terms are assessed and approved on a case-by-case basis.

## 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	16,079,811	9,324,129	30,000	30,000
Deposits	2,149,752	20,652,887	4,500	4,500
Prepayment	4,407,574	100,186	-	-
Dividend receivable	-	-	-	18,000,000
	22,637,137	30,077,202	34,500	18,034,500

## 16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2014 RM	2013 RM
Amount owing by:-		
Non-trade balances	680,612,314	338,309,201
Amount owing to:-		
Non-trade balances	(85,269,811)	(63,514,676)

The amounts owing relate to non-trade balances and they are unsecured, interest-free advances and payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.

## 17. FIXED DEPOSITS WITH LICENSED BANK

- (a) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 3.15% to 3.30% (2013 – 2.95% to 3.15%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2013 - 30 to 365) days.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 17. FIXED DEPOSITS WITH LICENSED BANK (cont'd)

(b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was an amount of RM5,472,644 (2013 – RM5,310,842) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

## 18. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group are amounts totaling RM24,173,951 (2013 – RM12,943,934) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

## 19. SHARE CAPITAL

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Number of shares		RM	
ORDINARY SHARES OF RM1 EACH:- AUTHORISED	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
ISSUED AND FULLY PAID-UP				
At 1 January	301,173,200	51,100,940	301,173,200	51,100,940
New shares issued				
under bonus issue	152,167,146	186,399,060	152,167,146	186,399,060
Private placement	-	62,500,000	-	62,500,000
New shares issued under the employees share option scheme	3,743,200	1,173,200	3,743,200	1,173,200
At 31 December	457,083,546	301,173,200	457,083,546	301,173,200

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 19. SHARE CAPITAL (cont'd)

- (i) During the financial year, the Company increased its issued and paid-up ordinary shares from RM301,173,200 to RM457,083,546 by:-
  - (a) the issuance of 3,743,200 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average exercise price of RM2.55 per share. The new shares were issued for cash consideration.
  - (b) the issuance of 152,167,146 new ordinary shares of RM1 each at par by capitalisation of the share premium and retained profits accounts by way of bonus issue, in proportion of 1 bonus share for every 2 existing ordinary shares.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

- (ii) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.
- (iii) Subsequent to the end of financial year, the Company increased its issued and paid-up capital from RM457,083,546 to RM461,478,631 by the issuance of 4,395,085 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average price of RM1.94 per share. The new shares were issued for cash consideration.

### EMPLOYEE'S SHARE OPTION SCHEME

The Employees' Share Option Scheme ("the Scheme") was approved by the Company's shareholders on 1 April 2013. The Scheme was implemented on 28 May 2013 and is to be in force for a period of 5 years from the date of implementation. However, the Company may extend the duration of the Scheme provided the entire duration of the Scheme, if extended, shall not exceed 10 years from the date of implementation.

The principal features of the ESOS are as follows:-

- (i) The maximum number of new shares under the Scheme shall not exceed in aggregate 10%, or any such amount or percentage may be permitted by relevant authorities of the issue and paid-up share capital of the Company at any one time during the existence of the Scheme.
- (ii) Eligible Directors or employees of the Group are Directors or employees of the Group who have been confirmed in the service of the Group prior to the offer or, if the employee is serving under an employment contract, the contract should be for a duration of at least one (1) year. The maximum allowable allotments for the Directors have been approved by the shareholders of the Company in a general meeting.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 19. SHARE CAPITAL (cont'd)

### EMPLOYEE' SHARE OPTION SCHEME (cont'd)

- (iii) Not more than 10% of the shares available under the Scheme is allocated to any individual Director or employee who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) The option price may be subjected to a discount of not more than ten percent (10%) from the weighted average market price of the Company's shares for the five (5) trading days preceding the date of the offer or such maximum discount as may be permitted by Bursa Malaysia Securities Berhad, whichever is higher.
- (v) All new ordinary shares issued upon exercise of the options granted under the Scheme will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.
- (vi) The unexercised option granted to eligible employees will lapse when they are no longer in employment with the Group unless a claim was made that is subjected to the discretion of the Option Committee.

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# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 19. SHARE CAPITAL (cont'd)

The option prices and the details in the movement of the options granted are as follows:-

Date of Offer	Exercise period	Exercise price per ordinary share		Balance at 1 January 2014	During the year			Balance at 31 December 2014	
		before bonus issue	after bonus issue		Granted	Bonus issue	Exercised		Lapsed
		RM	RM						
6.5.2013	1.7.2013 – 2.1.2015	2.20	1.46	4,052,800	-	1,095,189	(1,997,300)	(83,800)	3,066,889
29.1.2014	7.2.2014 – 1.1.2016	3.26	2.17	-	7,183,000	2,899,964	(1,745,900)	-	8,337,064
9.12.2014	1.1.2015 – 1.1.2017	-	2.46	-	9,708,479	-	-	-	9,708,479
				4,052,800	16,891,479	3,995,153	(3,743,200)	(83,800)	21,112,432

The options which lapsed during the financial year were due to resignations of employees.

During the financial year, the Company has granted 16,891,479 share options under the ESOS. Options exercisable in a particular year but not exercised can be carried forward to the subsequent years provided they are exercised prior to the expiry date of the ESOS on 27 May 2018.



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 20. RETAINED PROFITS/ACCUMULATED LOSSES

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

## 21. OTHER RESERVES

		THE GROUP/THE COMPANY	
		2014	2013
		RM	RM
Non-distributable:-			
Employee Share option reserve	(a)	6,269,842	899,500
Share premium	(b)	1,217,689	69,228,673
		7,487,531	70,128,173

### (a) EMPLOYEE SHARE OPTION RESERVE

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	THE GROUP/THE COMPANY		
	ESOS GRANTED ON		
	9.12.2014	29.1.2014	6.5.2013
Fair value of share options at the grant date (RM)	0.52	0.78	0.43
Weighted average share price (RM)	2.36	3.57	2.57
Exercise price (RM)	2.46	3.26	2.20
Expected volatility (%)	43.73	29.10	20.49
Expected life (years)	3.43	4.32	5.00
Risk free rate (%)	3.98	3.96	3.41
Expected dividend yield (%)	8.59	6.53	-

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 21. OTHER RESERVES (CONT'D)

### (b) SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	THE GROUP/THE COMPANY	
	2014 RM	2013 RM
At 1 January	69,228,673	-
Issue of new shares	-	75,000,000
Listing expenses	-	(7,683,643)
New shares issued under the employee share option scheme	7,879,452	1,912,316
Bonus issues of new shares	(75,890,436)	-
At 31 December	1,217,689	69,228,673

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

## 22. LONG-TERM BORROWINGS

	THE GROUP	
	2014 RM	2013 RM
Term Loans (Note 23)	28,362,591	10,916,186
Hire purchase payables (Note 24)	46,649	126,653
	28,409,240	11,042,839

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 23. TERM LOANS

	THE GROUP	
	2014 RM	2013 RM
Term loans	39,757,610	18,354,694
Less: Portion repayable within twelve months (Note 28)	(11,395,019)	(7,438,508)
Portion repayable after twelve months (Note 22)	28,362,591	10,916,186
Current portion:- -repayable within one year	11,395,019	7,438,508
Non-current portion:- - repayable between one and two years	10,699,573	8,393,369
- repayable between two and five years	17,158,875	2,522,817
- repayable more than five years	504,143	-
Total non-current portion	28,362,591	10,916,186
	39,757,610	18,354,694

The bank term loans are repayable over 60 to 180 (2013 – 60 to 180) monthly instalments from the date of drawdown for the Group and are secured in the same manner as the bank overdrafts as disclosed in Note 27 to the financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 24. HIRE PURCHASE PAYABLES

	THE GROUP	
	2014 RM	2013 RM
Minimum hire purchase payments:-		
- Not later than one year	89,724	245,809
- Later than one year and not later than five years	52,319	142,043
	142,043	387,852
Less: Future finance charges	(15,390)	(45,101)
Present value of hire purchase payables	126,653	342,751

	THE GROUP	
	2014 RM	2013 RM
Current (Note 28)		
- not later than one year	80,004	216,098
Non-current (Note 22)		
- later than one year and not later than five years	46,649	126,653
	126,653	342,751

The term for hire-purchase ranges from 3 - 6 (2013 : 3 - 6) years. In respect of the financial year ended 31 December, 2014, the borrowing rate ranges from 2.18% - 3.50% (2013 : 2.18% - 3.50%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangements.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 25. TRADE PAYABLES

	THE GROUP	
	2014 RM	2013 RM
Trade payables	53,184,740	67,489,239
Retention sum	461,413	449,701
Progress claim	81,871,500	52,762,355
	135,517,653	120,701,295

The normal trade credit terms granted to the Group range from 30 days to 120 days (2013 – 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

## 26. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	15,185,263	9,155,975	3,107	219,004
Deposits	739,640	12,069,771	-	-
Accruals	103,957,306	105,450,221	497,432	472,768
Dividend payables	17,140,916	30,117,324	17,140,916	30,117,324
Deferred income	1,494,844	-	-	-
	138,517,969	156,793,291	17,641,455	30,809,096

## 27. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2014 %	2013 %	2014 %	2013 %
Bank overdrafts	7.61	7.28	8.35	8.10

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 27. BANK OVERDRAFTS (cont'd)

The bank overdrafts are secured by the following:-

- (i) Facilities agreements;
- (ii) Legal charge over certain development properties and properties of certain subsidiary companies;
- (iii) Guaranteed jointly and severally by certain Directors of the Company and of certain subsidiary companies;
- (iv) Pledge of fixed deposits of the Company and of certain subsidiary companies;
- (v) Corporate guarantee on principal sums plus interest thereon by the Company;
- (vi) The Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad under Working Capital Guarantee Scheme;
- (vii) A specific debenture over certain charged properties of subsidiaries companies; and
- (viii) Hibah Agreement between a third party and a subsidiary company, in relation to the charged properties of that subsidiary company, executed to facilitate the execution of Asset Sale Agreement and Asset Purchase Agreement.

## 28. SHORT-TERM BORROWINGS

	THE GROUP	
	2014 RM	2013 RM
Term Loans (Note 23)	11,395,019	7,438,508
Hire purchase payables (Note 24)	80,004	216,098
	11,475,023	7,654,606

The weighted average effective interest rates at the reporting period for the borrowings, excluding hire purchase payables were as follows:

	THE GROUP	
	2014 %	2013 %
Term Loans	7.52	7.27

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 29. REVENUE

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of development properties	597,631,781	574,044,624	-	-
Sales of completed properties	476,000	-	-	-
Education services	734,010	-	-	-
Dividend income	-	-	311,506,000	75,400,000
	598,841,791	574,044,624	311,506,000	75,400,000

## 30. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before taxation is arrived at after charging/(crediting):-				
Audit fee	423,500	482,500	60,000	80,000
Depreciation of investment properties	308,000	-	-	-
Depreciation of property, plant and equipment	2,549,865	2,655,177	-	-
Directors' fees paid	1,396,000	1,048,000	230,000	113,000
Directors' non-fee emoluments	8,717,679	8,895,806	61,900	58,600
Interest expenses	2,721,055	1,798,489	127,929	7,123
Preliminary expenses written off	-	2,583	-	-
Property development cost written off	101,620	-	-	-
Rental of equipment	7,350	-	-	-
Rental of land	3,400	2,600	-	-
Rental of premises	460,710	175,280	-	-
Staff costs	28,354,392	22,316,375	-	-
ESOS expenses				
- Directors	2,416,551	345,110	451,528	76,691
- Staff	5,068,374	1,058,866	-	-
Gain on disposal of property, plant and equipment	(226,625)	(62,756)	-	-
Interest income	(2,859,072)	(3,993,056)	(1,376,123)	(3,497,873)
Rental income	(247,200)	(86,200)	-	-

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 30. PROFIT BEFORE TAXATION (cont'd)

Included in staff costs is EPF contribution of RM3,925,483 (2013 – RM2,861,349) of the Group.

## 31. TAXATION

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax expenses:-				
Malaysian Income Tax for the current financial year	62,640,450	58,290,051	340,000	16,178,500
Under/(Over) provision in the previous financial year	536,968	(1,135,114)	-	(651)
	63,177,418	57,154,937	340,000	16,177,849
Deferred tax expenses (Note 11):-				
Relating to origination and reversal of temporary differences	(817,021)	(3,666,180)	-	(15,339,500)
Over provision in the previous financial year	(10,400)	-	-	-
	(827,421)	(3,666,180)	-	(15,339,500)
	62,349,997	53,488,757	340,000	838,349



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 31. TAXATION (cont'd)

A reconciliation of income tax expense applicable to the profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before taxation	244,585,587	205,051,424	311,244,471	78,209,378
Tax at the applicable corporate tax rate	61,146,397	51,262,856	77,811,118	19,552,345
Tax effects of:-				
Non-deductible expenses	2,962,145	3,647,232	474,383	160,703
Non-taxable income	(103,646)	(24,048)	(77,945,501)	(18,874,048)
Utilised tax losses during the year	-	(20,685)	-	-
Deferred tax assets not recognised during the financial year	1,648,693	91,907	-	-
Reversal of deferred tax assets not recognised in previous financial year	(3,830,160)	(333,391)	-	-
Under/(Over) provision of Malaysian Income Tax in the previous financial year	536,968	(1,135,114)	-	(651)
Over provision of deferred tax in the previous financial year	(10,400)	-	-	-
Tax charge for the financial year	62,349,997	53,488,757	340,000	838,349

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 32. EARNINGS PER SHARE

### (a) Basic

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.

	THE GROUP	
	2014	2013
Profit attributable to owners of the Company (RM)	182,235,590	151,562,667
Weighted average number of ordinary shares	455,794,413	426,935,603*
Basic earnings per share (Sen)	40	36

### (b) Diluted

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 option under the ESOS granted, adjusted for the number of such share that would have been issued at fair value during the period under review.

	THE GROUP	
	2014	2013
Profit attributable to owners of the Company (RM)	182,235,590	151,562,667
Weighted average number of ordinary shares for basic earnings per share	455,794,413	426,935,603*
Effect of potential exercise of ESOS	21,112,432	4,052,800
Weighted average number of ordinary share for diluted earnings per share computation	476,906,845	430,988,403
Basic earnings per share (Sen)	38	35

\* The comparative basic and diluted earnings per share have been restated taken into account the effect of bonus issue on the basis of one bonus share for every two existing ordinary shares held in financial year 2014.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 33. DIVIDENDS

	THE COMPANY	
	2014 RM	2013 RM
<u>In respect of the financial year ended 31 December 2013:-</u>		
- 1st interim single tier dividend of 13.5 sen per ordinary share, paid on 8 July 2013	-	30,374,999
- 2nd interim single tier dividend of 7 sen per ordinary share, paid on 10 October 2013	-	15,776,470
- 3rd interim single tier dividend of 5 sen per ordinary share, paid on 13 January 2014	-	15,058,662
- Special interim single tier dividend of 5 sen per ordinary share, paid on 13 January 2014	-	15,058,662
- 4th interim single tier dividend of 5 sen per ordinary share, paid on 11 April 2014	15,147,845	-
<u>In respect of the financial year ended 31 December 2014:-</u>		
- 1st interim single tier dividend of 5 sen per ordinary share, paid on 10 July 2014	15,207,625	-
- 2nd interim single tier dividend of 3.75 sen per ordinary share, paid on 16 October 2014	17,133,169	-
- 3rd interim single tier dividend of 5 sen per ordinary share, paid on 15 January 2015	17,140,916	-
	64,629,555	76,268,793

Subsequent to the end of the financial year, the Directors has declared the following dividends:-

- a) a fourth interim single tier dividend of 5.25 sen per ordinary share amounting to RM23,996,886 in respect of the current financial year, payable on 9 April 2015, to shareholders whose names appeared in the record of depositors on 27 March 2015; and
- b) a special interim single tier dividend of 1.25 sen per ordinary share amounting to RM5,713,544 in respect of the current financial year, payable on 9 April 2015, to shareholders whose names appeared in the record of depositors on 27 March 2015.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 33. DIVIDENDS (cont'd)

The financial statements for the current financial year do not reflect these interim dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

## 34. PRIOR YEAR ADJUSTMENT

In year 2003, the Company revalued its investment in a subsidiary, namely Riverine Projects Sdn. Bhd. ("Riverine"), based on independent valuation performed by a professional valuation firm in respect of a piece of land which Riverine has development rights. This resulted in a revaluation surplus of RM21,889,998. However, the above revaluation did not take into account the obligation costs to be incurred in order to secure the development rights. Should the obligation to be incurred had been accounted for, there would not be any revaluation surplus. Accordingly, the Company rectified this through prior year adjustment by debiting retained earnings and capital reserve since the revaluation surplus has been utilised for bonus issue in the previous years.

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<u>Effect on retained earnings at 1 January:-</u>				
As previously stated	179,423,984	290,529,170	19,440,156	204,736,980
Prior year adjustment	(21,587,143)	(21,587,143)	(21,587,143)	(21,587,143)
As per restated	157,836,841	268,942,027	(2,146,987)	183,149,837
<u>Effect on capital reserve at 1 January:-</u>				
As previously stated	302,855	302,855	302,855	302,855
Prior year adjustment	(302,855)	(302,855)	(302,855)	(302,855)
As per restated	-	-	-	-

The comparative figures have been restated accordingly as disclosed in Note 44 to the financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP	
	2014 RM	2013 RM
Cost of property, plant and equipment purchased	116,352,837	69,379,700
Amount financed through hire purchase	-	(90,000)
Cash disbursed for purchase of property, plant and equipment	116,352,837	69,289,700

## 36. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks	36,848,912	80,707,753	34,132,695	78,072,807
Cash and bank balances	59,890,168	20,261,173	38,416	1,454,019
Bank overdraft (Note 27)	(38,315,886)	(32,177,005)	(2,606,444)	(56,786)
	58,423,194	68,791,921	31,564,667	79,470,040

## 37. DIRECTORS' REMUNERATION

(a) The aggregate amounts of remuneration received and receivable by the Directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Directors of the Company</b>				
Executive Directors:				
- non-fee emoluments	6,679,820	6,388,620	-	-
- ESOS expense	637,300	102,255	-	-
	7,317,120	6,490,875	-	-

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 37. DIRECTORS' REMUNERATION (cont'd)

- (a) The aggregate amounts of remuneration received and receivable by the Directors of the Group and of the Company during the financial year are as follows (cont'd):-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Directors of the Company (cont'd)</b>				
Non-Executive Directors:				
- fee	770,000	593,000	230,000	113,000
- other emoluments	511,900	452,600	61,900	58,600
- ESOS expense	770,179	127,819	451,528	76,691
	2,052,079	1,173,419	743,428	248,291
<b>Directors of the subsidiaries</b>				
Executive Directors:				
- fee	626,000	455,000	-	-
- non-fee emoluments	1,525,959	2,054,586	-	-
- ESOS expense	1,009,072	115,036	-	-
	3,161,031	2,624,622	-	-
	12,530,230	10,288,916	743,428	248,291

- (b) Details of Director's emoluments of the Group and of the Company received/receivable from the financial year in bands of RM50,000 are as follows:-

	THE GROUP	
	2014 RM	2013 RM
	Number Of Directors	
Executive Directors:-		
RM3,100,001 – RM3,150,000	-	1
RM3,350,001 – RM3,400,000	1	-
RM3,750,001 – RM3,800,000	-	1
RM3,950,001 – RM4,000,000	1	-
	2	2

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 37. DIRECTORS' REMUNERATION (cont'd)

- (b) Details of Director's emoluments of the Group and of the Company received/receivable from the financial year in bands of RM50,000 are as follows (cont'd):-

	THE GROUP	
	2014 RM	2013 RM
	Number Of Directors	
Non-Executive Directors:-		
RM1 – RM50,000	-	1
RM50,001 – RM100,000	1	3
RM200,001 – RM250,000	3	-
RM900,001 – RM950,000	-	1
RM1,270,001 – RM1,320,000	1	-
	5	5

## 38. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) In addition to the information detailed elsewhere in financial statements, the Group and the Company carried out the following transactions with related parties during the year:

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Subsidiaries</b>				
Dividend income	-	-	311,506,000	75,400,000
<b>Persons connected to</b>				
<b>Directors of the Company</b>				
Sales of properties	(14,699,921)	(5,352,418)	-	-
Rental paid	92,000	60,000	-	-
<b>Persons connected to Directors of the subsidiary Company</b>				
Rental paid	24,000	24,000	-	-

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 38. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

- (a) In addition to the information detailed elsewhere in financial statements, the Group and the Company carried out the following transactions with related parties during the year (cont'd):

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Corporations connected to Directors of the Company and of certain subsidiary companies</b>				
Purchases of building materials and sub-contract charges	46,931,774	51,991,952	-	-

- (b) Key management personnel compensation:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits	10,211,618	9,955,188	4,770,523	3,590,470
Post-employment benefits	1,221,971	1,019,226	671,608	500,738
ESOS expense	2,416,551	345,110	451,528	76,691
Benefit in kind	13,850,140	11,319,524	5,893,659	4,167,899
	1,050,627	670,350	477,209	132,126
	14,900,767	11,989,874	6,370,868	4,300,025

Information regarding outstanding balances arising from related party transactions as at the end of the reporting period is disclosed in Note 16 to the financial statements.



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 39. OPERATING SEGMENTS

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is prepared based on the Group's management reporting structure.

The Group is organised into 3 main business segments as follows:-

- (a) Property Development – involves in development of commercial and residential properties
- (b) Education - involves in managing and administering a private and international school
- (c) Clubhouse operator – involves in managing and operating a clubhouse.

### (a) BUSINESS SEGMENTS

	Property Development RM	Education RM	Clubhouse RM	Group RM
2014				
Revenue				
External revenue	598,107,781	734,010	-	598,841,791
Inter-segment revenue	738,339,744	-	-	738,339,744
				1,337,181,535
Adjustments and eliminations				(738,339,744)
Consolidated revenue				598,841,791
<b>Results</b>				
Segment results	259,871,963	(4,565,800)	(823,803)	254,482,360
Interest income	2,859,072	-	-	2,859,072
				257,341,432
Depreciation				(2,549,865)
Finance costs				(2,721,055)
Share options to employees				(7,484,925)
Profit before taxation				244,585,587
Income tax expense				(62,349,997)
Consolidated profit after taxation				182,235,590

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 39. OPERATING SEGMENTS (cont'd)

### (a) BUSINESS SEGMENTS (cont'd)

	Property Development RM	Education RM	Clubhouse RM	Group RM
<b>2014</b>				
<u>Assets</u>				
Segment assets	1,024,365,549	3,612,211	1,378,306	1,029,356,066
Unallocated assets	7,154,621	-	-	7,154,621
Consolidated total assets				1,036,510,687
<u>Liabilities</u>				
Segment liabilities	346,452,041	5,578,477	205,253	352,235,771
Unallocated liabilities	20,517,923	-	-	20,517,923
Consolidated total liabilities				372,753,694
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments:				
- property and equipment	115,184,762	1,149,681	18,394	116,352,837

In prior year, the Group operates predominantly in property development segment. Accordingly, the information by business segment is not presented.

### (b) GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

### (c) MAJOR CUSTOMERS

There was no major customers with revenue equal to or more than 10% of Group revenue.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 40. CAPITAL COMMITMENTS

	THE GROUP/THE COMPANY	
	2014 RM	2013 RM
Contracted but not provided for:-		
- Land held for property development	117,525,629	76,122,000
- Construction of Matrix Global School	-	73,775,000
	117,525,629	149,897,000

## 41. CONTINGENT LIABILITIES

	THE COMPANY	
	2014 RM	2013 RM
Unsecured Corporate guarantee given to financial institutions and a third party for facilities utilised by certain subsidiaries	86,589,726	62,890,033

## 42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currency and hence is not exposed to foreign currency risks.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42.1 (c) to the financial statements.

#### *Interest rate risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM
<b>Effects on profit after taxation</b>				
Increase of 25 basis points (2013 : 30 basis points)	(62,189)	(52,351)	(2,873)	(198)
Decrease of 25 basis points (2013 : 30 basis points)	62,189	52,351	2,873	198

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (iii) Equity Price Risk

The Group does not have any quoted investment and hence is not exposed to equity price risks.

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

##### (i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

##### (ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The Group does not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	THE GROUP	
	2014 RM	2013 RM
Not past due	101,926,228	100,769,821
Past due:-		
- less than 1 month	3,872,725	5,405,737
- less than 2 months	2,077,885	2,949,181
- less than 3 months	4,837,493	7,798,392
	10,788,103	16,153,310
Gross amount/carrying value	112,714,331	116,923,131

At the end of the reporting period, no trade receivables are individually impaired.

No collective impairment allowance is determined as there is no clear trend based on estimated of past default experience.

#### *Trade receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Ageing analysis (cont'd)

*Trade receivables that are neither past due nor impaired*

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (c) Liquidity Risk (cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
2014						
Trade payables	-	135,517,653	135,517,653	135,517,653	-	-
Other payables, deposits and accruals	-	138,517,969	138,517,969	138,517,969	-	-
Hire-purchase payables	2.18 – 3.50	126,653	142,043	89,724	52,319	-
Term loans	7.52	39,757,610	57,323,427	11,622,631	39,805,264	5,895,532
Bank overdrafts	7.61	38,315,886	38,315,886	38,315,886	-	-
Total		352,235,771	369,816,978	324,063,863	39,857,583	5,895,532



# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (c) Liquidity Risk (cont'd)

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
2013						
Trade payables	-	120,701,295	120,701,295	120,701,295	-	-
Other payables, deposits and accruals	-	156,793,291	156,793,291	156,793,291	-	-
Hire-purchase payables	2.18 – 3.50	342,751	387,852	245,809	142,043	-
Term loans	7.27	18,354,694	33,161,290	5,428,066	24,970,947	2,762,277
Bank overdrafts	7.28	32,177,005	32,177,005	32,177,005	-	-
Total		328,369,036	343,220,733	315,345,466	25,112,990	2,762,277

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (c) Liquidity Risk (cont'd)

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2014			
Other payables and accruals	17,641,455	17,641,455	17,641,455
Amounts owing to subsidiaries	85,269,811	85,269,811	85,269,811
Bank overdrafts	2,606,444	2,606,444	2,606,444
	105,517,710	105,517,710	105,517,710

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2013			
Other payables and accruals	30,809,096	30,809,096	30,809,096
Amounts owing to subsidiaries	63,514,676	63,514,676	63,514,676
Bank overdrafts	56,786	56,786	56,786
	94,380,558	94,380,558	94,380,558

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Financial assets</b>				
<u>Available-for-sales financial assets</u>				
Other investment	-	15,000,000	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	112,714,331	116,923,131	-	-
Other receivables and deposits	18,229,563	29,977,016	34,500	18,034,500
Amount owing by subsidiaries	-	-	680,612,314	338,309,201
Fixed deposits with licensed bank	34,092,485	78,031,857	31,376,268	75,396,911
Cash and bank balances	59,890,168	20,261,173	38,416	1,454,019
	224,926,547	245,193,177	712,061,498	433,194,631
<u>Held-to-maturity investment</u>				
Fixed deposits with licensed bank	2,756,427	2,675,896	2,756,427	2,675,896
<b>Financial liabilities</b>				
<u>Other financial liabilities</u>				
Trade payables	135,517,653	120,701,295	-	-
Other payables, deposits and accruals	138,517,969	156,793,291	17,641,455	30,809,096
Amount owing to subsidiaries	-	-	85,269,811	63,514,676
Bank overdrafts	38,315,886	32,177,005	2,606,444	56,786
Hire-purchase payables	126,653	342,751	-	-
Term loans	39,757,610	18,354,694	-	-
	352,235,771	328,369,036	105,517,710	94,380,558

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### 42.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values.

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values due to the relatively short-term maturity of the financial instruments.

## 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no significant events of the Group during the financial year other than as follows:-

- (a) On 19 September 2014, BSS Development Sdn. Bhd., a wholly owned subsidiary ("BSSD") entered into a Sale and Purchase Agreement with Palipadu Sdn. Bhd. to acquire a vacant industrial land held under Geran No. 110843, Lot, 16378, Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus measuring 66.39 hectares for a cash consideration of RM71,461,598.50. The acquisition was completed on 13 February 2015.
- (b) Between 18 June 2014 to 31 December 2014, BSSD entered into separate Sale and Purchase Agreement with individual owners of the Lands to acquire 11 pieces vacant agriculture lands situated in Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus measuring in total 62.34 acres for a cash consideration of RM21,701,324.59.

## 44. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM	As Previously Reported RM
Consolidated Statement of Financial Position (Extract):-		
Property, plant and equipment	78,164,256	11,891,261
Deferred tax assets	6,506,000	5,682,810
Investment properties	1,400,000	67,672,995
Property development cost (Non-current assets)	16,587,340	38,232,139
Property development cost (Current assets)	511,555,138	497,230,475

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 44. COMPARATIVE FIGURES (cont'd)

	As Restated RM	As Previously Reported RM
Consolidated Statement of Financial Position (Extract)(Cont'd):-		
Trade receivables	116,923,131	116,150,865
Due from customers on contract	-	14,682,748
Other receivables, deposits and prepayments	30,077,202	30,103,748
Trade payables	(120,701,295)	(126,562,874)
Due to customers on contract	-	(112,885)
Other payables, deposits and accruals	(156,793,291)	(150,081,174)
Provision of taxation	(19,624,857)	(19,729,677)
Retained profits	(157,836,841)	(179,423,984)
Other reserves	(70,128,173)	(70,431,028)
Deferred tax liabilities	(823,190)	-
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract):-		
Revenue	574,044,624	573,500,861
Cost of sales	(299,583,689)	(324,505,085)
Other operating income	4,910,560	4,776,606
Selling and marketing expenses	(21,954,784)	-
Administrative expenses	(50,566,798)	(47,344,455)
Finance cost	(1,798,489)	(1,376,503)
Statement of Financial Position (Extract):-		
Investment in subsidiaries	13,043,914	34,933,912
(Accumulated losses)/Retained profits	(2,146,987)	19,440,156
Other reserve	70,128,173	70,431,028
Statement of Cash Flows (Extract):-		
Net cash from operating activities	252,602,171	1,223,655
Net cash from financing activities	(165,132,588)	86,245,928

# Notes to the Financial Statements

For the financial year ended 31 December 2014 (cont'd)

## 45. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFIT

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits/ (accumulated losses):-				
- realised	224,715,258	198,392,620	167,870,968	(2,146,987)
- unrealised	6,510,231	5,682,810	-	-
Less: Consolidation adjustments	231,225,489 (32,039,574)	204,075,430 (46,238,589)	167,870,968 -	(2,146,987) -
At 31 December	199,185,915	157,836,841	167,870,968	(2,146,987)

# Additional Information

## Options, Warrants or Convertible Securities

During the financial year ended 31 December 2014, save for the Employees' Share Option Scheme, there was no issuance of options, warrants and convertible securities.

## Utilisation of Proceeds

The utilisation of the proceeds raised from the issuance of 62,500,000 Matrix Shares, in conjunction with the listing of Matrix on the Main Market of Bursa Securities on 28 May 2013 is as follows:

	Time frame for utilisation from the date of listing	Proposed Utilisation RM'000	Actual Utilisation RM'000	RM'000	Deviation %
Working capital	24 months	55,000	53,816	(1,184)	(2.2)
Infrastructure and common facilities	24 months	55,000	55,000	<sup>(1)</sup> -	-
Construction of clubhouse	24 months	10,000	10,000	-	-
Repayment of bank borrowings	12 months	11,000	11,000	-	-
Estimated listing expenses	1 month	6,500	7,684	1,184	18.2
				<sup>(1)</sup>	
<b>Total</b>		137,500	137,500		

Note:

(1) The additional listing expenses of approximately RM1.2 million were due to underestimation of miscellaneous expenses relating to the Company's listing on the Main Market of Bursa Securities such as printing costs and campaigning expenses. This amount has been adjusted against the gross proceeds allocated for working capital.

Premised on the above, Matrix has fully utilized the proceeds raised in conjunction with the listing of Matrix on the Main Market of Bursa Securities.

## Non-Audit Fees

The amount of non-audit fees paid to the external auditors by Matrix for the year ended 31 December 2014 was RM32,000.

## Information on Employees' Share Option Scheme

Information on Employees' Share Option Scheme (including adjustments from Bonus Issue) during the year ended 31 December 2014 as follows:-

- i) Total number of options granted –21,694,532
- ii) Total number of options exercised –582,100
- iii) Total options outstanding –21,112,432



# Additional Information (cont'd)

The options granted to the Directors and senior management for the financial year ended 31 December 2014 as shown below:-

Name	Maximum amount and percentage Of Options allocated	Aggregate amount and percentage of Options granted/ vested (IPO Grant)	Aggregate amount and percentage of Options granted/ vested (ESOS 1/2014)	Bonus Issue Adjustment	Aggregate amount and percentage of Options granted/ vested (ESOS 2/2014)	Aggregate amount of Options exercised	Aggregate amount of Options outstanding
Dato' Haji Mohamad Haslah Bin Mohamad Amin (Chairman-Non-Independent Non-Executive Director)	1,000,000 (0.22%)	200,000 (0.04%)	300,000 (0.06%)	144,998 (0.03%)	500,002 (0.11%)	210,000	935,000
Dato' Lee Tian Hock (Group Managing Director/Chief Executive Officer)	1,000,000 (0.22%)	200,000 (0.04%)	300,000 (0.06%)	144,998 (0.03%)	500,002 (0.11%)	210,000	935,000
Ho Kong Soon (Group Deputy Managing Director/Chief Operating Officer)	1,000,000 (0.22%)	200,000 (0.04%)	300,000 (0.06%)	219,998 (0.05%)	500,002 (0.11%)	285,000	935,000
Dato' Firdaus Muhammad Rom Bin Harun (Independent Non-Executive Director)	500,000 (0.11%)	100,000 (0.02%)	150,000 (0.03%)	94,998 (0.02%)	150,002 (0.03%)	60,000	435,000
Dato' (Ir.) Batumalai A/L Ramasamy (Independent Non-Executive Director)	500,000 (0.11%)	100,000 (0.02%)	150,000 (0.03%)	94,998 (0.02%)	150,002 (0.03%)	127,500	367,500
Rezal Zain Bin Abdul Rashid (Independent Non-Executive Director)	500,000 (0.11%)	100,000 (0.02%)	150,000 (0.03%)	109,998 (0.02%)	150,002 (0.03%)	112,500	397,500
Salmah Binti Sharif (Independent Non-Executive Director)	500,000 (0.11%)	-	-	-	150,000 (0.03%)	-	150,000
Tan Say Kuan (Chief Financial Officer)	N/A	100,000 (0.02%)	200,000 (0.04%)	89,998 (0.02%)	220,002 (0.05%)	120,000	490,000

# Additional Information (cont'd)

## Recurrent Related Party Transactions (“RRPT”)

In addition to the details of RRPT as disclosed in Note 38 of the financial statements, the transaction with related parties during the financial year are as detailed below:-

No.	Subsidiary Company involved	Transacting Related Party	Nature of transaction	Actual value transacted As At 31 December 2014 (RM'000)	Nature of relationship
1.	Juwasan Trading Sdn Bhd (“ <b>Juwasan Trading</b> ”)	Y&Y Mix Sdn Bhd	Purchase of ready mix concrete.	23,896	<p>Datin Yong Chou Lian, who is a major shareholder of Y&amp;Y Mix Sdn Bhd, is a shareholder of Matrix and the spouse of Dato' Lee Tian Hock.</p> <p>Yong Moi Noi, who is a Director of Y&amp;Y Mix Sdn Bhd, is the sister-in-law of Dato' Lee Tian Hock.</p> <p>Yong Ing Kiat, who is a major shareholder and Director of Y&amp;Y Mix Sdn Bhd, is the brother-in-law of Dato' Lee Tian Hock.</p> <p>Yong Ghee Kiat, Yong Ah Chek and Yong Hwah Kiat who are major shareholders of Y&amp;Y Mix Sdn Bhd, are the brothers-in-law of Dato' Lee Tian Hock.</p>
2.	Juwasan Maju (“ <b>Juwasan Maju</b> ”)	T&T Cahaya Murni Sdn Bhd	Purchase of cements, ceiling, steel bar, steel mesh, ceramic tiles, reinforced concrete piles.	22,926	Tung Kwi Hoiu and Tung Kew Tiong, who are major shareholders and Directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a Director of Pembinaan Juwasan Sdn Bhd, Juwasan Maju and Juwasan Trading.
3.	Juwasan Maju and Juwasan Trading	Y&N Hardware Trading Sdn Bhd	Purchase of white lime and transportation.	109	Nyo Eng Kiak, who is the joint-owner of Y&N Hardware Trading Sdn Bhd, is the brother-in-law of Dato' Lee Tian Hock.

# Additional Information (cont'd)

## Recurrent Related Party Transactions (“RRPT”) (cont'd)

No.	Subsidiary Company involved	Transacting Related Party	Nature of transaction	Actual value transacted As At 31 December 2014 (RM'000)	Nature of relationship
4.	BSS Development Sdn Bhd (“ <b>BSS Development</b> ”)	Low Kim Fong	Rental of single-storey shop office by BSS Development from Low Kim Fong utilised as the Customer Care Centre for Bandar Sri Sendayan.	24	Low Kim Fong is the sister-in-law of Lee Tian Onn, who is the Director of Juwasan Trading, Juwasan Maju and Pembinaan Juwasan Sdn Bhd.
5.	BSS Development	Takrif Maksimum Sdn Bhd	Rental of a retail space by BSS Development from Takrif Maksimum Sdn Bhd utilised as its sales gallery.	60	Dato' Lee Tian Hock, who is a major shareholder and Director of Takrif Maksimum Sdn Bhd, is the major shareholder and Group Managing Director/Chief Executive Officer of Matrix Group.  Datin Yong Chou Lian, who is a major shareholder and a Director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Lee Tian Hock.
6.	Matrix Global Education Sdn Bhd (“ <b>MGE</b> ”)	Dato' Lee Tian Hock  Datin Yong Chou Lian	Rental of single-storey semi detached by MGE from Dato' Lee Tian Hock utilised as the accommodation for MGE staff.  Rental of fully furnished double storey terrace house by MGE from Datin Yong Chou Lian utilised as the accommodation for MGE staff.	18  14	Dato' Lee Tian Hock is the major shareholder and Group Managing Director / Chief Executive Officer of Matrix.  Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.

# Additional Information (cont'd)

## Revaluation of Landed Property

The Group adopts the fair value approach for its investment property and valuations are done as and when applicable.

## Share Buy-Backs

There was no share buy-backs

## Sanctions and/or Penalties

In the financial year ended 31 December 2014, there were no sanctions and/or penalties imposed on Matrix and its subsidiaries, Directors or management by any regulatory body.

## Variation of Results, Profit Estimates, Forecasts or Projections

There were no significant variances noted between the reported results and the unaudited results announced. Matrix did not make any release on the profit estimate, forecasts or projections for the financial year ended 31 December 2014.

## Profit Guarantees

There were no profit guarantees.

## Material Contracts Involving Directors and Substantial Shareholders

Matrix and its subsidiary companies have not entered into any material contracts outside the ordinary course of business, involving Directors and substantial shareholders for the financial year ended 31 December 2014.

## Depository Receipt Programme

During the financial year ended 31 December 2014, Matrix did not sponsor any Depository Receipt Programme.

# List of Properties

## PROPERTIES OWNED BY MATRIX GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net Book value as at 31 December 2014 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse under construction	171,849	5 July 2013

## DEVELOPMENT PROPERTIES

1.	Bandar Sri Sendayan	Freehold / Perpetuity			283,462	11 August 2011
(i)	Lot No. PT 6450-6730, 6733-6751, 6753-6854, 7301-7966, 8391-10241, 10919-10985, 10987-11589 and 12667, , Bandar Sri Sendayan, Seremban, Negeri Sembilan		454.3	On-going and/or future mixed residential and commercial development		
(ii)	Lot No. PT 1018-1049, Bandar Sri Sendayan, Seremban, Negeri Sembilan		2.5	Future commercial development		
(iii)	Lot No. PT 7148-7194 and 7196-7298, Bandar Sri Sendayan, Seremban, Negeri Sembilan		15.0	On-going and / or Future commercial development		
(iv)	Lot No. PT 4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan		18.4	On-going commercial development		
(v)	Lot No. PT 6140-6163, 6165-6173, 6175-6186, 6189-6214, 6216-6253, 6255, 6257-6284, 10271-10278 and 12671, Bandar Sri Sendayan, Seremban, Negeri Sembilan		46.4	Future mixed commercial and industrial development		

# List of Properties (cont'd)

## DEVELOPMENT PROPERTIES (cont'd)

No.	Location	Tenure	Land (Acres)	Usage	Net Book value as at 31 December 2014 (RM'000)	Date of acquisition
(vi)	Lot No. PT 6137-6138, 6291, 6313, 6329, 6336-6337, 10279 – 10280, 11633 and 11690 Bandar Sri Sendayan, Seremban, Negeri Sembilan		92.8	On-going industrial development		
(vii)	Lot No. PT 63194, 6396, 6407-6409, 11642, 11644, 11650-11680, 12630, 12678, 12682-12683, 12685-12687 and 12689-12691, Bandar Sri Sendayan, Seremban, Negeri Sembilan		175.4	On-going industrial and commercial development		
(viii)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		
(ix)	Lot No. PT 8196-8320, 8328-8329, 8339, 10690-10865, and 12655-12660 Bandar Sri Sendayan, Seremban, Negeri Sembilan		81.3	On-going and future mixed commercial development		
2.	Lot No. PT 11691-11814, 11820-12595 Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	101.7	Future mixed residential and commercial development	44,540	1 August 2012
3.	PT24225-27856, Mukim Labu, Seremban, Negeri Sembilan	Freehold / Perpetuity	294.6	Future mixed residential development	38,540	31 October 2013

# List of Properties (cont'd)

## DEVELOPMENT PROPERTIES (cont'd)

No.	Location	Tenure	Land (Acres)	Usage	Net Book value	
					as at 31 December 2014 (RM'000)	Date of acquisition
4.	Grant 43406 Lot 1191, Grant 65449 Lot 1637, Both in Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	Future mixed residential and commercial development	46,359	24 December 2013
5.	Grant 20703, Lot 912 in the Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	194.4	Future mixed residential and commercial development	61,630	28 November 2013
6.	HS(D) 176671, PT17805, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	49,782	4 February 2014

# Analysis of Shareholdings

As at 30 April 2015

<b>Authorised Share Capital</b>	:	RM2,000,000,000 divided into 2,000,000,000 ordinary shares of RM1.00 each
<b>Paid-up Share Capital</b>	:	RM461,673,287 divided into 461,673,287 ordinary shares of RM1.00 each
<b>Class of Shares</b>	:	Ordinary shares of RM1.00 each fully paid.
<b>Voting Right</b>	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Share Holdings	No. of Shareholders	Holdings	Total Holdings %
Less Than 100 shares	55	2,357	0.00
100 To 1,000 shares	618	487,731	0.10
1,001 To 10,000 shares	2,936	13,021,746	2.82
10,001 To 100,000 shares	1,169	36,022,609	7.81
100,001 To Less Than 5 % of issued shares	289	264,089,206	57.20
5% and above of issued shares	3	148,049,638	32.07
<b>Total</b>	<b>5,070</b>	<b>461,673,287</b>	<b>100.0</b>

## SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under section 69L of the Companies Act, 1965, ("the Act") the following are the substantial shareholders of Matrix

Name of Substantial Shareholder	No. of Shares			
	Direct	%	Indirect	%
1 Dato' Lee Tian Hock	75,546,079	16.36	<sup>(i)</sup> 113,321,053	24.55
2 Shining Term Sdn Bhd	72,503,559	15.70	-	-
3 Ho Kong Soon	3,855,429	0.84	<sup>(ii)</sup> 19,996,830	4.33
4 Datin Yong Chou Lian	1,607,293	0.35	<sup>(iii)</sup> 75,610,852	16.38



# Analysis of Shareholdings

As at 30 April 2015 (cont'd)

## SUBSTANTIAL SHAREHOLDERS (cont'd)

Notes:

- (i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.

a) Shining Term Sdn Bhd	72,503,559
b) Ambang Kuasa Sdn Bhd	22,422,298
c) Magnitude Point Sdn Bhd	13,680,610
d) Yakin Teladan Sdn Bhd	3,107,293
e) Datin Yong Chou Lian	1,607,293
<b>Total</b>	<b>113,321,053</b>

- (ii) Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 134(12)(c) of the Act.

a) Supreme Interest Sdn Bhd	19,786,830
b) Alice Tan Khiam Chow	210,000
<b>Total</b>	<b>19,996,830</b>

- (iii) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act.

a) Shining Term Sdn Bhd	72,503,559
b) Yakin Teladan Sdn Bhd	3,107,293
<b>Total</b>	<b>75,610,852</b>

# Analysis of Shareholdings

As at 30 April 2015 (cont'd)

## DIRECTOR'S SHAREHOLDINGS

Name of Director		No. of Shares			
		Direct	%	Indirect	%
1	Dato' Haji Mohamad Haslah Bin Mohamad Amin	794,999	0.17	-	-
2	Dato' Lee Tian Hock	75,546,079	16.36	<sup>(i)</sup> 113,321,053	24.55
3	Dato' Firdaus Muhammad Rom Bin Harun	247,499	0.05	-	-
4	Dato' (Ir.) Batumalai A/L Ramasamy	402,499	0.09	<sup>(iii)</sup> 18,000	0.004
5	Rezal Zain Bin Abdul Rashid	277,499	0.06	-	-
6	Ho Kong Soon	3,855,429	0.84	<sup>(ii)</sup> 19,996,830	4.33
7	Salmah Binti Sharif	-	-	-	-

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act

a) Shining Term Sdn Bhd	72,503,559
b) Ambang Kuasa Sdn Bhd	22,422,298
c) Magnitude Point Sdn Bhd	13,680,610
d) Yakin Teladan Sdn Bhd	3,107,293
e) Datin Yong Chou Lian	1,607,293

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Total	113,321,053
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# Analysis of Shareholdings

As at 30 April 2015 (cont'd)

## DIRECTOR'S SHAREHOLDINGS (con'd)

Notes (cont'd):

(ii) Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 134(12)(c) of the Act

a) Supreme Interest Sdn Bhd	19,786,830
b) Alice Tan Khiam Chow	210,000
<b>Total</b>	<b>19,996,830</b>

(iii) Deemed interested of 3,000 and 15,000 shares held by spouse and child respectively pursuant to Section 134(12)(c) of the Act

a) Dr. Santha A/P Sockalingam	3,000
b) Dr. Navin Kumar A/L Batumalai	15,000
<b>Total</b>	<b>18,000</b>

# Analysis of Shareholdings

As at 30 April 2015 (cont'd)

## THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	% of Total Issued Shares
1.	Shining Term Sdn. Bhd.	72,503,559	15.70
2.	Lee Tian Hock	40,405,001	8.75
3.	Lee Tian Hock	35,141,078	7.61
4.	Ambang Kuasa Sdn. Bhd.	22,422,298	4.86
5.	Supreme Interest Sdn Bhd	19,786,830	4.29
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	19,617,250	4.25
7.	Lembaga Tabung Haji	14,479,200	3.14
8.	Magnitude Point Sdn. Bhd.	13,680,610	2.96
9.	Fine Approach Sdn. Bhd.	9,251,068	2.00
10.	Target Venue Sdn. Bhd.	8,536,830	1.85
11.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 12)</i>	5,720,000	1.24
12.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Tian Hock (E-SRB/PDN)</i>	5,000,000	1.08
13.	Meridian Effect Sdn. Bhd.	4,108,011	0.89
14.	Ho Kong Soon	3,855,429	0.84
15.	Kumpulan Wang Persaraan (Diperbadankan)	3,162,400	0.68
16.	PM Nominees (Tempatan) Sdn. Bhd. <i>For Bank Kerjasama Rakyat Malaysia Berhad</i>	3,117,200	0.68
17.	Yakin Teladan Sdn. Bhd.	3,107,293	0.67
18.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Eastspring Investments Berhad</i>	3,067,700	0.66
19.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham</i>	3,027,500	0.66
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund</i>	2,689,300	0.58
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	2,652,700	0.57
22.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koh Kin Lip</i>	2,600,000	0.56
23.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Affin Hwang AllMan Growth Fund (4207)</i>	2,479,450	0.54
24.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CILTD for PHEIM SICAV-SIF</i>	2,420,500	0.52
25.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ting Siew Pin (CEB)</i>	2,111,850	0.46
26.	Amanahraya Trustees Berhad <i>Affin Hwang Growth Fund</i>	2,064,000	0.45
27.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chong Kim Lan (E-SRB)</i>	1,987,550	0.43
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	1,900,000	0.41
29.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Eastspring Investments Berhad (1)</i>	1,844,400	0.40
30.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Manulife Investment – HW Flexi Fund (270519)</i>	1,700,000	0.37
	<b>Total</b>	<b>314,439,007</b>	<b>68.11</b>

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Eighteenth Annual General Meeting ("18th AGM") of Matrix Concepts Holdings Berhad ("the Company") will be held at Halia Room, d' Tempat Country Club, PT 12653, Jalan Pusat Dagangan Sendayan 1, 71950, Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia on Wednesday, 10 June 2015 at 10.30 am. for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. [(Please refer to Explanatory Note(i)]
2. To approve the payment of Directors' fees of RM230,000 for the financial year ended 31 December 2014 (Ordinary Resolution 1)
3. To re-elect the following Directors retiring in accordance with Article 97 of the Company's Articles of Association:
  - (i) Dato' Haji Mohamad Haslah Bin Mohamad Amin (Ordinary Resolution 2)
  - (ii) Rezal Zain Bin Abdul Rashid (Ordinary Resolution 3)
4. To re-appoint Messrs Crowe Horwath as the Auditors of the Company and to authorize the Board of Directors to fix their remuneration. (Ordinary Resolution 4)

### AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolutions:-
  - Authority To Issue Shares- Section 132D** (Ordinary Resolution 5)

To grant authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and hereby empowered, pursuant to Section 132D of the Act to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

# Notice of Annual General Meeting (cont'd)

6. **Proposed Renewal Of Shareholders' Mandate for Recurrent Related Party Transactions Of a Revenue or Trading Nature (" Proposed RRPT Mandate")** (Ordinary Resolution 6)

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature [with the related parties mentioned under Section 2.3 of the Circular to Shareholders dated 18 May 2015 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such proposal shall continue to be in force until:-

- a) The conclusion of the next Annual General Meeting of the Company following the 18th AGM at which such Proposed RRPT Mandate will lapse, unless by ordinary resolution passed at an Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions;
- b) The expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Act, (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) Revoked or varied by resolution passed by the shareholders in a general meeting ;

Whichever is earlier.

AND THAT the Directors of the Company be authorized to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate for the period from the 18th AGM to the next Annual General Meeting.

7. To transact any other business of which due notice shall have been given.

By Order of the Board

**LOO KAH BOON**  
(MAICSA 0784630)  
Company Secretary  
18 May 2015  
Seremban  
Negeri Sembilan

# Notice of Annual General Meeting (cont'd)

## Notes:

- (1) For the purpose of determining a member who shall be entitled to attend and vote at the 18th AGM, the Company shall be requesting the Record of Depositors as at 3 June 2015. Only a depositor whose name appears on the Record of Depositors as at 3 June 2015 shall be entitled to attend the said meeting or appoint proxies to attend and vote in his/her stead.
- (2) A member of the Company entitled to attend and vote at the 18th AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Section 149(l)(b) of the Companies Act, 1965 shall not apply to the Company.
- (3) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 18th AGM. Where a member appoints more than one (1) proxy to attend at the same meeting the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (4) Where a member is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account") it may appoint multiple proxies in respect of each Omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if the appointor is a corporation, either its common seal or under the hand of an officer or attorney duly authorized.
- (6) The Proxy Form must be deposited at the Company's Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or any adjournment thereof.

## Explanatory notes on Item 1 of the Agenda and Special Business:-

### i) Item 1 of the Agenda

This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statement. Hence this Agenda is not put forward for voting.

### ii) Ordinary Resolution 5 - Authority to issue shares ("General Mandate")

The proposed Ordinary Resolution 5 is primarily to give authority to the Board of Directors to allot and issue up to 10% of the issued share capital at any time in their absolute discretion and for such purpose as they consider would be in the best interest of the Company without convening a general meeting. This authority, if granted, is a renewal of the earlier General Mandate granted at the Seventeenth Annual General Meeting held on 18 June 2014 and unless revoked or varied at a general meeting, shall expire at the next Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares. The Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when the needs may arise during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purpose.

### iii) Ordinary Resolution 6 – Proposed RRPT Mandate

The Proposed RRPT Mandate under Ordinary Resolution 6 is intended to renew the shareholders' mandate granted by the shareholders of the Company at the Seventeenth Annual General Meeting of the Company held on 18 June 2014.

The Proposed RRPT Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed RRPT Mandate is set out in the Circular to Shareholders of the Company which is despatched together with this Annual Report of the Company for the financial year ended 31 December 2014.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Directors who are standing for re-election at the 18th AGM of Matrix Concepts Holdings Berhad are as follows:-
  - a) Dato' Haji Mohamad Haslah Bin Mohamad Amin (Ordinary Resolution 2)
  - b) Rezal Zain Bin Abdul Rashid (Ordinary Resolution 3)
2. The profiles of the Directors who are standing for re-election are set out on page 13 and 17 of this Annual Report.
3. The information relating to the shareholdings of the above Directors in the Company and its related corporation are set out on page 176 of this Annual Report.
4. The shareholders had, at the Seventeenth Annual General Meeting held on 18 June 2014, granted the General Mandate to the Directors of the Company for the issuance of shares up to 10% of the issued share capital of the Company and such authority shall expire at the conclusion of the 18th AGM. The Board of Directors intends to seek a renewal of the said General Mandate. During the validity period of the General Mandate up to date of the Notice of 18th AGM, there was no issuance of new shares by the Board of Directors of the Company. Details of the General Mandate are further explained in the Explanatory Notes attached with the Notice of 18th AGM on page 181.



**MATRIX CONCEPTS HOLDINGS BERHAD**

(Company No. 414615-U)

(Incorporated in Malaysia under the Companies Act, 1965)

# Proxy Form

No. of Shares	CDS Account No.

(Before completing this form please refer to the notes below)

\*I/\*We .....

NRIC/PassportNo./Company No. ....

(Full name in Block Letters)

of .....

(Full address)

Being a member / members of MATRIX CONCEPTS HOLDINGS BERHAD ("Matrix" or "the Company") hereby appoint the following person(s):-

Name of proxy / NRIC No.	No. of shares to be represented by proxy
1.	
2.	

Or failing \*him/her, the Chairman of the meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of Matrix to be held on Wednesday, 10 June 2015 at Halia Room, d'Tempat Country Club, PT12653, Jalan Pusat Dagangan Sendayan 1, 71950, Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia at 10.30 a.m. and at any adjournment thereof.

Ordinary Business				
Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' Fees	1		
3.	i) To re-elect Dato' Haji Mohamad Haslah Bin Mohamad Amin as Director of the Company	2		
	ii) To re-elect Rezal Zain Bin Abdul Rashid as Director of the Company	3		
4.	To re-appoint Auditors.	4		
Special Business				
5.	Authority to issue shares pursuant to Section 132D of the Companies Act 1965	5		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature	6		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

In case of a vote taken by a show of hands, the First-named Proxy shall vote on \*my/our behalf

As witness my hand this ..... day of ..... ,2015.

.....  
Signature/Common Seal of Shareholder(s)**Notes:**

- (1) For the purpose of determining a member who shall be entitled to attend and vote at the 18th AGM, the Company shall be requesting the Record of Depositors as at 3 June 2015. Only a depositor whose name appears on the Record of Depositors as at 3 June 2015 shall be entitled to attend the said meeting or appoint proxies to attend and vote in his/her stead.
- (2) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Sections 149(l)(b) of the Companies Act 1965 shall not apply to the Company.
- (3) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 18th AGM. Where a member appoints more than one (1) proxy to attend at the same meeting the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (4) Where a member is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account") it may appoint multiple proxies in respect of each Omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if the appointor is a corporation, either its common seal or under the hand of an officer or attorney duly authorized.
- (6) The Proxy Form must be deposited at the Company's Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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AFFIX  
STAMP

**The Group Company Secretary**

**MATRIX CONCEPTS HOLDINGS BERHAD (414615-U)**

Wisma Matrix, No.57, Jalan Tun Dr Ismail  
70200 Seremban  
Negeri Sembilan

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**Matrix Concepts Holdings Berhad**  
(414615-U)

Wisma Matrix  
57, Jalan Tun Dr. Ismail,  
70200 Seremban,  
Negeri Sembilan Darul Khusus,  
Malaysia.

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F : +606 764 6288

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[www.mchb.com.my](http://www.mchb.com.my)

