



*Integrated  
Sustainable Communities*

Annual Report 2017

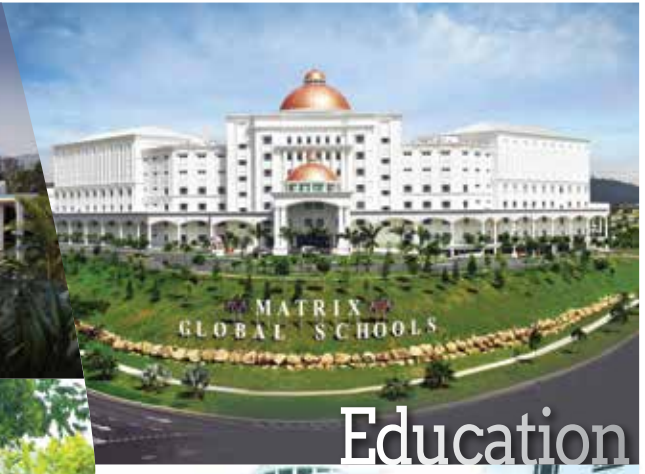








Property Development



Education



Construction



Hospitality





# 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



Strive to consistently exceed our customers' expectations through delivering par excellence products and professional services for total customer satisfaction.



Continuously develop our highly-valued human capital based on meritocracy to ensure continuous growth for both the business and stakeholders.



Creation and enhancing shareholders' value and fulfillment of our corporate social responsibilities.

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# About This Report



## COVER RATIONALE

This year's annual report reflects our passion for creating self-contained and sustainable townships that make a positive difference for our discerning homeowners from all walks of life. These thriving ecosystems consist of quality homes, elite schools and hospitality sanctuaries, built across well-landscaped open spaces that promote health, well-being and happiness. Guided by our philosophy, *"Nurturing Environments, Enriching Lives"*, Matrix Concepts Holdings Berhad believes in consistently delivering long-term value not only to the communities we create, but also to our customers, employees, shareholders and the communities around us.

### Matrix Concepts Holdings Berhad (MATRIX)

As a caring and responsible community developer, integrity, honesty and quality remains at the heart of how we conduct our business.

Recognising that we have various stakeholders who are impacted by our financial performance and the manner in which our business is conducted, this Annual Report aims to inform our shareholders and other stakeholders about our financial and non-financial performance in the last 12 months, providing a comprehensive, balanced view on Matrix's overall business direction and performance, risks, governance and growth outlook.

Aside from the continuous update in the media, Bursa Malaysia announcements and quarterly reports, this report demonstrates our efforts in adopting best practices, transparency and greater accountability. With the new reporting guidelines introduced, our goal is to communicate our strategies, insights, activities and also the various

outcomes that deliver long-term value to our stakeholders, including shareholders, business partners, customers and employees. Essentially, it encapsulates where we were, where we aim to go and how we plan to achieve our goals.

The financial statements, audited by Messrs Crowe Horwath, were prepared according to the requirements of the Malaysia Companies Act 2016 and the Malaysian Financial Reporting Standards. The non-financial statements in this Report were developed in accordance to the Malaysian Code on Corporate Governance 2012, Main Market Listing Requirement of Bursa Malaysia, Bursa Malaysia Sustainability Reporting Guidelines and the Global Reporting Initiatives.

We have made every effort to ensure this Annual Report presents a balanced and accessible assessment of our strategy, performance, governance and prospects. The issues and developments included were determined by quantitative and qualitative considerations that have an impact on our current and future performance.





Property Development



# *Enriching Lives*

*Developing self-contained and sustainable townships*





# Corporate Profile

Matrix Concepts Holdings Berhad (Matrix) was incorporated on 24 December 1996. Matrix was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 May 2013. Within a short span of time, in the following year of 2014, Matrix joined The Edge Billion Ringgit Club. Its principal business activities focus mainly on its four (4) pillars of strengths, **Property Development, Construction, Education and Hospitality.**

Matrix's projects live up to its renowned tagline of "Nurturing Environments Enriching Lives" by being a caring and community developer, providing premier and quality education for our future generation and to inculcate integrated sustainable communities in all our developments.

Matrix has successfully completed and delivered more than 21,000 residential and commercial properties with a Gross Development Value (GDV) of RM2.3 billion to date. The Group's combined GDV is approximately RM8 billion over the next eight (8) years.



About  
MATRIX

GROUP REVENUE  
FINANCIAL YEAR (FY) 2017

**775.0 million**

GROUP PRE-TAX PROFIT  
FINANCIAL YEAR (FY) 2017

**260.3 million**

GROUP NET PROFIT  
FINANCIAL YEAR (FY) 2017

**185.3 million**

MARKET CAPITALISATION  
(AS AT 30 JUNE 2017)

**RM1.593 million**



# Corporate Information

## AUDIT COMMITTEE

- **Rezal Zain Bin Abdul Rashid** (Chairman)
- **Dato' Firdaus Muhammad Rom Bin Harun**
- **Dato' (Ir.) Batumalai A/L Ramasamy**
- **Dato' Hon Choon Kim**
- **Dato' Hajah Kalsom Binti Khalid**

## SUSTAINABILITY COMMITTEE

- **Dato' Haji Mohamad Haslah Bin Mohamad Amin** (Chairman)
- **Dato' Lee Tian Hock**
- **Ho Kong Soon**
- **Dato' Logendran A/L K Narayanasamy**

## REMUNERATION COMMITTEE

- **Dato' Hon Choon Kim** (Chairman)
- **Dato' Lee Tian Hock**
- **Rezal Zain Bin Abdul Rashid**
- **Dato' Hajah Kalsom Binti Khalid**

## NOMINATION COMMITTEE

- **Dato' Firdaus Muhammad Rom Bin Harun** (Chairman)
- **Dato' (Ir.) Batumalai A/L Ramasamy**
- **Dato' Hon Choon Kim**

## RISK MANAGEMENT COMMITTEE

- **Dato' Logendran A/L K Narayanasamy** (Chairman)
- **Ho Kong Soon**
- **Rezal Zain Bin Abdul Rashid**
- **Dato' Firdaus Muhammad Rom Bin Harun**
- **Dato' Hajah Kalsom Binti Khalid**

## ESOS COMMITTEE

- **Dato' (Ir.) Batumalai A/L Ramasamy** (Chairman)
- **Ho Kong Soon**
- **Dato' Logendran A/L K Narayanasamy**

# Board of Directors



## Dato' Haji Mohamad Haslah Bin Mohamad Amin

Chairman  
(Non-Independent Non-Executive Director)

## Dato' Lee Tian Hock

Group Managing Director  
(Non-Independent Executive Director)

## Ho Kong Soon

Group Deputy Managing Director  
(Non-Independent Executive Director)

## Rezal Zain Bin Abdul Rashid

(Independent Non-Executive Director)

## Dato' Firdaus Muhammad Rom Bin Harun

(Independent Non-Executive Director)

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

(Independent Non-Executive Director)

## Dato' Hon Choon Kim

(Independent Non-Executive Director)

## Dato' Hajah Kalsom Binti Khalid

(Independent Non-Executive Director)

## Dato' Logendran A/L K Narayanasamy

(Non-Independent Non-Executive Director)

## COMPANY SECRETARY

- **Carmen Loo Kah Boon** (MAICSA 0784630)

## REGISTERED OFFICE

Wisma Matrix  
No. 57, Jalan Tun Dr. Ismail,  
70200 Seremban,  
Negeri Sembilan.  
Tel : +606-7642 688  
Fax : +606-7646 288  
Website : www.mchb.com.my

## STOCK EXCHANGE LISTING

- Bursa Malaysia Securities Berhad  
Main Board  
Property Sector

## STOCK NAME AND CODE

- MATRIX (5236)

## STOCK NAME AND CODE FOR WARRANTS

- MATRIX-WA (5236WA)

## 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

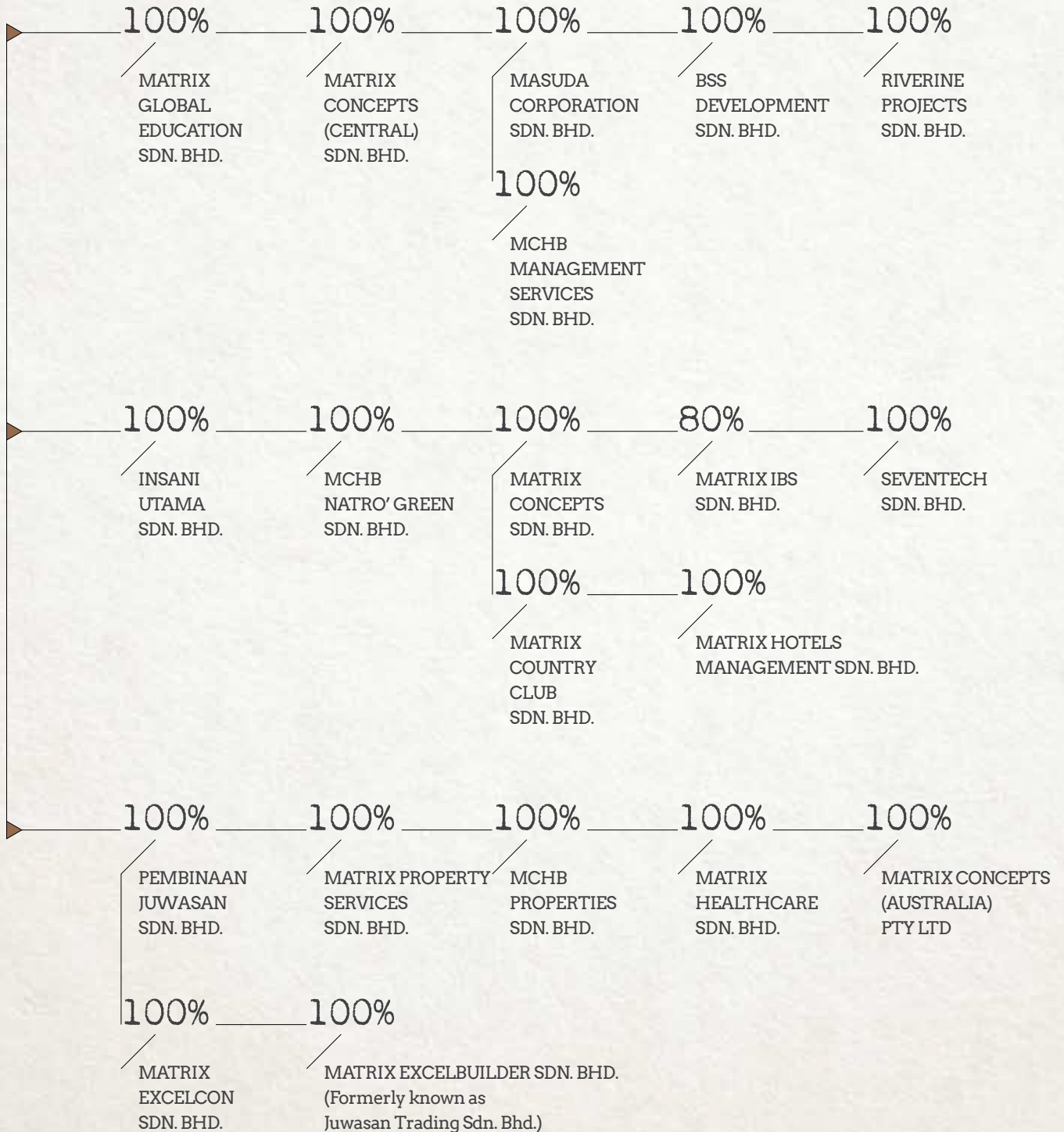
Bina Management (M) Sdn Bhd  
Lot 10, The Highway Centre,  
Jalan 51/205,  
46050 Petaling Jaya,  
Selangor.  
Tel : +603-7784 3922  
Fax : +603-7784 1988

## BANKERS

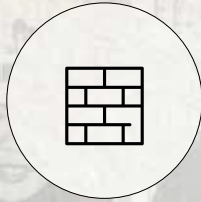
- AmBank Islamic Berhad
- AmBank Berhad
- Maybank Islamic Berhad
- RHB Islamic Berhad
- CIMB Islamic Berhad



# Corporate Structure







Construction



# *Delivery Efficiency*

*Delivering quality homes to our discerning purchasers*





# Five-Year Group Performance Chart

In RM'000	Audited 31 Mar 2017	Audited 31 Mar 2016 (15 months period)	Audited 31 Dec 2014	Audited 31 Dec 2013	Audited 31 Dec 2012
Revenue	774,978	912,201	598,842	574,045	456,069
Cost of sales	(321,858)	(361,608)	(270,921)	(299,584)	(263,341)
Operating expenses	(193,858)	(204,188)	(84,533)	(72,522)	(49,605)
Operating profit	259,262	346,405	243,388	201,939	143,123
Other income	8,559	13,204	3,919	4,911	653
Finance cost	(7,509)	(3,872)	(2,721)	(1,798)	(1,012)
Profit before taxation	260,312	355,737	244,586	205,052	142,764
Taxation	(75,034)	(94,887)	(62,350)	(53,489)	(39,279)
Profit after taxation	185,278	260,850	182,236	151,563	103,485
Profit attributable to owners of the company	185,278	260,850	182,236	151,563	103,485
Shareholders' equity	1,023,959	885,194	663,757	529,139	341,933
Earnings per share (sen) *	32.6	47.8	34.2	30.0	22.2
Return on equity	18.1%	29.5%	27.5%	28.6%	30.3%

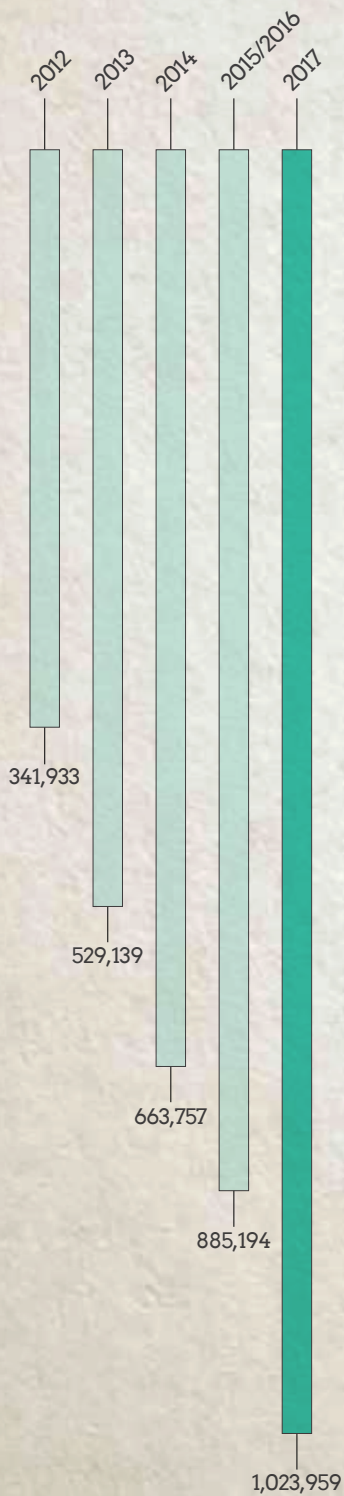
\* The comparative basic earnings per share have been restated to take into account the effect of-

- (i) bonus issue on the basis of 3.65 new ordinary shares for every 1 existing ordinary share held in FY2013;
- (ii) bonus issue on the basis of 1 new ordinary share for every 2 existing ordinary shares held in FY2014; and
- (iii) bonus issue on the basis of 1 new ordinary share for every 6 existing ordinary shares held in FP2016.

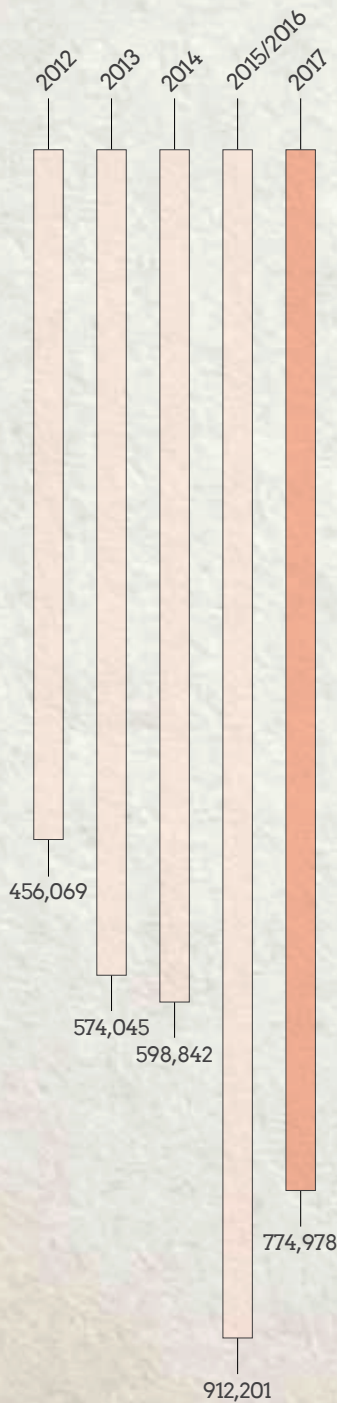


# Group Financial Highlights

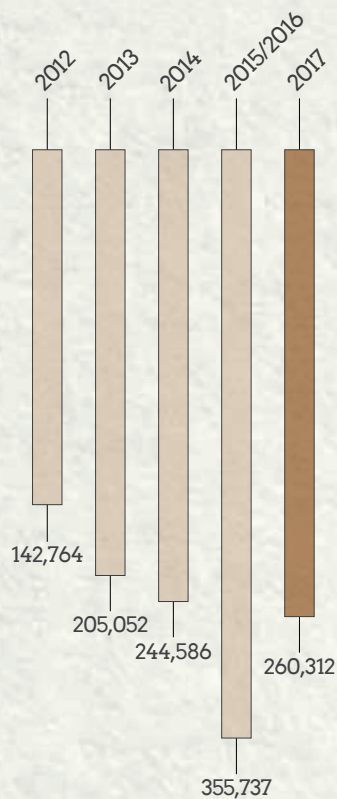
**SHAREHOLDERS' EQUITY**  
RM'000



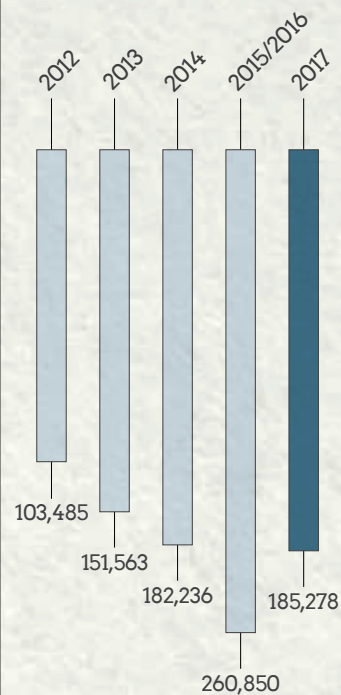
**REVENUE**  
RM'000



**PROFIT BEFORE TAX**  
RM'000



**PROFIT AFTER TAX**  
RM'000





# Chairman's Statement



## Dear Shareholders

On behalf of the Board of Directors, it is my distinct pleasure and privilege to present the Annual Report for Matrix Concepts Holdings Berhad ("Matrix" or "the Company") for the financial year ended 31 March 2017.

In a year of economic challenges, the Malaysian's property landscape was impacted by the more subdued property industry outlook, depreciation of the Ringgit, higher cost of goods, stringent lending policies and weakened consumer sentiment. Nevertheless, the affordable housing segment continued to be in high-demand, following the positive measures announced during the 2017 Budget that enhanced access to financing as well as the spill-over effects of 11<sup>th</sup> Malaysian Plan's Malaysia Vision Valley (MVV).

For Matrix, it was an active year where we remained resilient and focused on delivering growth and long-term shareholder value. We took appropriate actions to drive performance and our business has emerged stronger despite the tough challenges during the last financial year.

## Governance

During the period in review, we strengthened our track record in building affordable homes as our strategically located flagship integrated townships, Bandar Sri Sendayan (BSS), Seremban, Negeri Sembilan and Bandar Seri Impian (BSI) in Kluang, Johor saw an average take-up of up of over 80% across all projects launched. We achieved a commendable performance, completing projects worth up to RM734.4 million in GDV and exceeded our sales target, achieving RM1.0 billion in the financial year 2017.

Under our industrial property sector, the Sendayan TechValley, a 1,000-acre high-tech industrial park with a GDV of RM785.9 million and Sendayan TechPark with a GDV of RM170.0 million secured more than RM3.2 billion in foreign direct investments (FDIs), with more than 20 well established manufacturing companies operating within the area. This in turn has created more new job opportunities for the communities in the surrounding areas.

The property industry has been one of the most dynamic and competitive industries in the last few years. With a market that is constantly evolving, Matrix is cognisant that we need to keep ourselves upbeat and understand the variables that have an impact on the way, people's needs and wants. We are in an industry that focuses mainly on the requirements of the people when it comes to providing a home and designing the right environment which will enable them to live, work and play comfortably within a safe and secure environment. At the same time, it is also about adding value to the communities around them to create better appreciation values to their properties.



## Chairman's Statement



Ground Breaking for M.Carnegie in Melbourne.

In supporting the Government's national agenda of introducing more affordable homes to Malaysians, Matrix has redefined its plan by introducing attractive, strategically located integrated townships that fulfil the evolving needs of homeowners. Furthermore, we have built a good reputation coupled with strong track record in developing residential homes within the affordability of the majorities as well as strategic commercial and industrial properties in Negeri Sembilan and Johor which has greatly enhanced employment opportunities in BSS.



Newly opened d'Sora Boutique Business Hotel in BSS.



Group photo taken with Ellesmere College in the United Kingdom after the signing of collaboration agreement.

Matrix is also mindful of the value we bring to the residents at BSS and the community around us. Throughout our investment properties, we ensure that our residents have access to quality education, hospitality as well as leisure facilities. Currently, residents and those around our development have easy access to the government, private and international schools located within the BSS township. In fact, Matrix Global Schools which include a private, international and pre-school and affiliated to the 130-year old Ellesmere College in the United Kingdom, is on track to achieve 2,500 students by year 2020.

Meanwhile, the 380,000 sq ft d'Tempat Country Club has emerged as a key family and community centre for leisure events and activities, set across a well-designed wide, green spaces and pocket parks that allow residents to relax with their friends and families. Matrix also recently launched the d'Sora Boutique Business Hotel and Extreme Park to cater to the growing needs of the community, tourists and the business community. All in all, the township is self-contained with all the amenities and facilities intact for the residents' convenience.

We have also ventured beyond Malaysian shores and launched our first foreign project, M.Carnegie in Melbourne, Australia in June 2016 as part of our strategy to strengthen our property development portfolio. We are heartened to note that our efforts in Australia are bearing fruit as the development has been well-received with 75% sold to date.



M.Carnegie - lobby area.



## Chairman's Statement



MoU signing ceremony with CCH, Taiwan.

During the year in review, in order to strengthen and diversify our future earnings, Matrix entered into a strategic partnerships with Changhua Christian Hospital (CCH), Republic of China (Taiwan) via a Memorandum of Understanding (MoU) on 1 March 2017. Currently, the parties hereto are reviewing the feasibility studies which are still in progress.

We have also entered into a Joint Venture cum Shareholders Agreement with Japan's Nissin Ex. Co., Ltd (NECL) and Nihon House Corporation (NHC) on 13 April 2017, to venture into the manufacturing of prefabricated building materials using Industrialised Building System (IBS) technology. Through this collaboration, Matrix will benefit from the transfer of IBS technology from its reputable Japanese counterpart, not to mention the potential cost savings, better building quality and improved delivery efficiency which eventually, will elevate our development to a more sustainable township.



Joint Venture cum Shareholders Agreement signing ceremony with NECL and NHC.

Our efforts in driving affordable home ownership across townships that bring value to its residents and the communities around it did not go unrecognised as we were awarded "Best Township Developer 2016" at the Property Insight Prestigious Developer Awards 2016, "Best Housing Development (Central Malaysia) 2016" at the South East Asia Property Awards and also "Best Landed Development 2017" at The Star Property Malaysia Awards 2017 for the Elymus@Resort Homes.

We were further acknowledged at The Edge Malaysia Property Excellence Awards 2016 where Matrix was honoured as one of the Top 30 companies as a member of The Edge Billion Ringgit Club 2016. We also took centre stage at the Noble Excellence Awards 2016 where we received the "Gold Noble Excellence Award for National Best Township Development of the Year". The Noble Excellence Awards is one of the few Malaysian awards that honour achievements of completed property developments that made a difference in the lives of the communities in and around them.

Matrix has also recently, been accredited with further awards by the Property Insight Prestigious Developer Awards 2017 as we were honoured with "Best Sustainable Township Development" for BSS and "Best Family Living Development" for our project, Residensi SIGC.



Average Take Up Rate for Properties

**80%**

Projects Completed GDV

**RM734.4 million**

Sales Performance

**RM1.05 billion**





Group Deputy Managing Director, Mr Ho Kong Soon, receiving Best Sustainable Township Development Award on behalf of Matrix.

### Industry Outlook

We have made strong progress in strengthening our position in the affordable home segment as we have put in place a diverse product mix that not only focuses on building innovative, modern, affordable homes but also leverage on the forthcoming high-impact infrastructure development projects. Our development is easily accessible via the North-South Highway and the forthcoming High Speed Rail project announced by the Government which will further enhance accessibility to areas in the Greater Klang Valley's vicinity. Another feather to our cap is the upcoming development of the Royal Malaysian Airforce Academic and Training centre, this will further boost the population at BSS up to 120,000 and create a more vibrant community in due time.

In fact, improved connectivity and the rapid development has seen increased confidence amongst buyers in purchasing their new homes in our township, driven by escalating property prices within the Klang Valley which are beyond reach of most people. The high accessibility and connectivity to our township which has resulted in shorter travelling time has greatly attracted more buyers from Klang Valley who are willing to re-locate to BSS.

Although we will continue to remain cautious over the economic landscape

and market dynamics, we believe that our core businesses will remain resilient as we focus on efforts that will drive strong performance. Moving forward, Matrix has put in place a robust pipeline of new launches amounting to RM1.36 billion in the coming months, both in the affordable as well as in the premium segment. We look to the future with confidence as we are well-positioned to deliver long-term shareholder's value.

### Dividend Policy

On behalf of the Board, we are pleased to inform that we have continue to uphold our dividend policy which states the payment of dividend of about 40% of our net profits to the shareholders of the Company. From the date of listing until todate, we have constantly paid interim dividends every quarter without fail. For the last four (4) quarters, we had paid a total of 13.75 sen for every ordinary share held.

### Proposed Bonus Issue

On 16 May 2017, Matrix announced a Proposed Bonus Issue which entails the issuance of 163,941,084 Bonus Shares on the basis of one (1) bonus share for every four (4) shares held. The rationale for this proposal is to reward our shareholders for their loyalty and continuing support by enabling them to have greater participation in the equity of the Company

in terms of number of shares held, while retaining their percentage of equity interest held. This proposal shall be put forth to the shareholders for approval at the upcoming Annual General Meeting of the Company.

### Boardroom Changes

On behalf of the Board of Directors, during the financial year under review, I would like to record the retirement of our Executive Director, Dato' Lim Kiu Hock from the Board during our Annual General Meeting held on 18 August 2016. Even though Dato' Lim had ceased his directorship in Matrix's board but remain with the Group to continue his services in the management team as our Group Business Advisor as well as holding directorships in several subsidiary companies of the Group. Meanwhile, I would also like to welcome onto the Board, Dato' Logendran A/L K Narayanasamy as Non-Independent Non-Executive Director, effective 15 November 2016. We shall look forward to their invaluable insights and contributions moving forward.

### Acknowledgements

On behalf of the Board of Directors, I would like to take this opportunity to thank the Board, our experienced management team and our dedicated team of employees for their unwavering commitment and contribution that has seen Matrix grow from strength to strength.

We would also like to extend our heart-felt gratitude to our valued stakeholders – our shareholders, suppliers, financiers, buyers and government authorities – for their trust, loyalty and belief in us, throughout our journey of growth.

**Dato' Haji Mohamad Haslah  
Bin Mohamad Amin**  
Chairman  
30 June 2017



# Management Discussion & Analysis

## Dear Shareholders

On behalf of the Board of Directors, it is my pleasure to present the Management Discussion and Analysis report for Matrix Concepts Holdings Berhad (“Matrix” or “the Company”) for the financial year ended 31 March 2017.

### OUR BUSINESS MODEL

Established in 1996 and listed on the Main Market of Bursa Malaysia Security Berhad in 2013, Matrix’s principal activities are focused in four (4) key areas – **Property Development, Construction, Education, and Hospitality.**

At Matrix, we believe in building well-designed, quality, affordable homes and creating vibrant communities that come complete with the right amenities and facilities within a sustainable environment that positively impact the well-being of the people and communities around us, now and in the future. In the last few years, the Group has built a strong reputation of delivering quality yet affordable properties in Negeri Sembilan and Johor.

Through a framework that rests on four (4) core components, our efforts are anchored on delivering long-term shareholder value, as embedded in our tagline of **“Nurturing Environments, Enriching Lives”.**

### Core Business Component



#### > Property Development

As a “township developer”, Matrix is extending its footprint into other high growth areas in Malaysia namely, the central region (Kuala Lumpur), southern region as well as abroad in Melbourne, Australia. The Group also has in place pocket developments to further complement its efforts in creating sustainable township developments and communities where people can enjoy a better standard of living, all built on the key pillars of quality, safety and sustainability. The Group is focused on strengthening the Matrix’s brand value and emerge as one of the leading property development companies in the country.



#### > Education

We believe that education is an integral part to developing human capital for the future. To generate long-term value, we have established a centre of educational excellence that brings the best of both eastern and western values. In sowing the young minds of the future, the syllabus is centred on nurturing positive and creative mindsets as well as other effective learning methods that develop students holistically. We are affiliated to some of the renowned global education institutions worldwide and aim to become one of the top schools in the country.



#### > Hospitality (Club and Hotel)

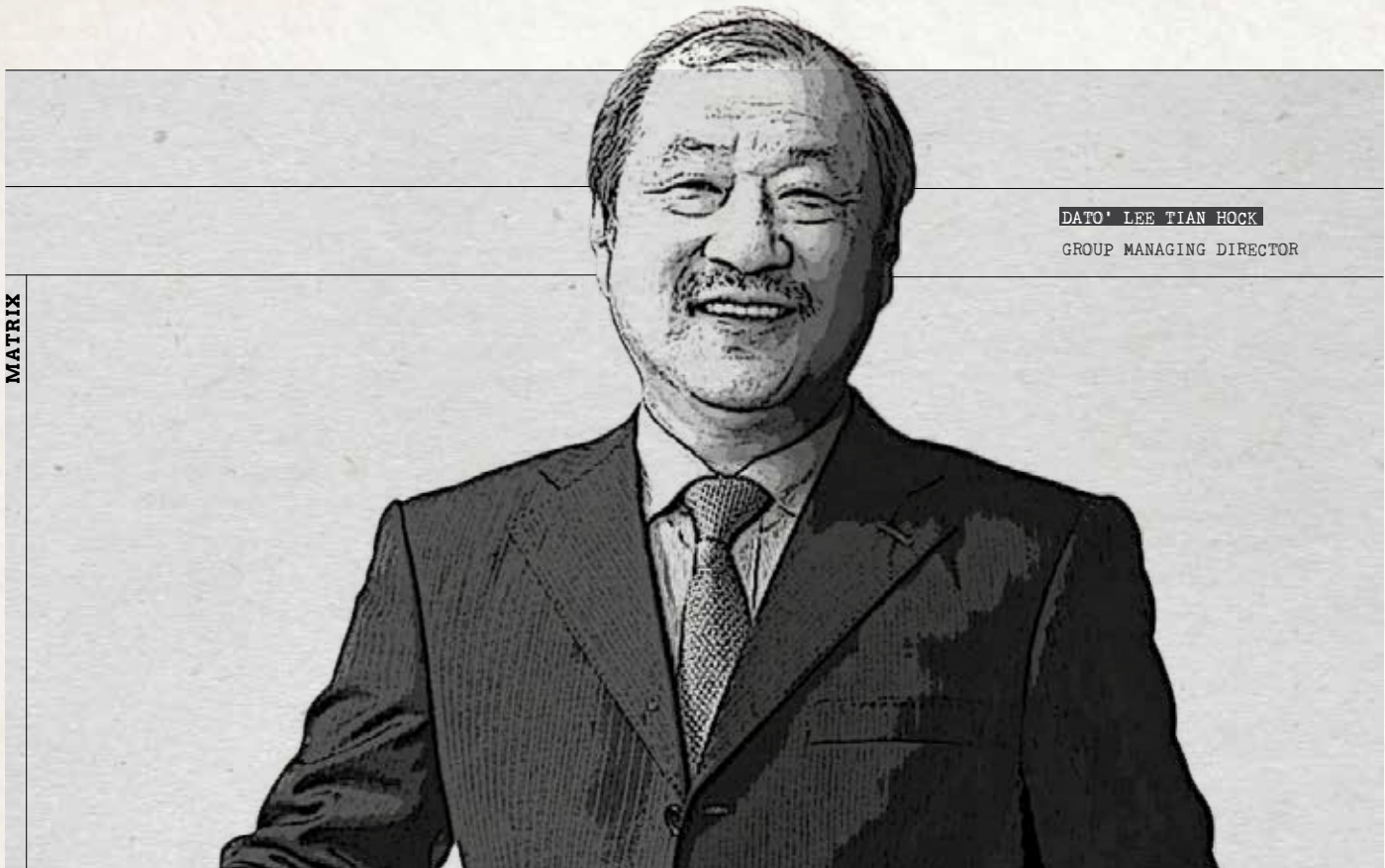
Matrix’s core business is complemented by its hospitality business that is spearheaded by d’Tempat Country Club, a top notch 5-star club in the southern region and d’Sora Boutique Business Hotel, an above-average boutique hotel that serves the Bandar Sri Sendayan community and those in the vicinity. Exemplifying the Matrix’s brand value of quality services, our hospitality and lifestyle component is not only affiliated to each other but also other renowned clubs throughout Malaysia, for the convenience of our members and customers.



#### > Construction

The construction component is a key enabler to our developments and brings a wide range of experience in undertaking infrastructure, residential and commercial projects. Moving forward, we employ the most advanced, cutting-edge and sustainable technology such as Industrialised Business Systems (IBS) that ensure on shorter time for completion, lower costs and yet, delivering high quality end products that exceed customers’ expectations.





DATO' LEE TIAN HOCK

GROUP MANAGING DIRECTOR

The last 12 months have proven to be another meaningful year for Matrix. Despite the challenging economic environment, we made good progress on our strategies, delivering new milestones as we remained steadfast in our focus to introduce more projects in the affordable segment, in line with the needs of the nation.

In a highly competitive environment, we strengthened our key business areas by working on expanding our footprint, increased the value of our land with new property development projects at both Bandar Sri Sendayan (BSS) and Bandar Seri Impian (BSI) while at the same time, added new investment properties to our portfolio. We experienced a robust growth momentum across our key businesses, laying a strong foundation for our future growth and remain sustainable despite the tough challenges in the last financial year.

#### HOW WE HAVE PERFORMED

Matrix recorded a revenue of RM775.0 million, which is 30.3% higher than the previous year (twelve months period from 1 April 2015 to 31 March 2016) (FY2016) while net profit increased by 27.4% to RM185.3 million, corresponding with RM145.4 million during the same period. This commendable performance was due to the increased new sales from residential properties at our township developments of BSS and BSI.

During the financial year ended 31 March 2017 (FY2017), the Group achieved outstanding performance in new sales of RM1.03 billion, a 26% increase from RM817.4 million from the previous year, demonstrating the strong demand for our properties despite the challenging market. The Group had RM1.9 billion worth of ongoing development

projects, significantly higher than RM1.5 billion in FY2016. Meanwhile, unbilled sales increased to RM859.5 million from RM621.4 million previously, to be recognised until 2019.

Of the total FY2017 revenue, revenue for residential properties grew 44.9%, contributing RM636.6 million, while revenue of commercial properties was 2.2% lower at RM86.7 million. In total, the Group delivered more than 1,000 units of residential and commercial properties, with a total Gross Development Value (GDV) of RM734.4 million as at 31 March 2017.

Revenue of industrial properties and land decreased by 46.2% to RM24.8 million, while contribution from the Group's investment properties of Matrix Global Schools and d'Tempat Country Club grew 26.5% to RM25.9 million.



## Management Discussion & Analysis



### OUR REVIEW OF OPERATIONS

During the year under review, Matrix strengthened its strong track record in developing residential, commercial and industrial properties in Negeri Sembilan and Johor. To date, the Group has on-going projects worth RM1.9 billion in GDV set across 260 acres of land, including the Group’s project in Melbourne, Australia.

Our efforts were not in vain as the residential segment demonstrated strong take up rate of over 80%, augmented by the recent escalation of prices across the Klang Valley and the enhanced accessibility and connectivity with the introduction of Greater Klang Valley (Greater KL) area, Malaysia Vision Valley (MVV) as well as the 11<sup>th</sup> Malaysia Plan’s high-impact projects. Our results have demonstrated that we are able to execute on strategies and capitalise on its growth opportunities.

#### Bandar Sri Sendayan, Seremban, Negeri Sembilan

Bandar Sri Sendayan (BSS), Matrix’s flagship project is an integrated township set across approximately 5,233 acres of land which comprises a residential, commercial, institutional and industrial properties, strategically located in the Greater KL, at Seremban, with a GDV worth RM11 billion. Not only is BSS just 10 minutes from the Seremban town centre, it is also easily accessible via the various highways as well as the Kuala Lumpur International Airport 1 & 2. Notably, BSS has emerged as an integrated and award winning township that not only encourages people to lead a balance lifestyle, but also inspires a sense of community amongst its residents, in line with our vision “Nurturing Environments, Enriching Lives”. To be developed over the next 15 years, BSS is expected to have more than 120,000 residents once it is fully completed.

Amidst a soft property industry outlook and fluid market dynamics, the affordable housing segment continued to register strong demand. We actively promoted Seremban as a satellite city that is part of Greater KL and our strategies and propositions have proven to be successful. Currently more than 60% of our purchasers are from the Klang Valley as compared to only 35% in 2013, further reinforcing current trends whereby more and more homeowners are looking for added value beyond the Klang Valley.

To elevate and deepen customer relationships, the Group enhanced its customer service by going the extra mile to help potential purchasers achieve their dream of owning their home. Here, Matrix worked with a panel of bankers to help potential purchasers with their home loan applications by conducting pre-screening services, providing advice on their financial position and all other loan application requirements.

Through our efforts, BSS an integrated township, has grown from strength to strength, and remained one of the key growth drivers during the period under review, contributing RM613.4 million or 79.1% of total group revenue, an increase of 26.8% from RM483.9 million in the previous year.

The introduction of new project launches saw sales rising to RM764.3 million for FY2017, growing 18.6% from RM644.5 million in FP2016 while unbilled sales stood at RM629.2 million during the same period. Meanwhile, the sales of commercial property business also achieved a growth of RM89.4 million, 170% higher than the previous year. We are cognisant that in order to deliver strong performance, it is essential that we have a wide range of innovative products and quality building processes in place.



## Management Discussion & Analysis

As at FY2017, approximately 8,300 units with a GDV of RM3.3 billion were introduced for both residential and commercial properties, cementing our position in introducing novel designs at affordable prices to our customers. We launched six (6) key projects worth RM633.6 million in GDV, namely:-

- **Sendayan Metropark 2B**

Located at the main commercial area of BSS, Sendayan Metropark consists of 58 double storey shop offices set across 6.7 acres of land. With a GDV of RM74 million, Sendayan Metropark is a central catchment area with access to financial institutions, educational centres, specialty stores, retail outlets as well as food establishments. Sendayan Metropark has since experienced 25% take up rate.



- **Suriaman 2B**

Comprising 232 units of double storey terrace homes set amidst a lush green enclave and a myriad of commercial outlets, Suriaman 2B experienced healthy take-up response. Set across 24.9 acres and a GDV of RM154.0 million, residents will be surrounded by the seven (7) thematic gardens and also the 26-acre Sendayan Green Park, the green lung of the whole development.



- **Suriaman Biz**

Covering an area of 2.5 acres, Suriaman Biz with a GDV of RM46.9 million is made up of 38 double-storey shop offices. To date, these units have received 100% take up due to its strategic location, easy accessibility to major highways and serves as a catchment area to the surrounding areas.



- **Hijayu 3 (Phase 3 and 4)**

Comprising 159 units of double storey terrace homes, Hijayu 3 (Phase 3 and 4) with a GDV of RM115.9 million are the last parcel of the Hijayu series featured within BSS. Designed to emphasise the architectural beauty of the houses, Hijayu 3 provides homeowners with comfortable, contemporary living and as such has experienced 72% take up to date.





## Management Discussion & Analysis

- **Suriaman 3**

For those who enjoy beauty and picturesque homes, they will be spoilt for choice with the introduction of the Suriaman 3 double storey homes. Set across 11 acres and a GDV of RM73.3 million, Suriaman 3 offers 124 spacious units as well as access to the nearby commercial development that comes complete with retail, dining and entertainment facilities for homeowners. More than 90% has been taken up.



- **Suriaman 2A**

Suriaman 2A comprises 264 terraced houses with a GDV of RM169.5 million has experienced 80% take up to date. It is easily accessible to all major highways, and its crowning glory is its location to the seven (7) thematic parks that allow its residents to rest and relax, away from the busy city life.

- **Ara Sendayan**

BSS' first hilltop development, Ara Sendayan is set across 78.5 hectares of land, with a GDV of RM900 million and comprises 1,300 units of residential homes to be built over four (4) phases. Adira Terraces, Phase 1 of Ara Sendayan consisting of 269 units of 2,398 square feet link houses saw strong take up during its launch. The overall development is targeted to be fully completed in the next three (3) years.



With an average take up rate of approximately 80% worth RM489 million, the overwhelming response received at our projects clearly demonstrates that Matrix has put in place the right strategy in delivering well-designed, affordable homes for the general public.

This has spurred the Group to launch a pipeline of new projects, consisting of both affordable and premium properties amounting to RM778 million in the next 12 months.

### **Sendayan TechValley and Sendayan Tech Park**

In the period under review, Matrix sold 39.4 acres of industrial land in Sendayan TechValley (STV), totalling up to RM63.7 million.

This industrial park which focuses on delivering high-value, high-technology, low-pollution manufacturing plants currently has, among others, about 13 leading multinationals such as Daihatsu, Hino Motors, Akashi Kikai, Messier-Bugatti-Dowty, Schmidt+ Clemens Asia and Weir Group.

As at FY2017, STV has brought in foreign direct investments (FDIs) amounting to RM3.2 billion across various sectors including automotive, aircraft and engineering systems, metal, construction, rubber and medical devices. The Group's net saleable industrial land bank currently amount to 761.9 acres across both STV and Sendayan TechPark, of which 575 acres has already been sold between 2011 to 2017.

In addition, the Group had increased its industrial land bank for the last two (2) years by purchasing another 115.6 acres of land from 20 individual land owners, adjacent to STV. The acquisition of this land bank was funded by the Group's internally generated funds.



Revenue of industrial  
properties and land

**RM24.8  
million**

↓ **46.2%**

### Bandar Seri Impian, Kluang, Johor

During the year under review, Bandar Seri Impian (BSI) in Kluang, Johor continued to demonstrate strong growth, with total launches for FY2017 amounting to RM206.7 million and unbilled sales stood at RM144.4 million.

On the whole, the BSI township's revenue contribution to total group revenue stood at RM134.7 million or 17.4%, increasing 54.6% from RM87.1 million in the previous corresponding period.

In the last 12 months, the Group launched four (4) new residential projects, namely Impiana Square (Phase 1), Impiana Bayu 2 (Phase 3 & 4), Impiana Indah and Impiana 2, delivering 108 units residential and commercial properties with a total GDV of RM87.8 million. Given its strategic location with a series of facilities and amenities which range from universities, schools, hospital and ease of connectivity, the average take up of the current projects currently stand at 52.1%.



Moving forward, the Group has put in place a pipeline of new projects amounting to a GDV of RM216.09 million in next 12 months.

### Residensi SIGC (Phase 1)



This exclusive project with a GDV of RM162 million is a gated and guarded development that comprise of 70 double storey houses, 38 double storey semi-detached houses and 17 double storey bungalows. Set across 24.1 acres next to the Seremban International Golf Club (SIGC), Residensi SIGC comes with its very own clubhouse that will have a gym, swimming pool and activities space. A low-density development, residents will enjoy beautiful landscaped views of the verdant neighbourhood and 18-hole golf course. To date, the project has received encouraging response.



## Management Discussion & Analysis



### M.Carnegie, Melbourne, Australia

Matrix's first foray overseas was into Melbourne, Australia with the development of M.Carnegie that was launched in June 2016. With a GDV of RM101.8 million, the development has experienced a take up rate of more than 75% and the Group is confident of achieving full completion by the end of 2017 and expect vacant possession by the second quarter of 2018.

Consisting of 52 boutique residences, Matrix's flagship development is situated on 1,865 square meters in the central of Melbourne, targeting investors and foreign buyers. Each unit has been tastefully designed, providing residents with an abundance of natural light amidst modern home comforts and quality appliances. Given its strategic location that is close to transportation facilities, commercial and leisure amenities, as well as the Monash Caulfield campus, the development also promises a rental yield of up to 5% for the first five (5) years.

This development is expected to be completed and achieved full vacant possession by the second quarter of 2018. The M.Carnegie development is

expected to begin contributing towards the Group's earnings by FY2019 based on the Australian accounting policy of recognition upon completion.

### Developments in Kuala Lumpur and Selangor

As part of the Group's strategy to diversify its property segment, plans are currently in progress to harness the value of the 1.1-acre parcel of land next to Putra World Trade Centre in Kuala Lumpur with a potential GDV of RM300 million and the 5.8-acre of land in Puchong, Selangor with an estimated GDV of RM450 million. Both parcels of land will be used to develop high rise developments due to the said developments are situated in prime locations in the city center.

### Others

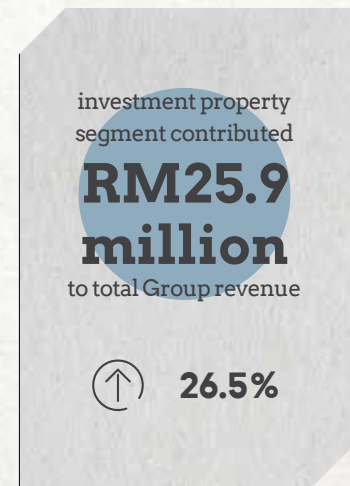
In fact, aside from BSS and BSI, Matrix is also targeting to launch another development project at Tiara Sendayan, Negeri Sembilan in first quarter of 2018. Spanning approximately 300 acres with a GDV of RM1.0 billion, the project will consist of 3,000 units of affordable homes. The launch of the first phase is estimated to have a GDV of RM150 million.

Moving forward, the Group will continue to look out for additional land to replenish our land bank for our future development.

### INVESTMENT PROPERTIES

Recognising current industry trends which demonstrate that people like to live, work and play within the same space, Matrix has strived to create the best environment within BSS that integrates residential, commercial, entertainment, good facilities and amenities, connectivity as well as accessibility.

The investment properties are integral in enhancing the appeal of BSS to home buyers and multinational corporations investing in STV, as it will also enable new recurring income stream for the Group. More importantly, Matrix believes that this will broaden its income streams to mitigate future risks.





## Management Discussion & Analysis

During the period under review, the investment property segment contributed RM25.9 million to the total Group revenue, an increase of 26.5% from the previous year and this is targeted to increase by another 50% in the next two (2) years.

### Matrix Global Schools

At the heart of BSS is the Matrix Global Schools (MGS) that consists of a quality private, international and pre-school that is affiliated to the 130-year old Ellesmere College, a prestigious British residential school in the United Kingdom. The MGS campus comes fully-equipped with facilities that are equivalent to most universities including an auditorium, lecture theatres, music rooms, recording facilities and a performing arts centre.

Currently, MGS has enrolled up to 782 students and is on track to achieve the 2,500 student target by 2020. MGS remains focused on establishing itself as a prominent centre for quality education in Negeri Sembilan.

During the period under review, the Group forged strong partnerships with Shanghai Zhangjiang Specialised College, a reputable college from China to provide an 18-month preparatory programme for 300 students from the Republic. Through the collaboration, 300 students between the ages of 15 and 17 will enrol for the programme to gain a better grasp of English, Science and Mathematics, in stages at MGS between 2017 and 2019. Upon completion of the programme, these students have the opportunity to choose to either continue with their A-levels at MGS or return home and enrol at universities there.

MGS is also the only Asian destination for students from Shanghai Zhangjiang Specialised College. In March 2017, MGS received first batch consisting of 39 Chinese students who have already enrolled under this programme at MGS.

Matrix is fully aware that the gestation period for education will normally takes a few years and barring unforeseen circumstances, MGS is expected to make operational profit in FY2018.

### d'Tempat Country Club

d'Tempat Country Club, situated in the centre of the BSS township in Seremban, features over 380,000 sq ft of lifestyle, entertainment and fitness amenities. Known as the largest family-oriented club in Seremban, d'Tempat Country Club hosts food and beverage outlets, an Olympic-sized swimming pool, aqua gym, bowling alley, tennis and squash courts, meeting

facilities as well as an attractive array of food and beverage continues to attract both residents and community. As part of our sustainable policy, d'Tempat Country Club, which has Green Building Index (GBI) Gold Standard (Provisional) rating, caters to the BSS residents as well as the general Seremban population as part of the sustainable initiatives undertaken by Matrix.

During the period under review, d'Tempat Country Club experienced excellent booking rates of its function rooms for private events. It is expected to gain higher revenue due to its increasing popularity of its food and beverage outlets as well as its leisure amenities amongst the residents of BSS and the general population of Seremban on the whole.

With better function rooms and memberships sales coupled with improved patronage of the facilities and food and beverage in d'Tempat Country Club, this outfit is also expected to make operational profit in FY2018.

### d'Sora Boutique Business Hotel

Located at the heart of BSS is the d'Sora Boutique Business Hotel, the first hotel and hospitality development by Matrix which was launched in January 2017. Consisting of 72 guest rooms, this boutique hotel currently serves tourists, investors and even the business community at BSS, including Sendayan TechValley, Sendayan Metropark and the surrounding areas.

Guests to this boutique business hotel will have access to four (4) different types of rooms – executive suites, superior deluxe, deluxe twin or king and the deluxe queen - two (2) food and beverage outlets, three (3) meeting rooms as well as access to the facilities at d'Tempat Country Club just a few minutes away. Since its launch, the Hotel has been a hive of activities, experiencing almost 40% occupancy rate.





## Management Discussion & Analysis

### Extreme Park (X-Park)

As part of its plans to grow its investment property segment, Matrix has also embarked on introducing the RM15 million X-Park, at the Sendayan Merchant Square. Set across 34 acres, X-Park offers a wide range of leisure activities for the younger generation such as go-carts, paint ball facilities and even a golf driving range, among others, thus creating avenues to strengthen community bonds as well as encourage team building activities. Expected to be fully opened to the public in first quarter of 2018, X-Park will be a recreational hotspot for the residents of BSS as well as those in the surrounding communities.

### CORPORATE DEVELOPMENTS

As at the date of this report, Matrix has entered into the following corporate proposals:-

#### Proposed Bonus Issue

On 16 May 2017, Matrix announced a Proposed Bonus Issue which entails the issuance of 163,941,084 Bonus Shares on the basis of one (1) bonus share for every four (4) shares held on an entitlement date to be determined later. The rationale for this proposal is to reward our shareholders for their loyalty and continuing support by enabling them to have greater participation in the equity of the Company in terms of number of shares held, while retaining their percentage of equity interest held. This proposal shall be put forth to the shareholders for approval at the upcoming Annual General Meeting of the Company.

Once the shareholders approve the abovesaid proposal and barring any unforeseen circumstances, this exercise is expected to be completed in the third quarter of 2017.

#### Memorandum of Understanding with Changhua Christian Hospital, Republic of China (Taiwan)

On 1 March 2017, the Group entered into a Memorandum of Understanding with Changhua Christian Hospital (CCH), to consider a partnership into the establishment of a medical and specialist healthcare centre at BSS. Established in 1896, Changhua Christian Hospital is one of Taiwan's leading hospitals with a medical network and has about 6,800 members and 3,600 beds providing full range of specialty departments with specialists in medicine, nursing, medical technology and management.

The proposed healthcare center in Icon Park of BSS, shall be known as Matrix Specialist Hospital (MSH). It is intended that MSH shall be part of the Group's long-term development of BSS which is rapidly becoming a satellite city that consists of residential, commercial, industrial, leisure, education and entertainment facilities as well as the new Royal Malaysian Air Force Academic and Training Centre.

The working group for conducting feasibility studies are still in the midst of reviewing the proposal and any development arising thereto shall be announced in due course. This hospital, being part of Malaysia Vision Valley project undertaken by the government, is able to cater to BSS's rapidly growing population which is expected to be exceed 120,000 people by year 2022.

#### Joint Venture cum Shareholders Agreement

On 13 April 2017, Matrix entered into a Joint Venture cum Shareholders Agreement with Nissin Ex. Co., Ltd (NECL) and Nihon House Corporation (NHC) to jointly venture into the manufacturing of prefabricated building materials using Industrialised Building Systems (IBS). The partnership will see the formation of a joint venture company called Matrix IBS Sdn Bhd, in which Matrix will hold 80% stake, NECL a 12% stake and NHC the remaining 8%.

NECL is a Japanese multi-trading company, specialising in selling flooring, panelling and decking products for use in residential and commercial projects whereas NHC is also a Japanese company with its principal business in providing pre-cast concrete materials as well as marketing, selling and installing prefabricated houses under the brand name of "NC House".

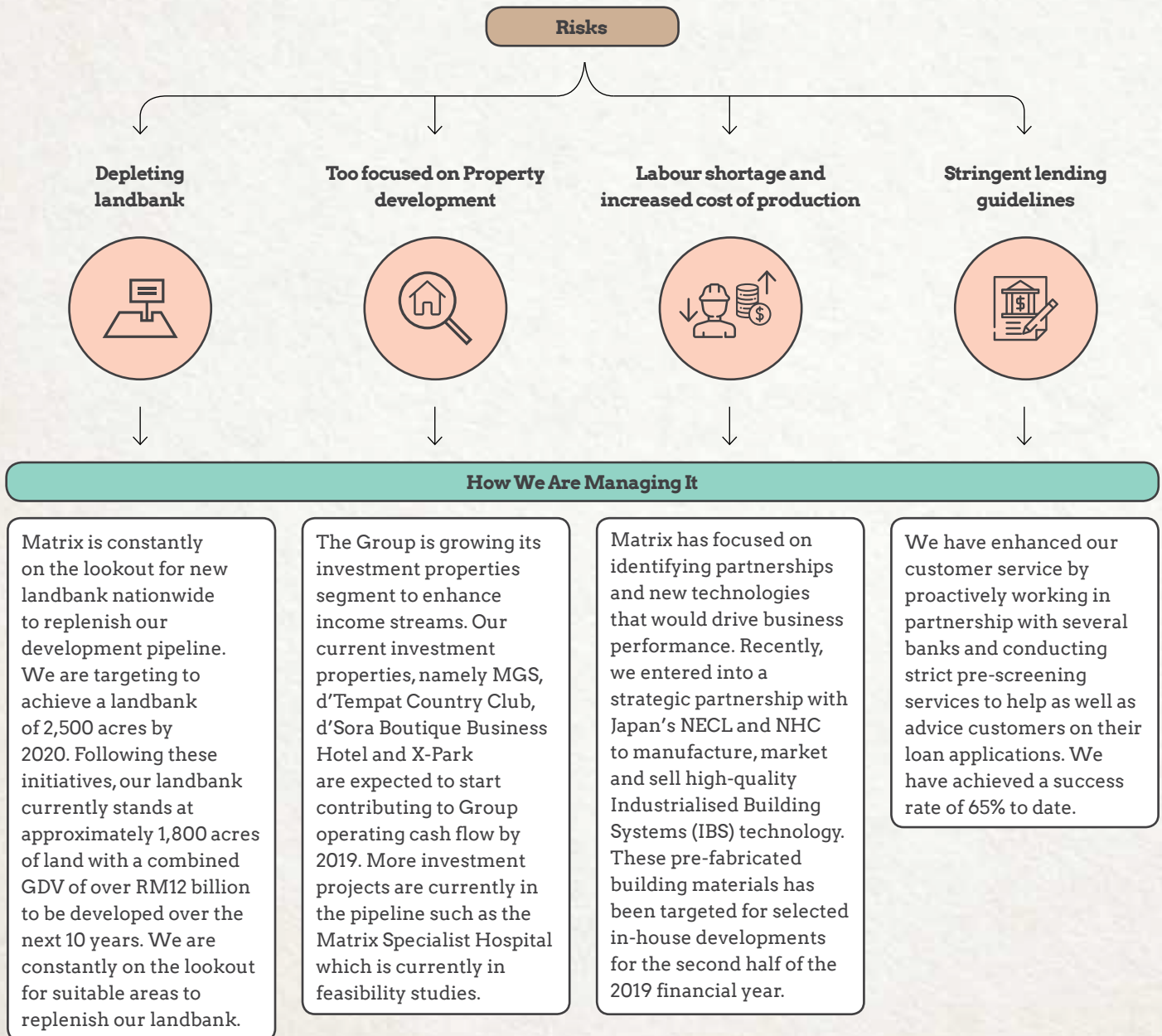
This joint venture will enable the Group to venture in IBS manufacturing and adapt new construction technology for better quality control, increased delivery efficiency, reduce material wastage and deliver greater value to customers. In the long term, it will also promote local employment and reduce the Group's dependency on foreign workers. Set to commence operations in the third quarter of 2018 and a capacity to supply materials to 700 terrace houses a year, the plant will produce pre-cast IBS products mainly for the Group's future housing development projects. The Group is also looking into possibilities of supplying these building materials to other housing developers in the longer term.

The above venture up is poised to be the hub for world-class manufacturing, facilitating the transfer of high technology and building highly-skilled workforce, and to act as the nucleus for supporting industries while at the same time, generate job opportunities for the residents at BSS and the surrounding areas. This in turn has had positive spill-over effects on the overall BSS's development.



**MANAGING OUR RISKS**

At Matrix, we are cognisant that our business performance faces several risks that may impact us in the near-to-long term. Mindful of this, an action plan has already been put in place and executed to mitigate these risks in an effort to deliver on strategy and drive performance.





## Management Discussion & Analysis

### DIVIDEND POLICY

Matrix has consistently paid dividends to our shareholders since our listing in 2013. The Group has a dividend policy to distribute 40% of its net profit to shareholders. This policy has been adhered since date of listing until todate where interim dividends are paid every quarterly to our shareholders since 2013.

For the FY2017, the Group paid a total dividends amounting to 13.75 sen per share. These were declared through four (4) interim dividends of 3.25 sen, 3.25 sen, 3.50 sen and 3.75 sen respectively. The total dividend pay-out stood at RM79.03 million or 42.6% of FY2017 net profit.

### FUTURE PROSPECTS

Despite the volatile economic landscape, subdued property industry outlook and increased competition, Matrix remains focused on delivering quality integrated townships in the affordable to premium segment. It has redefined and changed the game in the affordable homes segment, creating an ecosystem that encourages quality, balanced lifestyle for its residents. The strong performance achieved in the last year reflect the robust strategic direction and hard work put through.

On that note, while we have made steady headway across our development projects in FY2017, we believe there is still much more to be done. We have also been actively replenishing our pipeline with projects and diversify our income stream to ensure we deliver on long-term shareholder value.

As the property development pillar will continue to be the main growth driver, the Group is set to launch more than RM12 billion worth of projects up to 2027. Furthermore, we have also identified RM1.36 billion worth of new development projects in the affordable segment of up to an estimated GDV of RM790 million to be launched in the next 12 months, targeting sales of more than RM1 billion.

Our finale and crown jewel project in BSS, which is Sendayan Icon Park, is a 116-acre town centre that will feature a medical centre, a shopping mall, conference center, commercial units and also residential. Meanwhile, Sendayan Merchant Square has been designed as a lifestyle commercial hub that includes d'Tempat Country Club, MGS, shop offices and retail outlets. Hence, it is no wonder that BSS has been transforming, likened to Bandar Damansara in Klang Valley, into a vibrant integrated lifestyle township in Seremban, cementing its position as an award-winning sustainable township.

We believe that BSS will continue to mature into a leading township in Seremban and Greater KL, even more so with the establishment of the 750-acre Royal Malaysian Air Force Academic and Training Centre at the township as this would not only stimulate economic activities but also add to the vibrancy of the development and the surrounding areas.

We remain positive about the future and believe that Matrix is well-positioned to capitalise on upcoming opportunities.

### ACKNOWLEDGEMENTS

I would like to extend my heartfelt thank you to the Board of Directors and senior management team for your commitment and guidance in ensuring our continued growth. I would also like to extend my appreciation and gratitude to the team of dedicated employees, customers, stakeholders and shareholders for your continued trust in us.

We look forward to your continued support as we take advantage of the many opportunities to deliver long-term shareholder value.

Thank you.

**Dato' Lee Tian Hock**

Group Managing Director  
30 June 2017





**Sustainability**



# *Our Journey*

*Our journey of embedding sustainability initiatives into our organisation*





# About This Sustainability Statement

Matrix is committed to reporting its sustainability performance, transparently. The scope of this sustainability statement has been expanded for more balanced and comprehensive disclosure.

Matrix aims to present stakeholders with detailed information on the Group's development and activities. The Group's challenges and results from its sustainability endeavours are presented in this sustainability statement.

This annual disclosure follows Matrix's financial calendar and covers 1 April 2016 to 31 March 2017. The Global Reporting Initiative (GRI) standards and the Bursa Malaysia Sustainability Guide have been used as references in the preparation of this report.

The reporting process is prepared to the best of the management's abilities by providing full comprehensive report subject to availability of information. However, Matrix will continue to improve its future sustainability disclosures.

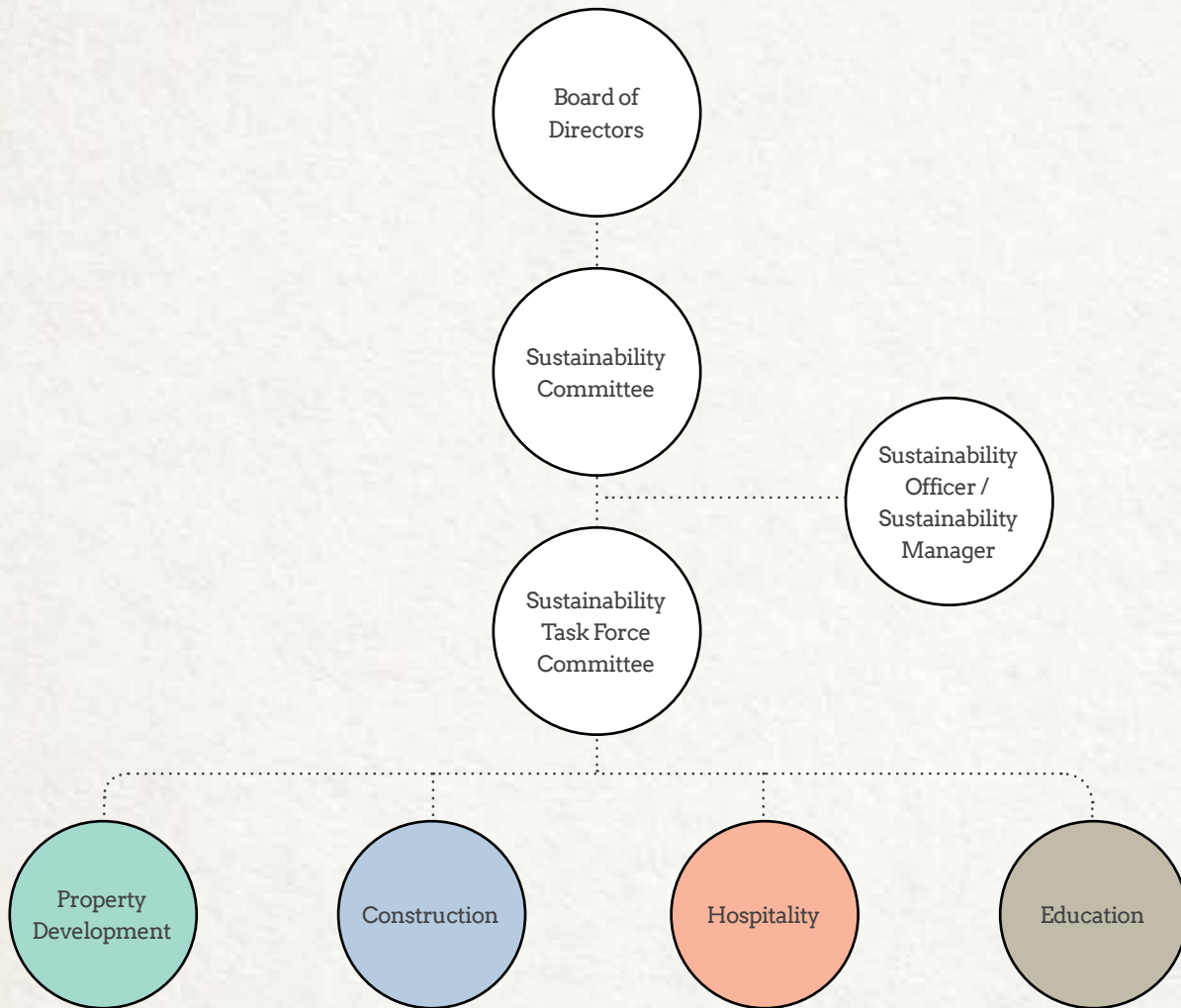




# Sustainability Governance:

## Our Contributions to Sustainability Measured, Shared and Valued

At the end of 2016, we established a sustainability working group to develop a consistent approach to assessing what we provide to our stakeholders and measuring our contributions. The challenge is to cover not only economic value, but social and environmental contributions too.



Our aim is to stress the contributions we have made to stakeholders and place less emphasis on what we did. Focusing on outcomes rather than inputs requires us to examine the context in which we operate.

For example, rather than examining the number of units of housing sold it is better to focus on the special qualities of our developments including providing a comfortable environment and enhancing the lifestyle of our purchasers.



## Sustainability Governance: Our Contributions to Sustainability Measured, Shared and Valued

### Sustainability Statement

This Matrix's Sustainability Statement captures targets and actions regarding sustainability strategies each year comprising core components of our sustainability goals. It is reviewed and updated annually by the Sustainability Officer and endorsed by the Board.

**Environmental Aspects, Impacts and Actions** – identifies our direct and indirect environmental impacts and sets out the steps we will take to reduce these.

**Legal Requirements** – describes how we identify and access the applicable legal requirements related to our environmental aspects.

**Objectives, Targets and Programme** – establishes measurable targets consistent with our sustainability policy and describes our plan to achieve these.

**Responsibility** – describes how we establish, implement, maintain and improve the sustainability goals.

**Communication** – describes how we will communicate our performance of sustainability goals with staff, clients and interested parties.

**Monitoring Performance** – defines how we measure and report our sustainability performance.

### Our Sustainability Vision

Sustainability is a critical part of achieving our mission and ensuring long-term competitiveness. Our customers, employees, business partners and regulators expect us to uphold the highest business standards, continuously improve the quality of our products and support their communities. Operating ethically and sustainably is not just a responsibility; it is a fundamental enabler of our commercial success.

We provide solutions that reduce the environmental impact of our business while playing a key role in achieving our economic, social and environmental goals.

To achieve this we will:

<b>Projects</b>	<p>Develop and encourage solutions that improve the environmental performance of every project we work on by considering practical ways to reduce greenhouse gas emissions, the occurrence of accidents and hazards, energy and water consumption, natural resource depletion, waste to landfill and pollution.</p> <p>Develop and encourage solutions that provide better spaces for people that consider comfort, glare, internal air quality, noise and connectivity with nature.</p>
<b>People</b>	Provide our staff with the skills, knowledge and enthusiasm to deliver practical sustainable solutions through a strong commitment to training and knowledge sharing.
<b>Leadership</b>	Provide leadership to the commitment of the implementation of sustainable practices through active contribution and support.
<b>Our Business</b>	<p>Set and implement sustainable goals.</p> <p>Reduce the environmental impact of our operations by managing our energy and water consumption, minimising our carbon footprint, implementing an eco-friendly purchasing policy and demonstrating environmental sustainability.</p>
<b>Management</b>	Implement and maintain an Environmental Management System and seek to continually improve our environmental performance, comply with applicable legal requirements and prevent pollution.
<b>Report</b>	Transparently report our environmental and social performance and make this available on our websites.



**Sustainability Governance:**  
**Our Contributions to Sustainability**  
*Measured, Shared and Valued*

**Our Sustainability Goals**

1



**Culture and Community**

- Positively contribute to communities less fortunate than our own
- Increase financial support for local and international charities
- Promote community harmony and unity

2



**Equity and Local Economy**

- Compliance with ethical business policy
- Development of projects in line with the economic impact of the nation
- Increase income per capita

3



**Work Satisfaction / Well-being**

- Diversity in the workforce, employees' benefits and adequate remuneration
- Consider flexible working policies for more members of the business whenever applicable
- OSHA - Reduce hazards and accidents in the workplace
- Self/career improvement workshop/training
- Provide employees with a conducive working environment

4



**Our People**

- Increase knowledge of sustainability
- Industry recognition for our people and business



# Dialogue and Partnering

Matrix engages and partners with its stakeholders to balance needs and create value. We take a complete role in supporting the development of our properties in order to increase the supply and affordability of high quality, sustainable developments.

Dialogue with our stakeholders is crucial for gauging the relative importance of multiple aspects so that our strategy and actions can be fine-tuned.

Matrix remains in close contact with all stakeholder groups so that issues of greater interest or concern can be easily identified. This approach helps us respond to the expectations of each respective group.

Key Stakeholders	Methods of Engagement
Clients and Customers	<ul style="list-style-type: none"> <li>• Master planning</li> <li>• Half-yearly bulletins</li> <li>• Customer charter and complaints handling</li> <li>• Specialised customer care teams</li> </ul>
Shareholders, Investors and Analysts	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Quarterly analyst briefing</li> <li>• Annual report</li> <li>• Bursa Malaysia announcements</li> <li>• Quarterly reports</li> <li>• Website</li> </ul>
Business Associates	<ul style="list-style-type: none"> <li>• Agreement with business partners</li> <li>• Partnership approach to procurement and project work</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Ongoing engagement such as meetings and the intranet</li> <li>• Celebrations such as festivals and birthdays</li> <li>• Employee satisfaction survey</li> <li>• Events such as annual dinners and festive celebrations</li> </ul>
Community Members and the Public	<ul style="list-style-type: none"> <li>• Community programmes</li> <li>• Roadshows</li> <li>• Social media</li> <li>• Corporate website</li> </ul>
Suppliers, Contractors and Subcontractors	<ul style="list-style-type: none"> <li>• Appreciation Day</li> <li>• Training for suppliers, contractors and subcontractors</li> <li>• Suppliers, contractors and subcontractors are also invited to our annual dinner</li> </ul>
Authorities and Regulators	<ul style="list-style-type: none"> <li>• Compliance report</li> <li>• Site visits</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Press conference</li> <li>• Media event</li> <li>• Media appreciation night</li> <li>• Festive celebrations</li> </ul>
Non-Governmental Organisations	<ul style="list-style-type: none"> <li>• Community programme partnerships</li> <li>• Discussion and consultation on social events</li> <li>• Charity events</li> </ul>



# Engaging on Material Issues

## The Methodology

The Matrix Stakeholders Materiality Survey 2017 was conducted in the last quarter of FY2017. To ensure impartiality and secure the anonymity of the respondents, the survey was performed by an external consultant. The opinions of representatives from the following major stakeholder groups were sought:

- Clients and Customers
- Shareholders, Investors and Analysts
- Business Associates
- Employees
- Community Members and the Public
- Suppliers, Contractors and Subcontractors
- Authorities and Regulators
- Media
- Non-Governmental Organisations

A total of 525 complete responses were obtained and analysed to ascertain the views of our stakeholders. We believe the sample size provides a reasonably accurate representation of our stakeholders' opinions. The same survey was also completed by 11 members of the Board whose responses were used to represent the views of Matrix.

Respondents were asked to rate the importance they placed on 27 issues related to economic, environmental and social performance. These issues are summarised below.

## Sustainability Areas Assessed in the Materiality Study





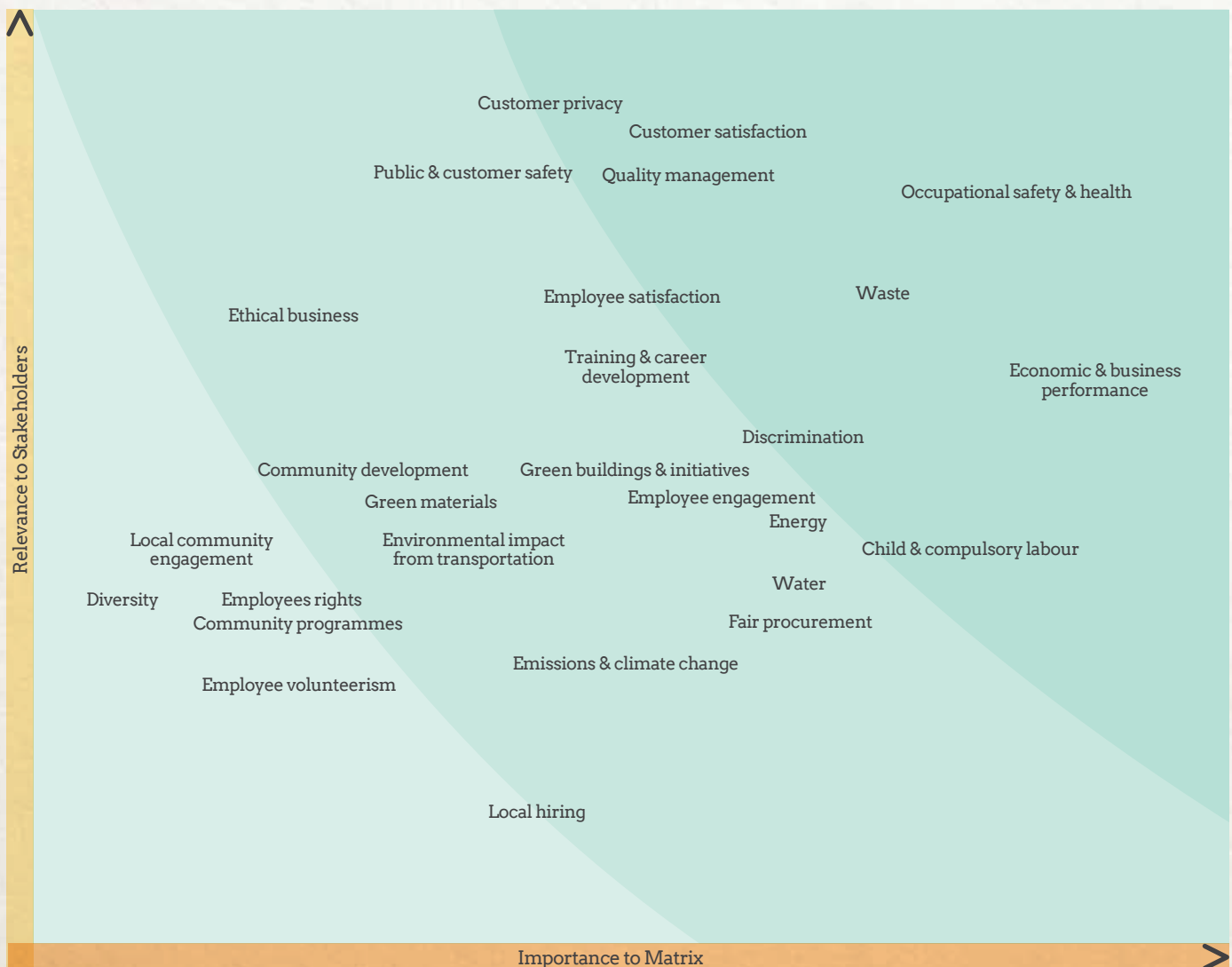
## Engaging on Material Issues

A five-point Likert scale was used, allowing respondents to indicate how important each criterion was, from 'Very Unimportant' (1) to 'Very important' (5). The survey could be completed in either English or Bahasa Malaysia.

There was a natural skew in the results as the different stakeholder groups were not represented equally. Employees were the highest represented stakeholder group with the fewest respondents representing authorities and regulators. A separate average score was calculated for each of the 27 areas within each stakeholder group, following which an average from all nine (9) stakeholder groups was obtained.

### The Results

The data was analysed and the results used to develop a materiality matrix. The level of importance to Matrix was plotted along the X axis and the relevance to stakeholders on the Y axis. The matrix is presented in the following diagram.





# Economic



## Economic

The economic section of this statement concerns Matrix's impact on the economic conditions of its stakeholders. It covers our nationbuilding efforts, our contribution to education and how we create value for our stakeholders at local, national and global levels.



Artist impression

### Our Economic Goals

1



#### Equity and Local Economy

Creating local economies that support fair employment and development of the nation

2



#### Local and Sustainable

Engaging in activities that enhance the local economy and sustainability

### ADVANCING THE NATION THROUGH IMPROVED CONNECTIVITY

Connectivity in the modern context has evolved beyond building simple road networks for individual vehicles to include mass transportation via multiple-lane expressways and electronic railway tracks.

Easily accessible from major highways, Bandar Sri Sendayan:

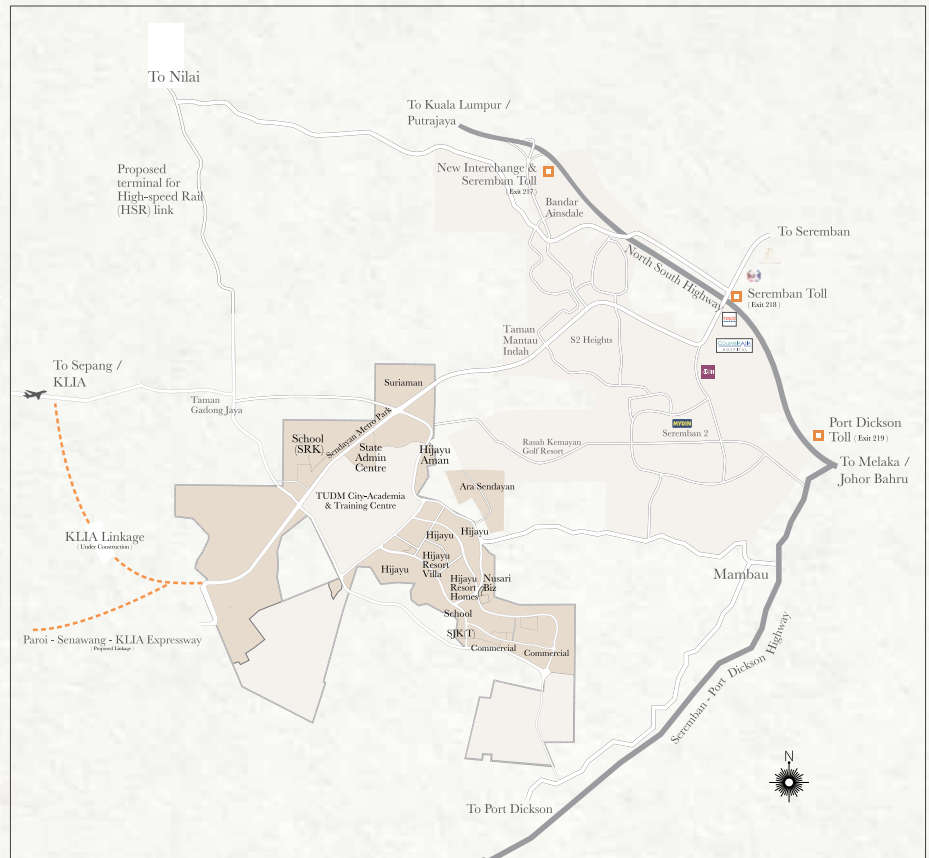
- Is approximately 7 km from the North-South Expressway Southern Route (E2) exit at the Seremban-Labu toll;
- Is 20 km from the Kajang-Seremban LEKAS Expressway (E21) exit at Setul; and
- Connects to the Seremban-Port Dickson Highway (E29), which links to Port Dickson.

## Economic

The new Paroi-Senawang-KLIA Expressway, leading to Sendayan TechValley, is currently under construction and will improve connectivity further. The upcoming Kuala Lumpur-Singapore High Speed Rail (HSR) will not only connect Kuala Lumpur with Singapore but will also create exciting new growth opportunities in other major destinations such as Seremban, Melaka and Nusajaya. Potentially, this project can have a high impact on Bandar Sri Sendayan. Establishing an HSR station in Seremban validates its position as a key township that is thriving with economic activity and new developments to continue on its growth path.

The HSR is expected to boost tourism in Negeri Sembilan and other stops on the line. The hassle-free, fast and convenient travel, coupled with large rider capacity, is expected to create new demand for tourism-related services such as food and beverage, retail, leisure, wellness and entertainment. We are also upgrading facilities at our d'Tempat Country Club and Icon Park so these venues can handle a higher demand from tourists.

A connecting road to the proposed link highway to KLIA via Sendayan TechValley is also scheduled, adding to the township's efficient arterial road system. The upcoming connectivity augurs well for the existing and potential industries established in the high-technology park of Sendayan TechValley. It will also increase accessibility to a greater pool of knowledge workers from Singapore and various parts of South and Central Malaysia.



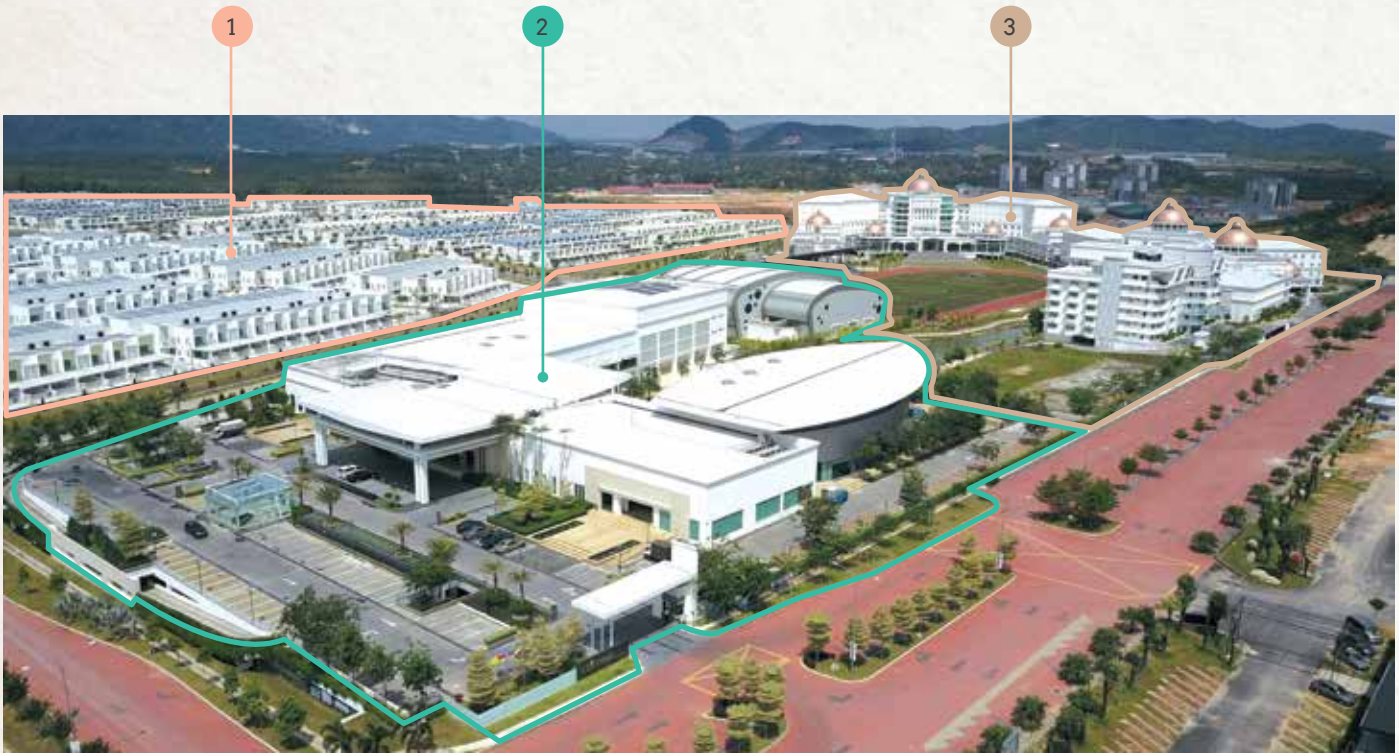
### ECONOMIC VALUE CREATION THROUGH OUR INTEGRATED TOWNSHIP

The Federal and State Government authorities have dedicated future plans to transform Greater Klang Valley, particularly Negeri Sembilan, into an integrated hub for industries, education and tourism.

Located within the Greater Klang Valley conurbation, Bandar Sri Sendayan is an up-and-coming township in Negeri Sembilan that is set to have a vibrant and exciting future. Similar to the growth of maturing townships that surround Kuala Lumpur, this 5,233-acre freehold development is poised to enjoy comparable success and live up to its reputation of being the Damansara of Seremban.

Matrix's developed Bandar Sri Sendayan with one concept — "A Perfect Home with Comfortable Living in Mind". This self-sustainable development contains residential property, commercial, education, hi-tech industrial, hospitality and leisure developments. It exemplifies our vision of "Nurturing Environments, Enriching Lives".





1



**Residential area**

2



**d'Tempat Country Club**

3



**Matrix Global Schools**

Families find this premier integrated development an oasis of fulfilment while commercial businesses are interested in Bandar Sri Sendayan's real estate opportunities.

The township's impressive network of connections supports the commercial convenience featured in components such as Sendayan Merchant Square. The 100-acre lifestyle commercial development comprises d'Tempat Country Club, Matrix Global Schools, shop offices, retail outlets and an upcoming 4H Centre (hypermarket, hardware, household and home improvement).

d'Tempat Country Club's 380,000 sq ft floor area houses amenities such as an Olympic-size swimming pool as well as badminton, tennis, squash and table tennis courts. The club's facilities also include a 10-lane bowling alley, gymnasium, aqua gym, children's water play station, games room, restaurants and cafes, retail outlets and MICE (meetings, incentives, conferencing, exhibitions) facilities.

Matrix Global Schools is under the institutional banner of this hub. This private national and international school campus caters to the demand for quality education in the area.



## Economic

'X-Park' opened in early-November 2016. Located in Bandar Sri Sendayan, it features a multitude of family-friendly and exhilarating activities such as go-karting, archery as well as a flying fox, petting zoo and BMX trail. The golf driving range will be one of the largest in Malaysia with 80 bays. The X-Park is scheduled to be fully operational in end 2017, the 34-acre land extreme park offers locals a taste of thrill under the scorching Malaysian sun.



Sendayan Techvalley has been steadily attracting Foreign Direct Investment (FDI) in sectors including automotive, aircraft and engine systems, metal, construction, rubber and medical devices. Foreign investors entering the industrial park include Daihatsu Engine Manufacturing, Hino Motors Manufacturing and Akashi Kikai Industry from Japan, France's Messier-Bugatti-Dowty, Schmidt + Clemens Asia from Germany and the Weir Group from the United Kingdom.



Our Sendayan TechValley high-tech industrial park is rapidly becoming a world-class manufacturing hub. French group Messier-Bugatti-Dowty's factory commenced operations earlier in the year and Daihatsu Motor Co. Ltd has begun work on its new factories. Supported by the excellent location and connectivity and transportation network, the eco-friendly industrial park is a hub for several supporting industries. With its excellent location, it is anticipated that the industrial park will generate job opportunities for a highly productive workforce.



In 2016, we launched more development projects comprising both affordable and premium residences in Negeri Sembilan and Johor. These developments reinforce our footprint as a premier property developer in the Greater Klang Valley.

We are currently exploring new opportunities internationally. In May 2015, we incorporated an Australian subsidiary, Matrix Concepts (Australia) Pty Ltd. This company will allow us to penetrate the premium properties market in the mature suburb of Carnegie, Melbourne as we launched our maiden project known as M.Carnegie.



**Matrix's proposed venture into medical and healthcare with Changhua Christian Hospital (CCH), Republic of China (Taiwan)**

Matrix endeavours to expand its business into medical and healthcare as part of its future plan. 10 acres of land at Sendayan Icon Park, Bandar Sri Sendayan have been earmarked for the Matrix Specialist Hospital. The construction of this centre is in collaboration with CCH. A Memorandum of Understanding (MoU) was signed between Matrix and CCH on 1 March 2017. A Construction Working Group was established following the signing to conduct feasibility studies on this project.



Artist impression

**Matrix benefits from the Malaysia Vision Valley (MVV)**

The MVV is an effort by the Negeri Sembilan government to complement the rapid development in the Klang Valley, particularly in Kuala Lumpur and Putrajaya. Its objective is to develop Seremban and Port Dickson as growth hubs while facilitating a living environment around the area. It is expected to attract global investors.

Bandar Sri Sendayan will benefit from the MVV integrated development under the 11<sup>th</sup> Malaysia Plan which was tabled this year. Located in west Negeri Sembilan, where Bandar Sri Sendayan is situated, the MVV encompasses Nilai, Seremban and Port Dickson.

Matrix is planning a new town centre at Bandar Sri Sendayan, known as the Sendayan Icon Park. The 116-acre town centre will consist of a hospital, hotel, shopping mall, convention centre, commercial units, offices and condominium.



**ADVANCING EDUCATION STANDARDS THROUGH MATRIX GLOBAL SCHOOLS**

Matrix Global Schools comprises Matrix Private School, Matrix International School and Matrix International Pre-school. Our schools, spread over a 20-acre site, are based on the British residential school concept. Matrix Global Schools is poised to be at the forefront of private education in this region by creating new frontiers in private, national and international schools.

In 2016, Matrix Global Schools made great strides as prominent foreign institutions increasingly recognised our high standards of education. In July 2016, China's Shanghai Zhangjiang Specialised College collaborated with Matrix Global Schools to send more than 300 students to our campus for three (3) years for preparatory programmes. Combined with a 700-strong student population, we are confident of reaching 1,000 in the near future.

# Environment



## Environment

Matrix recognises the importance of working in harmony with both the built and natural environment in order to maximise the benefits for all those with whom we are involved.



Our design and build practices support sustainability and are formulated to minimise adverse impacts on the environments in which we operate.

### Environmental Goals to be achieved over time



#### 1 Zero Carbon

- Develop more energy-efficient buildings
- Adopt renewable energy technologies in our developments



#### 3 Sustainable Materials

- Procuring and selling sustainable products that have low embodied energy



#### 2 Zero Waste

- Reducing waste, reusing where possible and ultimately sending zero waste to landfill



#### 4 Sustainable Transport

- Encourage low carbon modes of transport to reduce emissions

### ENVIRONMENTAL POLICY

Matrix Group will undertake the proposed project in accordance with regulatory and environment requirements. Matrix is aware of the need to maintain a high standard of the environmental quality in performing its task and is committed to ensuring that continuous environmental management and protection is adopted as part of the organization policy to guarantee that the environment is well managed throughout the construction work.



### Matrix's policy is:

- To ensure that all staff are effective, efficient and consistent in the performance of their duties and responsibilities by providing requisite leadership, training, support and motivation.
- Establish and implement a meticulous system of environmental management for effective protection of the environment in all our project initiatives.
- Identify and adhere to all environmental laws, regulations and contractual requirements applicable to the company and its project activities.
- To continually improve and innovate to achieve the highest standards of work quality and services excellence.
- To continually improve environmental, safety and health management practices.
- Undertake necessary actions for waste management and pollution prevention and efficiently manage any adverse environmental impacts at all our project sites without delay.
- Cultivate environmental awareness amongst all employees on matters pertaining to environmental protection and management.

Matrix requires all its employees and contractors to strictly adhere to this policy at all times.

### ADOPTING THE INDUSTRIALISED BUILDING SYSTEM (IBS) CONSTRUCTION TO ACHIEVE SUSTAINABLE DEVELOPMENT

"IBS is defined as a construction process that utilises components or building systems which involve prefabricated components and on-site installation."

#### The Malaysian Construction Industry Development Board (CIDB)

From the structural classification, we categorise projects into groups such as precast concrete framing, panel and box systems, formwork systems, steel framing systems, prefabricated timber framing systems and block work systems.

Implementing IBS throughout construction has the potential to contribute to different aspects of sustainable development and construction.

#### Sustainable Benefits of IBS

- 1 Sustainability in the controlled production environment**  
IBS offers a controlled manufacturing environment that can reach areas that are often inaccessible by regular on-site construction. IBS makes it much easier to control workmanship performance and quality, ensuring tighter construction that reduces energy losses from thermal leakages.
- 2 IBS and waste minimisation**  
Through controlled production, IBS minimises waste as it involves several aspects of planning both in terms of materials and production management.
- 3 IBS and building materials**  
IBS implements proper process control and planning which are crucial in managing prefabricated technologies such as Structural Insulated Panels (SIPS) that have great potential in fabricating energy-efficient buildings.
- 4 IBS and logistics**  
IBS allows larger quantities of materials and components to be ordered which reduces the number of deliveries.
- 5 IBS and economic sustainability**  
The Malaysian Government's emphasis on reducing reliance on foreign labour and IBS's ability to deliver this goal are well documented.
- 6 IBS and delivery time**  
The IBS system increases construction speed and shortens delivery time by about six (6) months, thus handing over vacant possession ahead of time.

## Environment



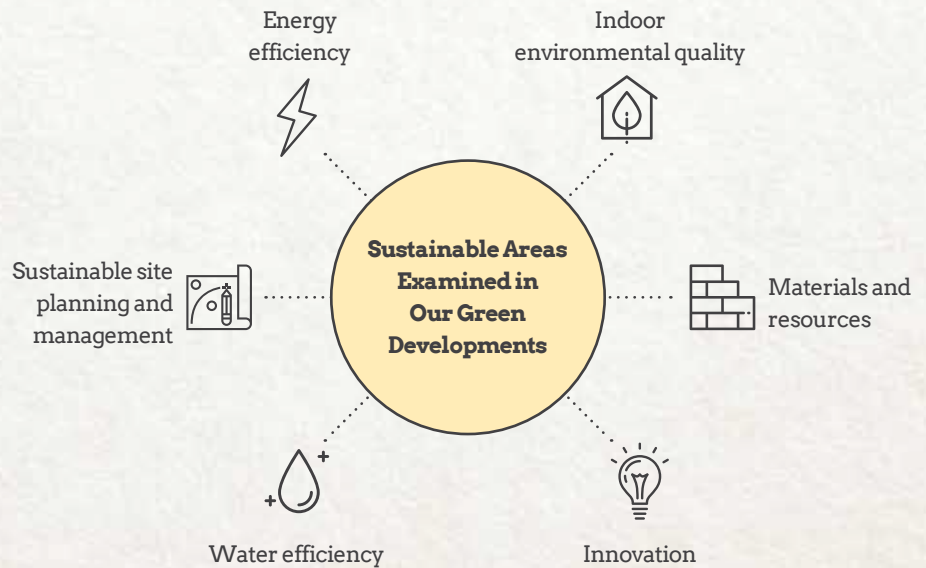
*d'Tempat Country Club - A green building awarded Gold Standard certification (Provisional) by Green Building Index*

### GREEN BUILDINGS

Matrix aspires to promote the development of green building overtime and is committed to the sustainable design of its developments and landscapes using the basic principles of resource effectiveness, life cycle assessment, health, safety and environmental performance.

As a sustainable developer, we have a unique responsibility of contributing to society by creating properties of enduring value.

d'Tempat Country Club achieved a Gold Standard certification (Provisional) by the Green Building Index (GBI). Bandar Sri Sendayan was also awarded "Sustainable Township of the Year" by the World Sense of Place in 2013.





## Green Landscape Developments

Matrix's developments include ample greenery, pavilions, lush landscaped spaces, linear parks, pocket gardens, walking and cycling paths.

Ara Sendayan's housing development concept is based on the Green Gated Community emphasising natural green areas, an environmental-friendly community as well as safe and exclusive living.






The project focuses on the accessibility of public amenities and green areas to each of the resident's homes. Pedestrian walkways ensure that residents can easily access public amenities and walk to the green area, providing a more environmentally-friendly living environment.

This self-contained township promotes a green environment and quality living by providing large green areas and a full range of services, infrastructure and public amenities to serve the needs of the community.

## ENERGY MANAGEMENT

Using less energy is good for the bottom line and great for the environment. Energy efficient behaviour is promoted throughout the Group. Energy use is monitored and recorded in each of the offices. 1,964,255.51 kWh of electricity was used in FY2017. This figure will form the baseline when strategizing future energy-saving initiatives.

### Energy-saving Habits at Matrix Group

				
<b>Switching off all electronics</b> such as photocopiers, computers, printers and other equipment at the end of the day, weekends and during holidays	<b>Buying energy-saving equipment</b> with lower running costs over the life of the appliance	<b>Replacing light bulbs with LED</b> equivalents which are more energy efficient	<b>Establishing a 'switch off campaign'</b> to encourage employees to turn off lights and equipment when not in use	Investing in <b>timers, movement detectors and light level sensors</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

## Environment

### Featuring Matrix Global Schools Energy Conservation Efforts

At Matrix Global Schools, we practise a three-step approach to energy conservation.

1. The entire campus (except our boarding houses) has a building management system that controls the timing and temperature of air-conditioning.
2. Matrix Global Schools' facilities practise a minimal wastage policy by reducing all excess bulbs and installing special LED lighting to conserve energy.
3. Matrix Global Schools is testing and commissioning a collaboration with a third party company to reduce energy costs by installing their recommended lights and devices.

### Renewable Energy

Solar energy can be captured in two (2) ways: as heat energy (thermal energy) or as light energy. Photovoltaic (PV) technology converts the sun's rays into electrical current using solar panels.

d'Tempat Country Club is fitted with a solar power system. It requires little maintenance and should last 20 years or more. The electricity generated is free.

Solar water heaters also produce the hot water at Elymus Semi-detached Resort Homes and Matrix Global Schools' boarding houses. Both methods of harnessing power from the sun produce no greenhouse gas emissions.

### WASTE MANAGEMENT

The responsible management of waste is an essential part of sustainable building. Most of Matrix's waste is solid waste although small quantities of scheduled waste are also generated.

Managing waste means eliminating waste where possible, minimising waste where feasible and reusing materials which would otherwise become waste. Solid waste management practices have identified the reduction, recycling and reuse of wastes as essential for the sustainable management of resources.

#### Solid Waste

Solid wastes consist of construction debris such as concrete, rocks, metal, wood, glass, sand, dust and rubbish from the workers' quarters. Municipal solid waste is disposed of in legal dumpsites approved by the Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam Negeri Sembilan (PPSPANS).

The burning of any waste is strictly prohibited to prevent soot and dust being produced that deteriorate the air quality of the surrounding area.

Matrix establishes a recycling centre at each of its project sites to encourage the recovery of reusable municipal waste such as glass, aluminium and plastic. Recycling waste helps minimise the volume of waste generated which in turn lessens the burden on the local landfill.

### 4Rs (Reduce, Reuse, Recycle and Recreate Responsibly)

We ensure that approximately 90% of waste materials produced at our various sites are recycled.



▶ Old timber is pulped and reemerges as invaluable wood chippings



▶ Old tiles and bricks are reused as building materials and paving roads underlay



▶ Excess or waste plasterboard is reused



▶ All rubble is reprocessed as hardcore material to provide foundations for concrete or screed flooring areas



When using timber and other natural materials, we ensure all products are traceable and from sustainable sources. We follow all relevant construction industry guidelines with respect to the sourcing, utilisation and disposal of a wide range of building materials.

**Open burning is strictly prohibited** on all Matrix construction sites.

We strictly control our own waste management and adhere to sustainability guidelines in the treatment of waste.

**At Matrix Global Schools, general and recycled waste is separated and collected by the contractor of the Embassy of Japan for disposal and recycling.** The two parties have signed a collaboration agreement for the proper disposal of waste. Chemical waste from the science laboratory is discharged directly into its drainage which is equipped with a centralised neutraliser device.

### Scheduled Waste

Matrix disposes of its scheduled waste in compliance with the Department of Environment (DOE) regulations: Environmental Quality (Scheduled Waste) Regulations, 2005. These procedures govern the transportation, handling, labelling and disposal of all scheduled wastes. Ultimately, scheduled waste is disposed of at a DOE-licensed site.

Matrix stores all used oils in proper drums in a roofed shed. These used oils and oil filters are recycled by DOE-approved contractors.

### WATER CONSERVATION THROUGH RAIN HARVESTING

Water shortages are a perpetual phenomenon throughout the world. The pace of urban development and increasing population has led to an extreme exploitation of water resources. Recent monsoon failures have made the situation worse. Our efforts in minimising water use are not limited to offices and sites. We continue to promote water saving initiatives among our people. 229,013.23m<sup>3</sup> of water was used in FY2017. We will use this as a benchmark in formulating water saving initiatives in the future.

More importantly at our developments, we recognise that it is necessary to adopt measures to conserve and increase the renewable water resources in all possible ways. In scientific terms, water harvesting broadly refers to the collection and storage of rainwater and also other activities such as harvesting surface water, extracting groundwater, preventing losses through evaporation and seepage. Generally, water harvesting is the direct collection of rainwater.

Rainwater harvesting systems have been installed at a number of our developments such as the Elymus Semi-detached Resort Homes, the Matrix Global Schools and d'Tempat Country Club. Harvested rainwater is stored for landscaping and flushing toilets. Rainwater falling on the terrace is collected through pipelines or drains and stored in a storage tank for direct use.

### NOISE AND VIBRATIONS MANAGEMENT

Matrix recognises that noise generated by construction equipment and moving vehicles during construction can be bothersome. Piling work in particular is a major generator of noise.

Matrix aims to keep its noise and vibrations to a minimum. Construction activities, especially blasting works, are limited to between 10.00 a.m. and 5.00 p.m. to reduce noise and vibrations affecting the surrounding environment by controlling the blasting impact according to DOE guidelines.

Machinery and heavy vehicles are maintained properly to keep noise within the level specified by the equipment manufacturers. Hoardings are installed along the site boundary and other noise-generating works are performed during the day.

Monitoring reports for noise and vibration levels are submitted to DOE Negeri Sembilan on a quarterly basis.

## Environment

### EROSION MANAGEMENT

Firstly, erosion control is based on protecting the soil surface from rain and runoff; secondly on capturing eroded soil particles on-site. The best way to control sediment is by preventing erosion. Matrix prevents erosion on site by:

- **Keeping disturbed areas small** by scheduling construction activities to minimise the extent and duration of bare soil exposure while taking into account the season and if possible, the weather forecast.
- **Protecting disturbed areas against runoff** by diverting it around the works.
- **Keeping onsite runoff velocities:** removing vegetation increases both the volume and velocity of runoff. Contour drains, retention of natural vegetation, provision of a buffer strip of vegetation, short slopes and low gradients are applied to reduce erosion.
- **Stabilising disturbed areas** as soon as possible once land construction activities are completed. Both structural and vegetative methods are proposed for utilisation such as compaction and hydroseeding.
- **Inspecting and maintaining control measures** regularly, particularly after heavy rainfall, and maintenance is conducted promptly.

#### Structural Protection Measures

##### Sediment basin

Surface runoff and discharges that leave the site are first channelled into sediment basins before flowing to the receiving water bodies.

##### Sediment fences

Sediment fences prevent mud/silt from entering the waterway.

##### Temporary drainage

A temporary network of drainage systems is constructed around the project site to allow surface runoff water to flow out of the site more effectively.

##### Check dams

Check dams are placed at necessary intervals along the temporary drainage network system to reduce or divert water flow.

#### Non-structural Protection Measures

##### Hydroseeding

Hydroseeding is carried out immediately at any cut slopes where works have been completed. The turfed slopes are watered and maintained to ensure continuous growth and to provide suitable protection to the cut slopes.

##### Compaction

Completed platforms are compacted to strengthen the soil particles and provide a sturdier foundation for the structural works. The cut and fill areas are raised slightly to minimise overland flow, which prevents erosion of the slopes.

Water retention ponds are constructed at most of our construction sites to treat and store stormwater runoff. These permanent pools of standing water eventually empty into a receiving water body. The water level at our retention ponds is controlled by a riser and orifice to retain a permanent pool of water and prevent flooding.

A wash trough is also erected at each project site to wash the wheels of all vehicles and site machinery entering and exiting the site.

### ENVIRONMENTAL AWARENESS TRAINING

Matrix understands that environmental training is vital for contractors and subcontractors during the development of each project. Environmental training ensures that the environmental control measures outlined in the Environmental Management Plan are efficiently implemented.

The trained environmental representatives or environmental consultant delivers an awareness-training programme to the Environmental Management Unit (EMU) and workers on site if requested by the contractors. General topics covered in these training sessions include:

- Environmental legislation
- Best management practices
- Safety and the environment

The contractor's management staff and the project developers are also made aware of the environmental requirements at the project site, especially specific requirements and other best management practices.

Training is held as a joint walkabout session together with the site supervisor and Health, Safety and Environment (HSE) Officer. These sessions help site personnel understand key issues from an environmental perspective more clearly which benefit the project.



## Standard Environmental Training Programmes



### Chemical Handling and Waste Management

Introduced the legal requirements and the proper management required to ensure continuous compliance. Generally, chemical safety prevents accidents and injuries from using chemicals in the workplace.



### Emergency Response Training

Training that can limit or reduce the risk and impact to the environment from accidents and emergencies. The training comprises synergistic preparedness planning along with communication and teamwork elements.



### Environmental Management Techniques

Environmental Management Techniques introduced covered control and the use of PPE, safety signals and signage control, access controls for designated areas such as gas storage, and confined spaces and safety in the workplace.



### Fire Safety Training

Fire Safety Training educates participants on the importance of fire safety and introduces some proven simple and easy-to-remember techniques on the appropriate response and measures to be taken in the event of a fire.



### Monitoring and Enforcement Training

Training submodules cover investigation procedures, sampling techniques, compounding procedures, management of monitoring programmes and establishing a baseline environmental data collection programme.



### Construction Material Management & Wastage Control

This training introduces current and future potential scenarios on the construction site related to the sustainability of non-renewable resources and construction waste management in the country. It provides a comprehensive understanding of the regulatory framework, waste properties, waste management concepts and good management practices. Existing construction waste management practices are introduced including regulatory, management, economic and technical aspects.

## Toolbox Meetings

Toolbox meetings are informal safety meetings that focus on safety topics related to a specific job, such as workplace hazards and safe work practices. Generally, these meetings are short and conducted at the job site before a job or work shift commences. Workers are reminded of the hazards faced daily.

The site safety supervisor or safety officer conducts the toolbox meetings which include information on specific construction safety and environmental protection topics that encourage safe work practices.

## ENVIRONMENTAL IMPACT FROM TRANSPORTATION

Matrix understands that transporting raw materials and large structures can impede traffic flow and hinder road users. Transport services are mainly outsourced to reduce costs and greenhouse emissions. Transportation is normally scheduled to avoid peak hours to and from construction sites. Construction vehicles are required to adhere to the recommended speed limit of 40 km/hr on site.

Lorries transporting earth must be compacted and covered with a tarpaulin before departing to the project site to reduce spillages. Spillage boxes are also installed in suppliers' concrete trucks to prevent spillages on the road.

Dust is reduced by wetting work tracks and cleaning with water bowsers. Temporary wash troughs are placed at entrance and exit gateways of project sites to clean the tyres of construction vehicles. Access roads are swept and cleaned regularly to remove fallen debris from construction vehicles to improve overall traffic safety.

Adequate warning and traffic signs, lamp lights and barricades are clearly displayed with directional boards to ensure the safety of all parties especially in the presence of heavy vehicles. Flagmen are stationed at the entrance of nearby schools during school hours to direct lorry drivers.



# Environment

## ENVIRONMENTAL PROGRAMMES

### “My Earth My Home, Future & Hope” Charity Walk

Malaysia Fo Guang Buddhist Association Malaysia, Seremban Branch in collaboration with Matrix organised a charity walk, with a theme of “My Earth My Home, Future & Hope”. The charity event promoted and raised awareness of environmental protection and earth preservation. The event was held at d’Tempat Country Club, Bandar Sri Sendayan on 19 June 2016.

More than 600 participants including community members and employees took part in the charity walk which concluded with approximately 240 trees being planted.



### BSS Go Green Day

On 28 May 2016, we held our 3R awareness campaign, BSS Go Green Day, for residents of Bandar Sri Sendayan and the surrounding community. The campaign was held in collaboration with SWM Environment Sdn Bhd Negeri Sembilan, Rekalight Sdn Bhd, Biji-Biji Initiative, Tzu-Chi Foundation Malaysia and IPD Seremban.

This campaign formed part of our commitment to conserving natural resources and reducing pollution. The event was held at d’Tempat Country Club, Bandar Sri Sendayan and complemented our support for raising awareness of the need to protect nature.

Activities held included an introduction to energy-saving LED lights, crafts, ‘kick-start your own 3R’ campaign, a recycling material workshop and an environment talk on the ‘Implementation of Waste Separation at Source’ by an SWM representative.



### Save Our Rainforest Race 2016

Matrix participated in the programme dubbed “PEKA Save Our Rainforest Race 2016” for the first time on 26 March 2016. This race was organised by Pertubuhan Pelindung Khazanah Alam Malaysia (PEKA) at Pusat Eco-Edu-tourism Hutan Simpan Sg Menyala, Port Dickson. PEKA is an NGO fighting for issues related to natural heritage including preserving and conserving tropical rainforests in Malaysia.

Matrix was a corporate sponsor of this programme. 12 employees represented Matrix and hiked 15 km through the nature forest while replanting trees and raising awareness of the importance of conserving our rainforest. The experience gave young employees a new perspective on the importance of sustaining a clean and healthy natural environment for our present and future generations.





**ENVIRONMENTAL COMPLIANCE**

Matrix aims to comply with all environmental laws, regulations, standards and other requirements such as site permits to operate. Although exact requirements differ from project to project, the following general acts and regulations are adhered to.

EIA Order 2015	Environmental Quality Act 1974	Environmental Quality (Licensing) Regulations 1977	Environmental Quality (Clean Air) Regulations 2014
Environmental Quality (Compound of Offences) Rules 1978	Environmental Quality (Sewage) Regulations 2009	Environmental Quality (Motor Vehicle Noise) Regulations 1987	Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015
Environmental Quality (Scheduled Waste) Regulations 2005	Environmental Quality (Control Emission from Diesel Engines) Regulations 1995	Environmental Quality (Control of Emission from Petrol Engines) Regulations 1995	Environmental Quality (Compounding of Offences) (Open Burning) Rules 2000
Factories and Machinery (Noise Exposure) Regulations 1989 (DOSH)	Factories and Machinery (Safety, Health and Welfare) Regulations 1970 (DOSH)	Guidelines for Prevention and Control of Soil Erosion and Siltation Malaysia (DOE)	Urban Stormwater Management Manual or Manual Saliran Mesra Alam (MASMA) (D.I.D,2012)

# Social: Society

**Social: society**

As a Seremban community member, Matrix not only creates employment and economic benefits but also builds relationships of trust such as social initiatives and other contributions for the benefit of the local community.



Matrix considers its communities to be part of the team and works hard to make a difference through charitable donations and employee volunteerism.

## PHILANTHROPY AND SOCIETY CARE

### Extending Our Reach to the *Orang Asli* Community



Matrix collaborated with the Department of Orang Asli Negeri Sembilan (JAKOA) in developing a structured *Orang Asli* settlement. We provided a modern residence and permanent source of income to the community in Kampung Orang Asli Palebar Baru in Port Dickson. The settlements included a prayer room, kindergarten, futsal, community halls and recreational park.

Matrix also purchased an audio system for the prayer room for *azan* and equipped the kindergarten with learning facilities. Each household was also allocated land planted with oil palm, which will generate income for the villagers. Residents were previously transferred from Kampung Gadong Jaya Labu to Kampung Orang Asli Palebar Baru after 2,000 affordable houses were built on their land.



### Rebuilding SJK (T) Ladang Bukit Bertam Bandar Sri Sendayan

Raising educational achievements has been a key focus area for Matrix especially in the communities close to its operations.

A 90-year-old Tamil school in an oil palm plantation in Rantau was about to close down due to a single-digit enrolment in 2009. The school relocated to Bandar Sri Sendayan and the Chief Minister of Negeri Sembilan entrusted us to build the school. The construction of SJK (T) Ladang Bukit Bertam commenced in early 2016 and was completed within nine (9) months. The school was handed over to the Lembaga Pengelola Sekolah Tamil (School Board of Governors) in early December 2016 and is ready to receive students for the 2017 school calendar year. 102 students, whom mostly are from Bandar Sri Sendayan, have enrolled for the 2017 academic year.



The school caters for up to 400 students. It is equipped with a 100-seat auditorium, multi-purpose hall, football field and a science lab. It also houses a living and social skills lab and canteen.

### MATRIX CONCEPTS FOUNDATION - SHARING FESTIVE JOY WITH THE LESS FORTUNATE

#### Buka Puasa with Single Mothers, Old Folks and Disabled from Kg Labu Batu 10

In the spirit of Ramadhan, Matrix Concepts Foundation (MCF) hosted a *Buka Puasa* with 92 less fortunate persons at d'Tempat Country Club, Bandar Sri Sendayan on 23 June 2016. Approximately 62 residents of Kg. Labu Batu 10 comprising single mothers, senior citizens and the disabled were invited. 30 orphans from Pertubuhan Darul Asnaf Sri Tanjung, Kuala Pilah, Negeri Sembilan also joined the event. All the single mothers, old and disabled persons and orphans received cash donations and *duit raya* at the event.



#### Celebrating Chinese New Year (CNY) with Rumah Orang Tua Chok Lam

On 24 January 2017, MCF shared the joy of CNY with old folks from Rumah Orang Tua Chok Lam, Rantau, Negeri Sembilan. Matrix contributed new cabinets and cupboards to replace the old shabby ones. The home also received in-kind donations of groceries and mandarin oranges. The home's residents were invited for lunch at the d'Tempat Country Club. Each of the 18 residents received *ang pow* in line with the festive spirit.





**Social: Society**



**Instilling the Lights in the Heart of Deepavali**

In conjunction with the Festival of Lights, Persatuan Kebajikan Orang India Sri Sendayan celebrated a warm-hearted Sunday evening with 40 less fortunate residents of Kuil Maha Mariamman, Bandar Sri Sendayan.

The residents were brought together by the spirit of unity and social harmony during the Festival of Lights. Single mothers, senior citizens, the disabled and those less fortunate living in Bandar Sri Sendayan were invited to a Deepavali celebration which was jointly organised by Persatuan Kebajikan Orang India Sri Sendayan and MCF.

The event was held on 23 October 2016. Guests were entertained with traditional Indian dance and a performance by

the children. Scrumptious food was accompanied by popular Indian delicacies. Each participant received a cash shopping vouchers in addition to cash donation to the home.

The meaningful event reached out to members of the community, celebrating diversity in our township and caring for those less privileged.

**MCF Continues to Fund Hospice Care**

On 23 November 2016, MCF contributed RM30,000 to Pertubuhan Hospice Negeri Sembilan during a fundraising dinner at Sungai Ujong Club in Seremban. Pertubuhan Hospice Negeri Sembilan was registered in 1998 and there are currently 20 voluntary hospices situated in Malaysia under the Malaysian Hospice Council.



This is the second year MCF provided a grant in conjunction with their World Hospice and Palliative Care Celebration. The money helps the non-profit organisation with its expenses such as electricity, water, rental and medical expenses incurred for treating those in need. MCF is dedicated to making a significant impact by accelerating the standard and quality in the fields of education, community, humanity and the environment.

**MATRIX GLOBAL SCHOOLS - BEING A GOOD CORPORATE CITIZEN**

**Students Collected Recycled Materials for the Beautiful Gate Seremban Centre for the Disabled**



Beautiful Gate began its caring ministry to the disabled community of Seremban in 2001. Its goal is to enhance the quality of life of people with disabilities and assist in their total integration into mainstream Malaysian society. This is achieved through mutual support, advocacy, personal skills development and campaigns to raise public awareness.

Students of Matrix Global Schools have an ongoing initiative in collecting recyclable materials which can be useful for the centre to be reprocessed into usable materials.



### Matrix Global Schools Extends a Hand of Friendship to Refugees



As part of Matrix Global Schools' community service programme, eight (8) students flew to Kota Kinabalu in early 2017 to assist, support and deliver stationery to the Hope Learning Centre which is a school for refugee children with no legal status. The school's infrastructure is in poor condition and we hope that our help will improve the teaching-learning experience for these children.

### Students of Matrix Private School and Matrix International School Bring Smiles to the Elderly



Student representatives from Matrix Private School and Matrix International School visited Pusat Jagaan Warga Usia Emas Tong Sim on 20 March 2017. The visit aimed to develop respect for the elderly and bring joy to the residents.

This charity visit helped improve students' knowledge of the less fortunate and be grateful for their position. Matrix Global Schools aim to give back to the community and show their love and support for the society. During the visit, the schools also presented an adjustable hospital bed for their use.

### Ongoing Preloved Books Collection for Neighbouring Schools



Matrix Global Schools conducted a donation campaign of preloved books from parents, guardians, students and employees since November 2016. This campaign is still ongoing. More than 1,000 primary books which have been collected to date will be donated to neighbouring schools including SJK(T) Ladang Bukit Bertam and Sri Sendayan Tamil School.

### Safety Belt Campaign by Matrix Global Schools Students

In 2016, a total of 7,152 people died in road accidents in Malaysia, which is an alarming increase from 6,706 the previous year. According to the Malaysian Institute of Road Safety Research, 80.6% of road accidents were due to human error. Seat belt use is the most effective way to save lives and reduce injuries in crashes.

Matrix International School students held an awareness campaign through the Seat Belt Poster competition throughout 2016. Too Mei Hui, a student in Year 8 won the competition with her most creative poster design and idea as shown below.



### SPORTS

#### Negeri Sembilan Men's Basketball Team Won the Agong's Cup

Matrix has extended a sponsorship to the Negeri Sembilan Basketball Association (NSBA) since February 2016. This sponsorship covers the winning prize and a supplementary allowance for the state and national team players. This contribution has since become an ongoing corporate social responsibility by Matrix with RM1.5 million being donated in the previous financial year.



**Social: Society**



On 1 December 2016, the Negeri Sembilan men's basketball team won the 58<sup>th</sup> MABA/Matrix Agong Cup held at Bintulu, Sarawak. Previously, Negeri Sembilan won the inaugural tournament in 1958. This year's victory was the second after entering the finals for the fourth time. The team emerged as runner-up in 2002.

As the Cup's main sponsor, Matrix awarded each team player with a brand new Toyota VIOS, RM10,000 in cash and a holiday package to Japan. The prize giving ceremony themed "Making History, Achieving a New Peak" was held on 20 December 2016 at d'Tempat Country Club.

If the team successfully defends the title in the 2017 championships, Matrix announced an incentive of RM100,000 and a service apartment in Puchong (a project by Matrix) for each player on their third win. This is one of the highest rewards ever made in the history of Malaysian Basketball. Overall, 12 players, including coaches and team members, have received awards of more than RM1 million to date.

**Matrix Sponsors Persatuan Bolasepak Negeri Sembilan (PBNS)**

In 2016, Matrix signed a sponsorship agreement with PBNS for up to RM7 million in sponsorship as part of our initiatives to promote youth sports and build the talents of our local athletes. The sponsorship was paid in eight (8) installments from December 2015 to July 2016.

**Matrix Supports the Seremban Half Marathon**

The 29<sup>th</sup> Seremban Half Marathon is the longest organised half marathon in Malaysia. It was held in conjunction with the commemoration of the 10<sup>th</sup> Yang Di

Pertuan Besar Negeri Sembilan Daruk Khusus Almarhum Tuanku Ja'afar ibni Almarhum Tuanku Abdul Rahman. The half marathon was flagged off on 4 September 2016 by Y.A.M. Tunku Ali Redhauddin Muhriz and Y.A.M Tunku Zain Al-'Abidin ibni Tuanku Muhriz and our Group Managing Director, Dato' Lee Tian Hock.

The race took runners to various areas in Seremban town including Rahang, Forest Heights, Paroi Ampangan route, the Lake Gardens area and back to Padang MPS.

Uniquely, the Seremban Half Marathon provides an opportunity for the disabled to compete in wheelchairs. School children aged between 13 and 18 years were the highest represented group in the event. As the main sponsor, Matrix made a significant contribution of RM35,000.

12 employees from Matrix Global Schools, d'Tempat Country Club and Matrix Headquarters took part in the event. This is the first time Matrix participated in the Seremban Half Marathon. Matrix aimed to raise social awareness among the Seremban community on the importance of nurturing a healthy lifestyle while encouraging harmony among citizens through public events.





### Malaysia 59<sup>th</sup> Independence Day Celebration in Seremban

A total of 50 employees from various departments represented Matrix in the Independence Day Sehati Sejiwa parade. A total of 109 contingents comprising 12,901 participants from government departments, uniform groups, school and university students and private companies took part in the parade.



### Recognising the Dedication and Services of Police Officers

Seremban District Police Headquarters held a sports day event with Matrix at d'Tempat Country Club in Bandar Sri Sendayan. The event was held in conjunction with the 209<sup>th</sup> Anniversary of Royal Malaysian Police Day with the theme "Hari Sukan Dua Penjuru IPD Seremban & Matrix 2016".

The event reminded the public of the importance of sports for well-being and acknowledged IPD Seremban's role in achieving a harmonious Bandar Sri Sendayan.

More than 100 police officers from IPD Seremban and their family members joined employees in the sports day. There were several tournaments including bowling and ping pong. A buffet lunch was served for all at the d'Tempat Country Club.



### Honouring Mothers

Matrix collaborated with the Jabatan Kebajikan Masyarakat Negeri Sembilan in organising a unique way of celebrating Mother's Day. 20 single mothers were invited to d'Tempat Country Club to receive cash contributions. The money had been raised through a fundraising campaign by the Residential Association in Bandar Sri Sendayan, Matrix's employees, parents of Matrix Global Schools students and well-wishers from the general public. Additionally, Matrix topped up the cash contributions. The mothers were entertained with dances and performances before being treated to a delectable lunch at the Club.



### ETHICAL BUSINESS CONDUCT

Our commitment to integrity and ethics is the foundation for our business conduct. Our business conduct policy statement articulates our commitment to sound

legal and ethical business practices. Honesty and integrity foster a positive work environment that strengthens the confidence of all our stakeholders.

### Anti-Corruption

Matrix's policy on anti-corruption is dedicated to ensuring that business throughout our company is conducted in a fair, ethical and legal manner. This means avoiding corruption in any form including bribery. Matrix prohibits bribery in all forms, whether direct or indirect, no matter the amount. Employees are expected to act with the highest standards of integrity in all business dealings. These policies reflect the importance of individual accountability, oversight, integrity leadership and transparency.

Suppliers must comply with all applicable anti-corruption policies that Matrix adopts. Suppliers must not give bribes or kickbacks of any kind. Supplier agreements must be renewed every three (3) years via a fair tendering process as part of our supply chain management.



# Social: Labour Practices and Decent Work



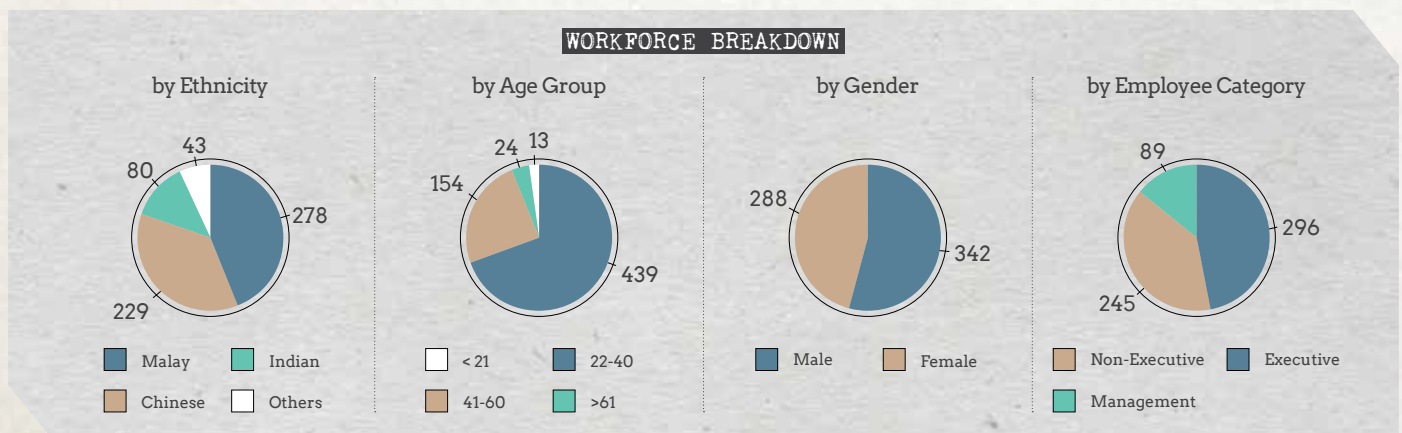
We support this commitment by focusing on developing our leaders, enhancing our performance culture while measuring and improving employee engagement and job satisfaction.

## DIVERSITY AND EQUAL OPPORTUNITIES

Matrix enforces equality throughout the Company's remuneration, hiring, training, development and promotions. A diverse workforce helps Matrix realise its full potential. Recognising and developing the talents of each individual brings new ideas into business operations.

We believe a well-managed, diverse workforce expands our knowledge base, skills and cross-cultural understanding. This helps us to understand, relate and respond to our diverse and changing customers.

We do not discriminate against any employee due to race, colour, religion, sex, origin, age, disability or other personal characteristics. Our diverse workforce is reflected in the charts below:






**COMPETITIVE BENEFITS**

Operating in a competitive marketplace, we offer attractive remuneration and benefits packages with structured career opportunities to attract and retain our best talents. Matrix complies with all applicable laws, agreements and industry standards on working hours and compensation. Other customary benefits are usually included in our employees’ benefits package in addition to fixed salaries and variable remuneration. According to comparative analysis, Matrix offers some of the most attractive benefits within the industry. Our pay scale is at the 75<sup>th</sup> percentile above the market rate.

**Typical Components of Our Benefits Package**

 <p><b>Leave:</b></p> <hr/> <ul style="list-style-type: none"> <li>• Annual medical</li> <li>• Prolonged illness</li> <li>• Maternity</li> <li>• Study</li> <li>• Marriage</li> <li>• Paternity</li> <li>• Compassionate</li> <li>• Calamity</li> </ul>	 <p><b>Allowances &amp; Reimbursement:</b></p> <hr/> <ul style="list-style-type: none"> <li>• Overtime allowance</li> <li>• Transfer allowance &amp; reimbursement</li> <li>• Outstation allowance</li> <li>• Overseas travel expenses reimbursement</li> <li>• Outstation travel expenses reimbursement</li> <li>• Professional membership reimbursement</li> <li>• Duty allowances</li> </ul>	 <p><b>General Benefits:</b></p> <hr/> <ul style="list-style-type: none"> <li>• Medical &amp; personal accident insurance</li> <li>• Medical &amp; dental benefits</li> <li>• Retrenchment benefits</li> <li>• Staff housing loan &amp; study loan</li> <li>• Club membership at d’Tempat Country Club</li> <li>• School fees waiver at Matrix Global Schools</li> <li>• Employee Share Option Scheme</li> <li>• Overseas trips</li> </ul>
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**TRAINING AND DEVELOPMENT**

Employing the right people with the right skills is critical to successfully delivering clients’ projects. We offer an assortment of training and career development opportunities to all our people. The ongoing training and development of our employees are encouraged to equip them with the necessary skills so they can perform their activities, effectively. We implement training programmes across all levels of the Company to meet this goal.

As part of the broad range of professional training offered, our employees received a total of 1,998 man-hours of training in 2016 on topics including:

- Management-Audit-Monitoring of Construction Projects
- REHDA-Mini Property Forum 2016
- QCLASSIC & SHASSIC
- ISO QMS Transition
- CISEC and ESCP
- Design and Construction Precast Concrete Structures
- Sustainable Construction Excellence for a Better Future

Approximately, RM200,000 is allocated in our training budget each year. On average, each employee attends 12 hours of training per year.



## Social: Labour Practices and Decent Work

### Induction Training

All new hires must attend induction training which provides a basic overview of our businesses and covers their role at work. This training helps new employees adjust to their new job tasks and familiarises them with their new working environment and colleagues. Two (2) induction training sessions are conducted each month. A total of 24 hours of induction training was held in FY2017 for 115 participants.

### CIDB Green Card

Workplace safety is a primary concern at our construction sites. Occupational Safety and Health (OSH) training reduces workplace accidents and improves the safety and health of employees by improving workers' safety knowledge and awareness in the workplace.

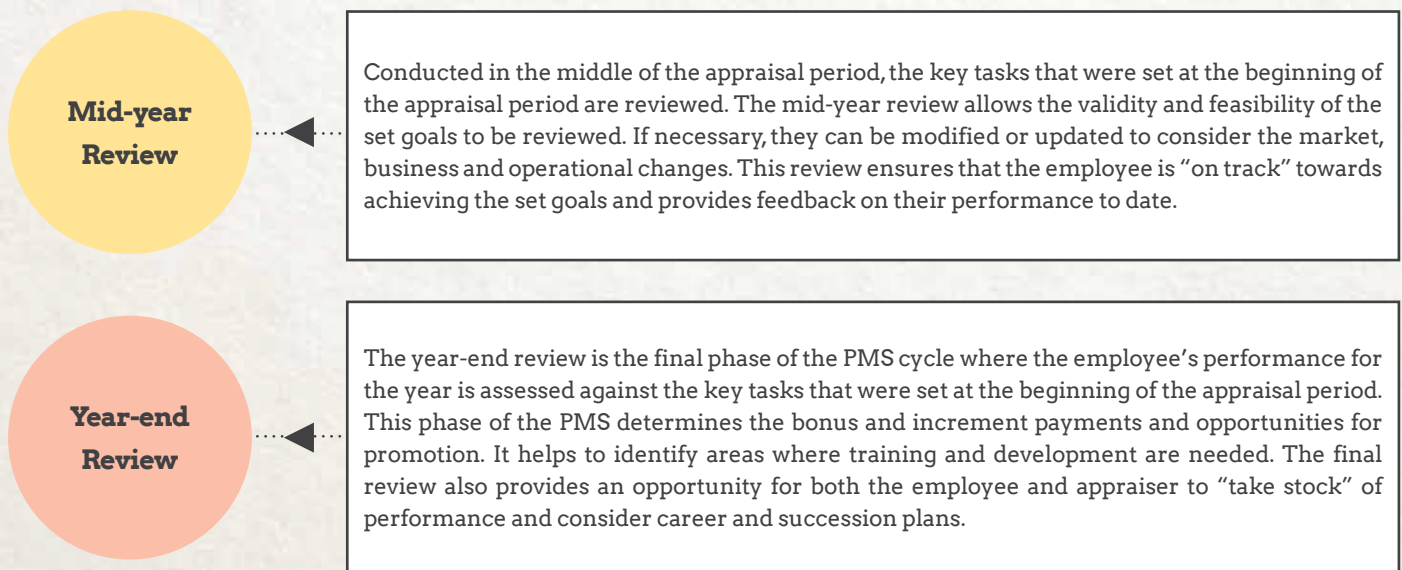
Green Card Training is mandatory safety training for our construction workers. The Green Card was introduced by the Construction Industry Development Board (CIDB) and is compulsory for all construction workers.

### PERFORMANCE MANAGEMENT

For our business to stay competitive and deliver high-quality products and services, we depend on talented employees who are able and willing to take on key roles.

A performance appraisal is one of our most important talent management tools and applies to all employees. Appraisals help identify training needs and set goals for personal development. Formal discussions take place between the employee and his or her immediate manager. This dialogue is useful as it encourages feedback and allows expectations to be discussed. Accomplishments are documented and both parties jointly develop action points and set future goals for the employee.

Matrix's Performance Management System (PMS) includes a mid-year review and year-end review.





**A SAFE WORK ENVIRONMENT**

Matrix is committed to providing a safe work environment for all its employees, both in offices and on site. We also recognise our wider responsibility to safeguarding the health, safety and wellbeing of subcontractors, suppliers and the general public who have contact with our projects.

Structured training and education ensure that our people are fully engaged and involved in improving safety in the workplace, at home and during their daily commute. We also ensure that everyone understands the part they play in their own safety and the safety of co-workers, the wider community and environment in which they work.

All new employees should receive induction training upon joining the Company. Topics briefed to new employees include:

- Occupational Safety and Health Act and other health & safety legislation
- Company safety policies, rules and procedures
- Potential hazards
- Project safety plan
- Fire provisions
- Welfare provisions
- Emergency procedures
- Personal Protective Equipment (PPE)
- General responsibilities of employees in keeping the workplace safe
- Housekeeping
- Accident reporting procedure

Matrix operates in a diverse nature of business. The risks facing our people, and the most effective ways of mitigating them, vary depending on the type of activity. Each business area manages health and safety in a manner that is appropriate to their type of work and the risks they face.

During FY2017, we held several initiatives that promoted the health and safety of our employees and their work environment.

**Health & Safety Initiatives Held in FY2017 at construction sites**

The infographic consists of seven circular icons arranged in two rows, each with a corresponding text label below it. The icons are: a fire alarm, a mosquito, a megaphone, a broom, a fog machine, a shield with a checkmark, and a group of people. The text labels are: Fire drills, Larviciding, Campaigns, Gotong-royong to clean the compound surrounding the Company, machinery and equipment inspection, Fogging, Safety induction, and Toolbox meetings.

## Social: Labour Practices and Decent Work

### Vector Control

Matrix requires its contractors to prevent all construction sites from breeding mosquitos. Site personnel monitor potential Aedes breeding grounds at construction sites and workers’ quarters each day. Detected breeding grounds are eliminated immediately.

Matrix also ensures larviciding and fogging are conducted from time to time and more frequently during outbreaks of dengue. In the event that contractors have insufficient manpower, they must engage the services of reliable and experienced Pest Control Operators.

We also discard any unused machinery parts, form work, steel bars, used tyres and other water bearing receptacles to prevent mosquitos from breeding.

Matrix ensures its contractors establish proper sanitary facilities for their workers to prevent water pollution. Temporary dump areas should be designated within the site and the wastes must be dumped regularly. The contractors must encourage workers to use the facilities provided.

### Preventing Fires and Explosions

Matrix recognises that decomposing organic materials can cause fires. Skid tanks also contain highly-flammable materials such as diesel or petrol. Our fire procedures aim to isolate the fire from spreading and fight the fire immediately.

### Fire Contingency Plan



1 Provision of a comprehensive fire escape plan that is clearly communicated to all personnel



2 Fire drills are conducted regularly



3 Provision and location of all firefighting apparatus such as placing and clearly indicating fire extinguishers



4 Integrating a fire response plan with the safety and health programme

Good environmental practice is also a key priority alongside safe working practices. The conformity rate achieved by our developments against our site environmental standards continues to improve.

Matrix adheres to the following acts, regulations and guidelines for a safer work environment:

- Occupational Safety & Health Act (OSHA) 1994 with Regulations
- Factory & Machinery Act 1967 with Regulations
- OHSAS 18001: Occupational Safety & Health (OSH) Management System
- MS 1722: Occupational Safety & Health (OSH) Management System
- Occupational Safety Health & Environment (OSHE) Management System



**Matrix Safety and Health Governance**

The Matrix Health and Safety Governance Committee provides strategic leadership in the development of the health and safety strategy. It also ensures that the health and safety strategy is aligned with Matrix’s business objectives.

The Occupational Safety and Health Act 1994 stipulates that workplaces with 40 or more employees must have a safety and health committee. Each operations site has its own safety committee with balanced employer-employee representations.

Site	Chairman	Secretary	Employer Representative	Employee Representative
Residensi SIGC	1	2	2	8
Suriaman 3	1	2	3	5
Hijayu 3	1	2	2	2
Sendayan Merchant Square	1	2	3	5
SD 2A Resort Homes	1	2	2	5
Resort Homes (SL1)	1	2	2	4
Suriaman 1	1	2	2	4

**Workforce OSH Statistics**

Indicator	FY2017
Fatality Cases	0
Lost Workday Cases (LWC)	1
Restricted Workday Cases (RWC)	0
First Aid Cases (FAC)	0
Near Miss Cases	0
Dangerous Occurrence Cases	0
Fire Cases	0
Property Damage Cases	0
Vehicle Accident Cases	72
Number of Days Lost	13,287
Total Safe Man-hours Worked	3,867,558

In March 2017, an unfortunate fatal incident occurred in the swimming pool at d’Tempat Country Club. Following this incident, the club tightened its safety regulations, particularly its drowning and rescue procedures.

Our pool attendants attended aquatic training courses on life guarding, first aid and CPR training. These courses improved their knowledge and skills to:

- Prevent, recognise and respond to aquatic emergencies
- Provide care for breathing and cardiac emergencies, injuries and sudden illnesses.

Moving forward, our pool attendants shall attend the Bronze Medallion course which is the minimum standard for a qualified lifesaver.

## Social: Labour Practices and Decent Work

### EMPLOYEE ENGAGEMENT

Employee engagement is simply the extent to which people feel passionate about their jobs and are committed to the organisation. Our inclusive culture is also an integral part of our engagement. We rely on our dedicated people who continue to strive to provide a high level of service to our clients. The engagement and satisfaction of our people are therefore pivotal for our continuous success.

All employees have the opportunity to provide feedback either face-to-face or through various communication channels such as emails and other formal and informal engagement. We practise an 'open door policy' in which all managers' doors are open to every employee. The open door policy encourages open communication, feedback and discussions on matters of importance for employees.

#### The Alley Trio Open Bowling Tournament 2016

Matrix employees took part in the Trio Open Bowling Tournament which was organised by Mye Events at Ole-Ole Superbowl, Mydin Seremban 2 from 9 to 11 September 2016. 33 employees from various departments joined 196 residents from Negeri Sembilan for this fun-filled event. The Open Bowling Tournament strengthened our relationship with the local community and instilled the spirit of unity and teamwork in our employees.



Winners of The Alley Trio Open Bowling Tournament 2016

#### Annual Dinner

Matrix FY2017 Annual Dinner was held on 20 January 2017 at d'Tempat Country Club. More than 1,300 guests including government officers, business associates, supply chain partners, the media and employees attended. Annual dinners have been a long tradition at Matrix. They are an avenue for the Company to recognise and appreciate our stakeholders' contributions and loyalty. By acknowledging their efforts, they feel like they are part of the Matrix team and family.

During the event, Matrix presented Long Service Awards to deserving employees who had served the Group for more than ten (10) years.



An employee receiving a Long Service Award from our Chairman and Group Managing Director.

#### Buka Puasa Treat for Employees and Media

The holy month of Ramadan is the 9<sup>th</sup> month of the Islamic calendar for all Muslims. Muslims spend the whole month fasting during daylight hours from dawn to sunset. To commemorate the fasting month, Matrix organised a breaking fast celebration with a sumptuous buffet dinner for all of its employees and the media held at d'Tempat Country Club on 23 June 2016.

### NOTICE PERIOD FOR OPERATIONAL CHANGES

Any operational changes occurring that may potentially affect our employees are communicated throughout the Company via email or other means of communication. We acknowledge the importance of two-way dialogue between the management and employees. Employees are given an average of one (1) month notice for any operational changes that affect their working arrangements.



Buka Puasa with employees and media.



# Social: Human Rights



We strongly believe that we are responsible for promoting ethical and lawful employment practices. These practices are also required to be followed by our suppliers, subcontractors or business partners.

 Discrimination


 Child labour


 Forced and compulsory labour


## LEADING WITH INTEGRITY AND VALUES

Matrix is committed to respecting human rights across its operations and throughout the supply chain. Although not a signatory of the United Nations Global Compact (UNGC), we align our operations and strategies with the UNGC principles on human rights.

### Practices That Respect the Rights of Colleagues and Supply-chain Partners

 Providing a safe and healthy workplace

 Adhering to the regulations on work hours and wages

 Equal treatment and non-discrimination

 Respecting employees' freedom of association

 Zero child and forced labour

Upholding Matrix's Code of Conduct and values is the responsibility of everyone acting on the Company's behalf. Our employees are encouraged to raise questions or report actual or potential misconduct to the management. Our Code of Conduct also covers compliance with all applicable laws and respect for internationally recognised human rights conventions across all of our operations.

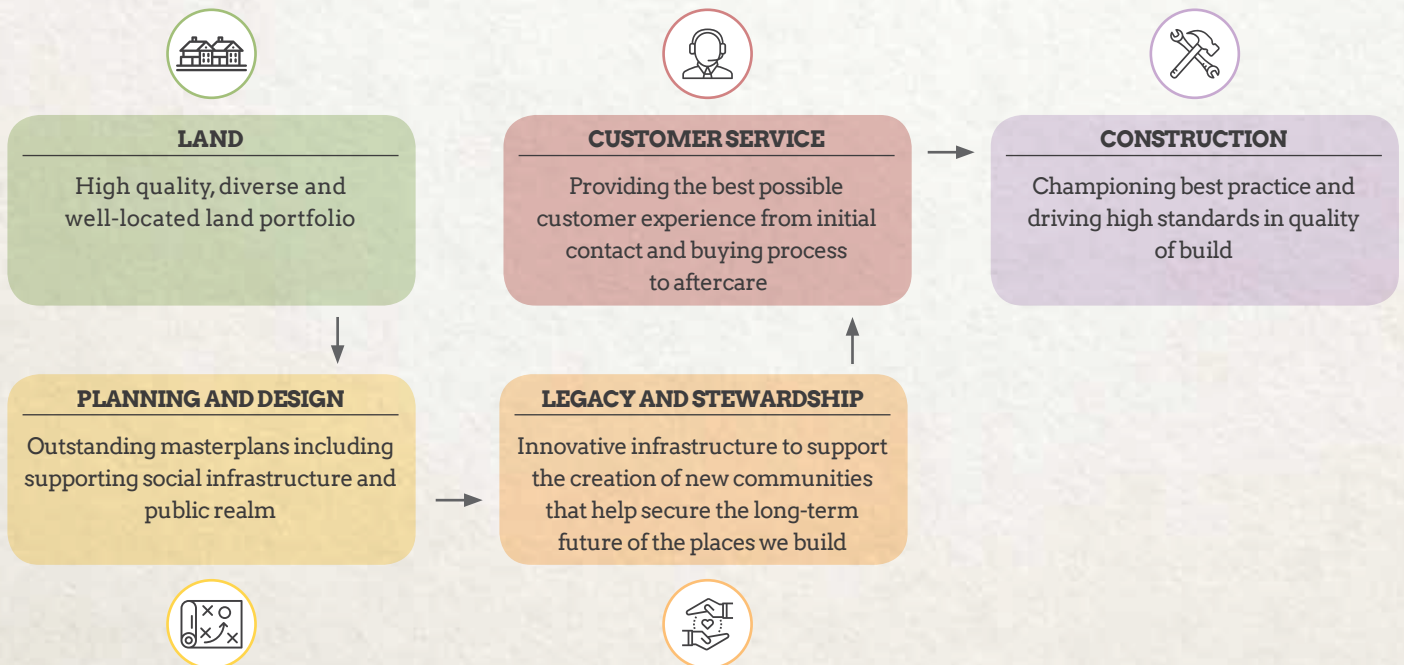
# Social: Product Responsibility



Matrix creates great places to live and we are committed to delivering high-quality construction that is free of defects. We engage with our customers regularly and their satisfaction is a central mission of all employees.

## CREATING VALUE

We aim to create value for all our stakeholders at every step of the process through our unique blend of experience and skills.



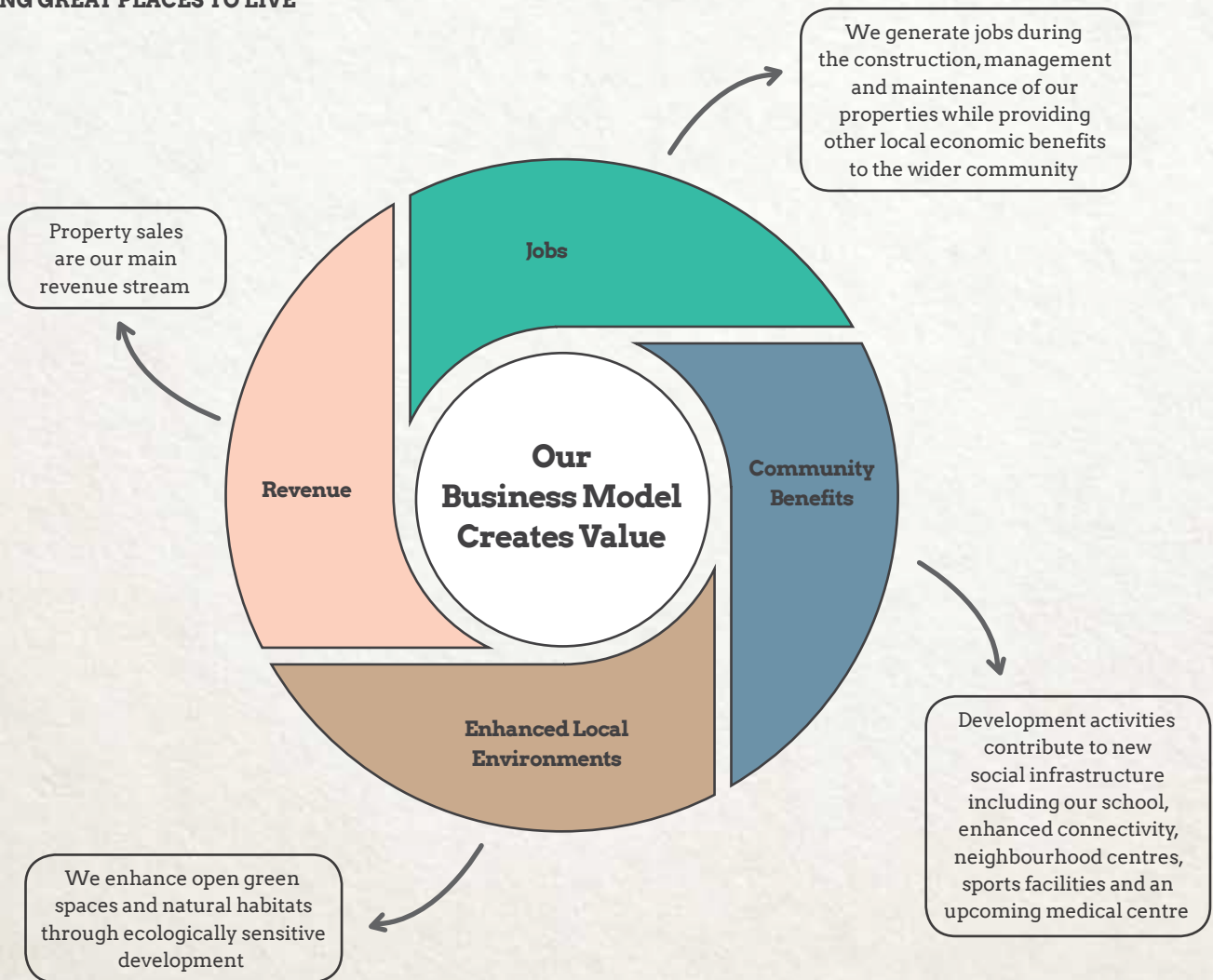


## Social: Product Responsibility

Matrix is not just a developer. We go beyond that in the following aspects:

<b>Choosing Our Projects</b>	From the first moment the Matrix team identifies a potential development opportunity, it goes through a germane process to create a home-feel concept. We consider our clients from the moment we decide on a specific development.
<b>Property Development</b>	We do not build projects — we build homes. We nurture our properties by covering all the most important living aspects. By the time we finish building new homes, they have become close-knit communities.
<b>Pricing Strategy</b>	We have a value-based outlook when pricing our homes. We ensure that our clients receive value that exceeds their expectations in return for their investment.
<b>Local Community</b>	We engage the local community to ensure it benefits from our developments. This is reflected in our all year round sustainability and community projects.

### CREATING GREAT PLACES TO LIVE



## Social: Product Responsibility

### PRIORITISING QUALITY

Every customer expects their new purchase to be built well with high-quality finishings and be free of defects. These are equal priorities for the business, too. Focus on increasing housing supply must not negatively affect the challenge of improving construction standards, driving quality through our products and providing high levels of customer care.

When it comes to quality, Matrix is always the choice. Matrix is a renowned Malaysian public listed property developer with a reputation for developing high-quality properties. Our commitment to quality is reflected by our continuous wins at the Inaugural Noble Excellent Awards where Bandar Sri Sendayan was named the Best Township Development of the Year. Over the years, we have continued to achieve more awards, the details of which are as described in the "Awards and Recognitions" page in this Annual Report.

### Contractor's Project Quality Commitment

Matrix ensures its contractors are from established companies that are involved in civil and building construction works. They are committed to fulfilling customer's requirements by ensuring they:

- Consistently meet the client's requirements, specifications and satisfaction in the most efficient and cost effective manner.
- Continuously educate and equip their management and employees with the necessary methodology and tools to systematically improve the quality of work and processes to better serve the client.
- Comply with ISO 9001:2000 and continuously improve its effectiveness.
- Comply fully with the contractual requirements and standards for all projects and services to meet the client's specifications and satisfaction.

### LIVING AND GROWING WITH OUR RESIDENTS AND SURROUNDING COMMUNITY

Matrix Develops and Creates  
Exceptional Places to Live,  
Work and Play in.

**We don't build houses.  
We build homes.**

This is what we continue to envision at Matrix. In addition to building quality homes with convenient infrastructure, Matrix hopes to bring people together from within and around its developments so that communities can live and grow in a friendly, safe and healthy environment.

Creating a sense of unity between our residents is an everlasting priority for us. We engage with the local community and residents to ensure they benefit from our developments. Going beyond building brick walls, we earnestly promote our township's community engagement activities which begin once a development has been announced. Our community activities always extend to the neighbouring developments.



**Matrix Titan Challenge**



The Matrix Titan Challenge was organised for the first time by Matrix at Bandar Sri Sendayan on 24 September 2016. 1,600 participants registered for the race: 45% from Negeri Sembilan and 55% from the Klang Valley, Sabah, Sarawak, other states and Singapore.

The Matrix Titan Challenge is the largest inflatable challenge in Malaysia. It raises the bar for health enthusiasts with laps containing seven (7) obstacles in the full race. Participants experienced the exhilaration of activity. There were also activities for children of all ages including an inflatable bungee trampoline, wall climbing, games booths and face painting. Many food trucks also paraded.

The Matrix Titan Challenge aimed to promote a healthy, fun and exciting experience for people while contributing to society. All proceeds from the event were donated to three (3) selected charitable organisations: the Malaysia Lysosomal Diseases Association, Shelter Home for (Abused) Women & Children and Kiwanis Down Syndrome Foundation.

**"Fun, Sun & Games" at Greenpark Sendayan**



The first series of community events, "Fun, Sun & Games" was held on 1 October 2016 at Sendayan GreenPark, Bandar Sri Sendayan. More than 600 residents from Bandar Sri Sendayan took part in this exciting fun-filled event. Sand art, bicycle rides and face and body painting were some of the most sought after activities of the day. There was also balloon sculpturing, a children's magic show, interactive games as well as dances and a funny session with a clown. Company-sponsored food trucks and food vendors provided a wide range of snacks including popcorn, candy floss and cupcakes. "Fun, Sun & Games" was well received by our residents and community members.

**Active Go Sendayan!**

On 12 November 2016, Matrix hosted another community event dubbed "Active Go Sendayan" at Sendayan GreenPark in Bandar Sri Sendayan.

This programme promoted Sendayan Green Park as the family recreation park through engagement with the community. It also encouraged residents to practise a healthy lifestyle.

Approximately 200 participants took part in this event which included sand art and giant bubbles for the children, a football match for the men and Zumba for the women. Participants also enjoyed the recently upgraded facilities including the football field.





## Social: Product Responsibility

### Sehati Sekeluarga Berbasikal Bersama

On 21 May 2016, Matrix organised the Sehati Sekeluarga, Berbasikal Bersama cycling event at Impiana Heights, Bandar Seri Impian, Kluang, Johor. This event promoted the importance of a healthy lifestyle to the residents surrounding Bandar Seri Impian.

The co-organisers, Kluang Defli Cycling Team, also took part in this event as well as the surrounding schools' Parents Teacher Association (PTA). This cycling event attracted approximately 1,000 people and was a great success.



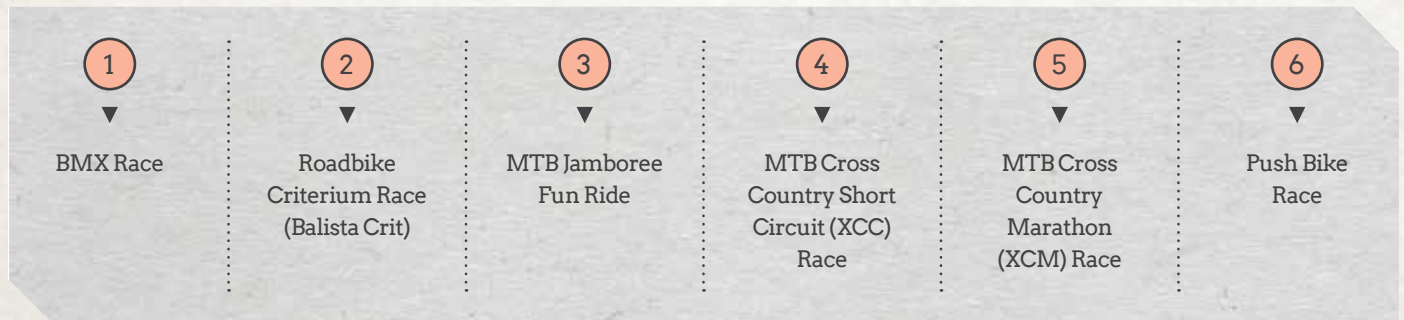
### Cycle Sendayan

Cycle Sendayan was created for extreme road cyclists, mountain bike fanatics and smashing weekend warriors or families who enjoy upbeat recreational activities. It was jointly organised by X Camp Adventure Sdn Bhd and Matrix. The two-day cycling event was held at the newly established X-Park at Bandar Sri Sendayan in Negeri Sembilan on 29 and 30 October 2016.



Two categories were available: the 48-km MTB XCM and 28-km MTB Jamboree Fun Ride categories. Each contestant had to overcome obstacles and challenges that tested their creativity and physical endurance. More than 1,500 participants registered for the race including Malaysians, Japanese, Thais, Singaporeans and Bruneians. The winners received RM2,000 and RM1,000 in cash for both the BMX and XCC categories.

### Six Highlights of the Event





## Social: Product Responsibility

X-Park is Malaysia's first theme park dedicated to motorised and non-motorised extreme sports. The park has an assortment of thrills and attractions that cater to the entertainment needs of all visitors. 18 featured activities include a golf driving range, futsal, off road buggy and paintballing, with more to come. The X-Park is set to become the leading outdoor activity in Negeri Sembilan. It also aims to attract visitors from across Malaysia and abroad. It is scheduled to be fully operational in mid-2017.



### Mid-Autumn Festival

Matrix collaborated with Fow Chow Association in organising a Mid-Autumn Festival celebration for residents, the local community and the general public. The celebration was held at Impiana Heights, Bandar Seri Impian on 15 September 2016. The one-day celebration garnered a huge turnout with over 2,000 attendees.



We took this opportunity to appreciate our diverse community that comes from different cultural backgrounds. Participants were entertained with various performances and activities including a lion dance, Wushu, a handmade Tang Lung competition along with Zumba, modern and traditional Malay dances.

### Legend of the Lion Dance



We welcomed the year of the rooster in a three-week Chinese New Year celebration held at d'Tempat Country Club, Bandar Sri Sendayan. In this year's event, Matrix made history by presenting the largest lion head in Negeri Sembilan. The 8ft and 9ft wide measurement was endorsed by the Dragon & Lion Dance Federation of Malaysia Secretary General, Dato' Ching Kim Fatt.

The lion dance is a form of traditional dance in Chinese culture. It is usually performed during Chinese New Year and religious festivals. It symbolises power, wisdom and good fortune.

The 15<sup>th</sup> day of Chinese New Year, Chap Goh Mei, is technically the final day of the festival. We invited residents, purchasers and the surrounding community to join us in a fascinating celebration featuring 18 drum performances, 18 lion dances and a show on the art of lion making.

Visitors were further entertained with family-friendly activities such as Chinese calligraphy, a God of Prosperity meet and greet session, a clay art demo and workshop, Tanglung decoration, tarot card reading, cookies decoration and chinese origami making.



## Social: Product Responsibility



This celebration united our residents and provided an opportunity for them to form closer relationships with their neighbours while appreciating our rich culture. It brought the Company closer to its residents as Matrix aims to always go beyond being a mere property developer.

### Rush to The Sky

In conjunction with Malaysia's National Day celebration, Matrix jointly organised the "Rush to The Sky Climbathon" with Kluang Environmental and Mountaineering Association. The 6-km climbathon journey was flagged off from Impiana Heights on 31 August 2016. Approximately 750 runners took part.

Matrix contributed RM70,000 for the event and presented household electronic items to the winners. Our participation in this event raised awareness for Impiana Heights and Impiana Bayu 2 while building relationships with Kluang residents.



### Property Talk for Cendol Lovers



On 19 November 2016, Matrix organised a property talk, OHSEM Cendol Songkok Tinggi. Two (2) famous property gurus attended the event that was named after Malaysia's favourite dessert delicacy. Ahyat Ishak shared '7 Easy Steps To Pick The OHSEM Property' and Khairul Ezuwan discussed the benefits of being an "ASB Genius and Property". The talk aimed to educate the public on the smart way of investing in properties.

### Dextora Appreciation Night



As a token of appreciation for home buyers, Matrix held the "Dextora Appreciation Night" at d'Tempat Country Club for buyers of Hijayu 3A and Dextora Phases 1 and 2. Approximately 400 residents attended this delightful occasion on 3 November 2016. Members of Matrix Customer Service, Customer Relations, Building and Property Management, Sales and Marketing and d'Tempat Country Club employees welcomed and mingled with the residents to build rapport.



**CUSTOMER SATISFACTION AND EXPERIENCE**

Meeting our quality strategic priorities includes ensuring customers are satisfied with our deliverables. Customer satisfaction is a central mission of all employees. Our goal is for customers to be loyal to our brands, products or services and recommend them to others. It is a Key Performance Indicator (KPI) for all employees to provide the best service, assistance and solutions possible to property buyers whilst balancing the Company’s best interests. We will not neglect any customer’s needs to protect Matrix’s brand.

Our Sales and Marketing team conducts regular customer satisfaction surveys. These surveys ask customers and purchasers to rate our performance across four (4) categories namely timeliness and reliability, quality, responsiveness and communication. The results demonstrate that our customers and purchasers are satisfied with their experience with us.

Matrix Global Schools conducted its first online survey for the Schools’ Community between 6 and 24 February 2017. The survey was extended to three (3) groups: parents, employees (including teachers and administration staff) and students from Year 4 and Standard 3 and above. The school adopted the Endicott Survey methodology used by the Council of International Schools. A total of 762 responses were received which represents 61% response rate.

**Matrix Global Schools Community Survey Highlights**

-  **Students feel safe** and are safe on campus and during trips
-  **Support staff are helpful**
-  Various approaches are used to **benefit teaching and learning**
-  There is **academic success for all**
-  **Students are expected to think critically** and consider that what they learn will prepare them for the future
-  **Relationships between teachers and students are good**
-  **79% of respondents would recommend the school to others**

Matrix Global Schools has also conducted a risk mapping exercise to prevent losses and stakeholders such as students, teachers, parents and the surrounding community having an unpleasant experience. This risk map also lists mitigation measures for each of the identified risks.

**Social: Product Responsibility**

**Matrix Global Schools Risk Map and Mitigation Measures**

<b>Local Hazards/ Risks to School</b>	<b>Location</b>	<b>Potential Impact</b>	<b>Mitigation Measures</b>
<b>Kualiti Alam Treatment Plant</b>	Sungai Ujong, 6 km to 8 km from the School	Radioactive waste and hazardous chemicals	Periodically engage DOE and a private consultant to perform environmental tests on the school grounds
<b>Flash Flood</b>	Car park basement	Flooding at car park due to slow dissipation of rain water into the drainage system	Remove cars from basement car park after a heavy rain of more than one (1) hour and instructing security guards to monitor the condition
<b>Water Ponding</b>	Aesthetic balcony, car park and unlevelled floorings	Dengue fever	Facility personnel to constantly check the school for pooled water and rectify any found. Water ponding at unlevelled flooring is swept as a preventative measure.
<b>Lake</b>	In front of Residential Court	Falling into the lake	Placing safety harnesses and life jackets within easy reach and are provided to all lake users, and side barriers prevent encroachment
<b>Chemistry Lab toxics</b>	Chemistry labs	Chemical handling	Routinely checking the condition of stored chemicals in the lab



# Our Disclosure against the GRI G4 and Bursa Malaysia Sustainability Guide

## General Standard Disclosures

General Standard Disclosure	Description	Page reference
<b>Strategy and Analysis</b>		
G4-1	Statement from the most senior decision-maker of the organisation	12
<b>Organisational Profile</b>		
G4-3	Organisation's name	Front Cover
G4-4	Primary brands, products and services	16
G4-5	Location of the organisation's headquarters	7
G4-6	Counties of major operation	16
G4-7	Nature of ownership and legal form	8
G4-8	Market served	16
G4-9	Scale of the organisation	8
G4-10	Total number of employees	56
G4-11	Percentage of total employees covered by collective bargaining agreements	We do not have any in-house employees' union but all employees are free to join any union of their choice
G4-12	Organisation's supply chain	63
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain	16
G4-14	Implementation of the precautionary approach	33
G4-15	Endorsement of external economic, environmental and social characters and initiatives	33
G4-16	Membership in national/international associations	49
<b>Identified Material Aspects and Boundaries</b>		
G4-17	Entities included in the organisation's consolidated Financial Statements	162-163
G4-18	Process for defining the report content and the aspect boundaries	4
G4-19	Material aspects identified in the process for defining report content	33
G4-20	Aspect boundary within the organisation	33
G4-21	Aspect boundary outside the organisation	33
G4-22	Effect of any restatements	16
G4-23	Significant changes during the reporting period in the scope and aspect boundaries	33
<b>Stakeholder Engagement</b>		
G4-24	Stakeholder groups engaged by the organisation	32
G4-25	Basis for identification of stakeholders	32
G4-26	Approach to stakeholder engagement	32
G4-27	Key topics and concerns raised by stakeholders	32
<b>Report Profile</b>		
G4-28	Reporting period	1 April 2016 to 31 March 2017
G4-29	Date of most recent previous report	Financial Year Ended 31 March 2017
G4-30	Reporting cycle	Annually
G4-31	Contact point for questions regarding the report	7
G4-32	Chosen 'in accordance' option including reference to the GRI Content Index and the External Assurance Report	This report has not undergone a GRI certification. We aim to have our future reports verified by an external assurer and certified by GRI.
G4-33	Organisation's policy and practice with regard to seeking external assurance	This report has not undergone a GRI certification. We aim to have our future reports verified by an external assurer and certified by GRI.

Note: There are no additional description or reason for omission in respect of the above disclosures.

## Our Disclosure against the GRI G4 and Bursa Malaysia Sustainability Guide

General Standard Disclosure	Description	Page reference
<b>Governance</b>		
G4-34	Organisation's governance structure	8
<b>Ethics and Integrity</b>		
G4-56	Organisation's codes of conduct and codes of ethics	94

### Categories and Aspects in the Bursa Sustainability Guidelines

#### Specific Standard Disclosures

Category	Aspects	Page reference (or direct response in case of omission)
<b>Economic</b>	Economic Performance	10
	Market Presence	7
	Indirect Economic Impacts	35
<b>Environmental</b>	Energy	43
	Water	45
	Emissions	46
	Effluents And Waste	44
	Overall	42-43
	Compliance	49
	Environmental Impact from Transportation	47
<b>Social - Labour Practices and Decent Work</b>	Employment	56
	Labour/Management Relations	62
	Occupational Health and Safety	59
	Training and Education	57
	Diversity and Equal Opportunity	56
	Labour Practices	62
<b>Social - Human Rights</b>	Non-Discrimination	63
	Forced or Compulsory Labour	63
	Freedom of Association and Collective Bargaining	63
<b>Social - Society</b>	Local Communities	50
	Anti-Corruption	55
	Public Policy	31
	Anti-Competitive Behaviour	26
<b>Social - Product Responsibility</b>	Public Health and Safety	64
	Marketing Communications	66
	Customer Privacy	Matrix adheres to the Personal Data Protection Act which came into effect in 2014
	Compliance	64

Note: There are no additional descriptions or reasons for omission in respect of the above disclosures.





Education



# *Elites Nurturing*

*Nurturing our next generation, creating elites*



# Awards and Recognitions

## 2013

### 1. 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" by World Sense of Place.



### 2. GREEN BUILDING INDEX (GBI) – Gold (Provisional) Certificate 2013

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



## 2014

### 3. 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 USD 1 billion.



### 4. THE EDGE – The Edge Billion Ringgit Club 2014

Matrix Concepts Holdings Berhad – a member of The Edge Billion Ringgit Club 2014.



### 5. 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 industry.



### 6. SME100 AWARD – Fast Moving Companies 2014

Matrix Global Education Sdn Bhd – awarded with the SME 100.



### 7. THE BRANDLAUREATE – SMEs Corporate Branding Award 2014

Matrix Global Schools

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





## 2015

### 8. THE EDGE –

#### The Edge Billion Ringgit Club 2015

Matrix Concepts Holdings Berhad – a member of The Edge Billion Ringgit Club 2015.



### 9. HR ASIA –

#### Best Companies To Work For In Asia 2015

Matrix Global Education Sdn Bhd garnered Certificate of Achievement for HR Asia Best Companies To Work For In Asia 2015.



## 2016

### 10. PROPERTY INSIGHT –

#### Best Township Developer 2016

Matrix Concepts Holdings Berhad – awarded with Property Insight Prestigious Developer Awards 2016 (PIPDA), under the category 'Best Township Developer'.



### 11. THE EDGE –

#### The Edge Billion Ringgit Club 2016

Matrix Concepts Holdings Berhad – a member of The Edge Billion Ringgit Club 2016.



### 12. SOUTH EAST ASIA PROPERTY AWARDS (MALAYSIA) –

#### Best Housing Development (Central Malaysia) 2016

Elymus @ Resort Home - awarded Best Housing Development (Central Malaysia) 2016.



#### Corporate Social Responsibility (CSR) 2016

Matrix Concepts Holdings Berhad - awarded Special Recognition in Corporate Social Responsibility (CSR) 2016.

### 13. INAUGURAL NOBEL EXCELLENCE AWARDS –

#### National Best Township Development of the Year 2016

Matrix Concepts Holdings Berhad - awarded Gold Award for National Best Township Development of the Year 2016.



## 2017

### 14. THE STAR PROPERTY MALAYSIA AWARD – Best Landed Development 2017

Elymus @ Resort Homes – Honours The Cornerstone Award, Best Landed Development.



### 15. PROPERTY INSIGHT

#### Best Sustainable Township Development 2017

Matrix Concepts Holdings Berhad – awarded with Property Insight Prestigious Developer Awards 2017 (PIPDA), under the category 'Best Sustainable Township Development'.



#### Best Family Living Development 2017

Matrix Concepts Holdings Berhad – awarded with Property Insight Prestigious Developer Awards 2017 (PIPDA), under the category 'Best Family Living Development – Residensi SIGC'.



### 16. THE EDGE –

#### The Edge Billion Ringgit Club 2017

Matrix Concepts Holdings Berhad – a member of The Edge Billion Ringgit Club 2017.





# Media Highlights

## Star **Matrix launches apartments in Melbourne**

**By SAMAN SINGH**  
saman@star.com.my

**SEREMBAN:** Property developer Matrix Concepts Holdings Bhd (MCHB) has made its maiden venture abroad with the launch of the M-Carriage boutique low-rise apartments in Melbourne.

MCHB group managing director Datuk Lee Tian Hock said 52 apartments would be built on 1.885 ac in the suburb of Carnegie, located some 15km from the Melbourne central business district.

"The entire project will have a gross developed value of RM300mil," he told reporters at his office in Seremban.

Lee said 20 of the 52 units costing between RM119,500 (RM1.28mil) and RM250,000 (RM2.58mil) were sold out when the project was launched in Melbourne last week.

The apartments come in various sizes ranging from 32.5 sq ft to 37.8 sq ft.

"Although we are confident that the units would be sold out, we decided to start our first foreign project on a small scale to introduce the world's most livable city," he said.

Lee said those who wished to buy the property should do so before July 1 as the Australian authorities have introduced a new University Cranfield as well as other facilities such as train and train stations, supermarkets and schools all located within a short distance. Work on the project would begin in



Melbourne project: Lee (right) showing an artist's impression of the M-Carriage project in Melbourne. With him is executive director Datuk Lim Kiu Hock.

## Star **Matrix in joint venture with Nissin, Nihon**

**PETALING JAYA:** Property developer Matrix Concepts Holdings Bhd has inked agreements with Japanese Nissin Ex Co Ltd and Nihon House Corp to jointly venture into the manufacturing of prefabricated building materials using the Industrialised Building System (IBS) technology.

According to a Bursa Malaysia filing yesterday, the joint venture (JV) will be undertaken by JV company Matrix IBS Sdn Bhd (MIBS), which will manufacture, market and sell prefabricated concrete materials using the IBS technology.

The agreements inked between Matrix Concepts and the two Japanese firms are a JV-co-ownership agreement as well as a subscription agreement.

The proposed shareholding structure of MIBS has an investment ratio of 80% by Matrix Concepts, 15% by Nissin Ex and the remaining 5% by Nihon House, with the proposed share capital of MIBS amounting to a total of RM1mil. Collectively, the three firms will provide cash advances to assist in its start-up operations including RM22.5mil.

Matrix Concepts is responsible for providing guaranteed sales in terms of the volume of orders, subject to the capability and availability of production and delivery by MIBS for the first three years.

For the subsequent years, MIBS will be given the priority to participate in the projects undertaken by Matrix Concepts and its subsidiary companies.

Meanwhile, Nihon House will provide and share its know-how of all relevant technical skills and knowledge for the development of the IBS in connection with the conduct of the business. Nissin Ex, on the other hand, is to act as coordinator for the business, especially between Japan and Malaysia due to the difference in business culture, technical skills and knowledge of each country.

The agreements signed will not have an effect on the issued and paid-up share capital of Matrix Concepts, nor the net assets, net bids per share or gearing of the group for its financial year ended March 31, 2017.

The board's composition for MIBS shall be that of five members, comprising three representative directors from Matrix Concepts as one representative director each from Nissin Ex and Nihon House.

Nissin Ex, a Japanese multi-trading company which specialises in selling floor-painting and decking products for use in residential and commercial projects.

Nihon House, meanwhile, is also a Japanese company with its principal business in providing pre-cast concrete materials.

It is also involved in marketing, selling an installing prefabricated houses under its brand name of "HC House".

## THE EDGE FINANCIAL DAILY **Matrix Concepts 'still a yield stock'**

**Monday 8 August 2016**

**Despite a cap of 40% on DPR to conserve cash for 'bargain hunting' next year**

**BY TAN SIEW HOON**

**KUALA LUMPUR:** Matrix Concepts Holdings Bhd, which was one of the smallest to raise capitalisation, property developers that have been offering a decent dividend payout ratio (DPR) — at least 40% of its net profit — recently capped its DPR to a maximum of 40% instead.

This has raised concerns over the Seremban-based builder's future earnings prospects.

The move came after its parent Hua Yang Bhd cut back on its dividend payout, though the latter still remained shareholders via a bonus issue amid the softening property market.

In an interview with The Edge



and a sustainable margin. Lee is positive the group will be able to sustain its earnings performance in the current downturn.

The group closed its fiscal year ended March 31, 2016 (FY16), posting 41.2% from RM192.2 million in FY15. It changed to FY16's annual year-end to March 31, 2015, from Dec 31, 2015. On a 12-month versus 12-month basis, its net profit gained 17% year-on-year in the cumulative period ended Dec 31, 2015, to RM23.2 million.

FY16 may be an even better year for the group, as it expects to see an income of about RM30 million (RM32 million) from its development project in Melbourne, while

**中國報**

**今日新聞**

**金群利環球院校上海張江專修學院 簽署學術合作協議**

**國際「第一屆」海外專求合作**

**提供師生異域視野**

**海外專求合作**

**國際「第一屆」海外專求合作**

**星洲日報**

**Adira Terraces 房屋預訂熱潮 400人搶購269單位**

**搶購 269單位**

**400人**

**搶購 269單位**

**南洋商報**

**銷售走高 派息 3.25 仙 金群利次季賺 4647 万**

**銷售走高 派息 3.25 仙 金群利次季賺 4647 万**

**銷售走高 派息 3.25 仙 金群利次季賺 4647 万**

**Sinar**

**SELASA 31 MEI 2016**

**Orang Asli tidak dipinggirkan**

**NS mahu pastikan bajajkan golongan berkenaan dijaja**

**Orang Asli tidak dipinggirkan**

## StarBiz **Matrix Concepts records stronger FY17 earnings, unbilled sales of RM859mil**

**PETALING JAYA:** Matrix Concepts Holdings Bhd saw its net profit grow 28.9% to RM117.4mil in the financial year ended March 31, 2017, from RM91.45 mil in the corresponding period a year ago.

In a statement yesterday, Matrix Concepts said the performance came on the back of 31.3% higher revenue of RM730.4mil against RM559.6mil previously, led chiefly by increased new sales of residential properties at its township developments of Bandar Sri Sentuljan (SSS) in Seremban, Negri Sembilan, and Bandar Seri Impian (BSI) in Klang, Jbep.

"We achieved record high new sales of RM114 in FY2017, compared with a high taking rate of above 80% across our ongoing developments. Compared to new sales of RM81.7 mil previously, the sales uptrend of 24.1% year-on-year points to strong demand for our properties despite a challenging mar-

ket," chairman Datuk Mohamad Hashih Mohamad Amin (MHA) said in the statement.

He said the group had put in much effort to increase the vibrancy of its townships, especially in BSS where it enhanced various lifestyle elements like a recreational park and commercial prospect to serve the growing community.

"For the current FY18, we are aiming for greater heights with RM1 bil worth of new launches. With the majority consisting of affordable-priced residential homes together with full scale township amenities, we are confident of maintaining strong sales performance going forward," Mohamad Hashih said.

As at March 31, the group had RM1.2bil worth of ongoing development projects, significantly higher from RM1.5bil last year.

Unbilled sales climbed to RM859.5mil as at March 31 from RM621.4mil previously, to be



**Orang Asli tidak dipinggirkan**

**NS mahu pastikan bajajkan golongan berkenaan dijaja**

**Orang Asli tidak dipinggirkan**

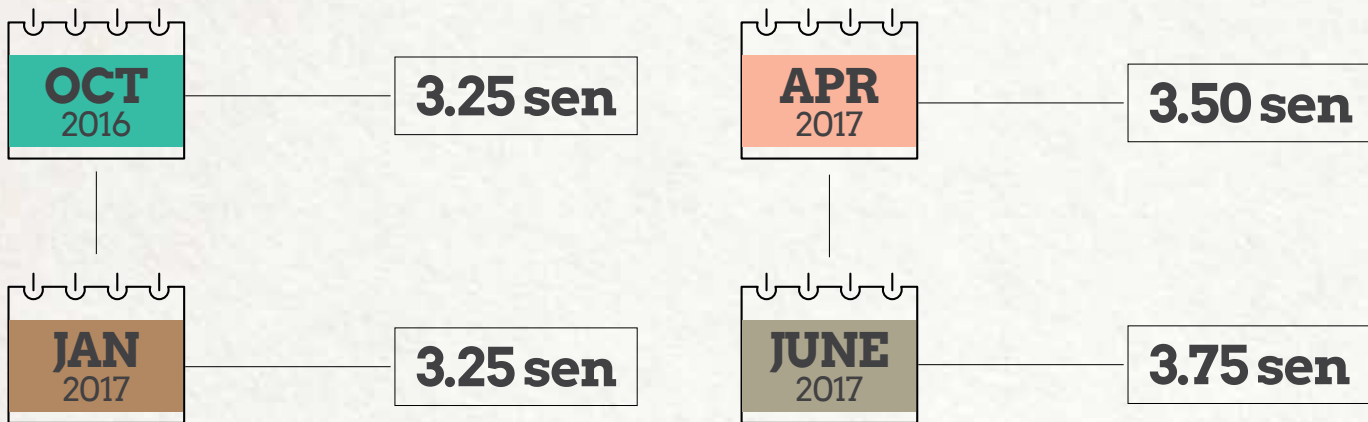
**NS mahu pastikan bajajkan golongan berkenaan dijaja**



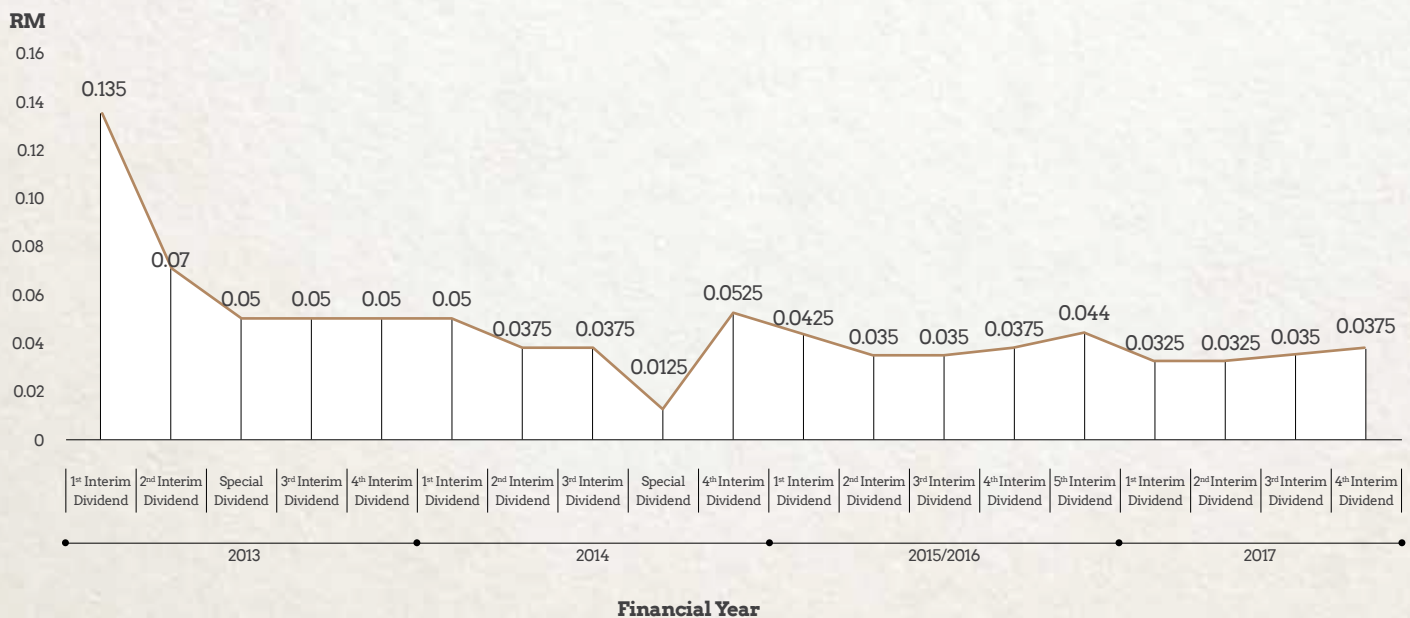
# Dividend Highlights



Dividend Payment per Ordinary Share for the Last 4 Quarters



Dividend Charting Since Listing Date (May 2013 - June 2017)



# Profile of Board of Directors

## DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN



AGED 64

MALE

MALAYSIAN

NON-INDEPENDENT  
NON-EXECUTIVE  
CHAIRMAN

DATE

APPOINTED

02 APR  
2012



Dato' Haji Mohamad Haslah Bin Mohamad Amin is currently the Chairman of the Company's Sustainability Committee and he holds a Diploma in Banking from the Institute of Bankers, London, United Kingdom.

He 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 218 of this Annual Report. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.



DATO' LEE TIAN HOCK



AGED 59

MALE

MALAYSIAN

FOUNDER,  
GROUP MANAGING  
DIRECTOR

DATE

APPOINTED

04 MARCH  
1997



Dato' Lee Tian Hock is currently the Group Managing Director and a member of the Sustainability Committee and Remuneration Committee. Dato' Lee is the key senior management primarily responsible for the overall business operation of Matrix Group.

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 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 and with 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 assisted the development of luxurious bungalows with a total estimated GDV of RM55 million wherein 80% of bungalow 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 on 2 April 2012. 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 has successfully led the Group to become a reputable developer in Negeri Sembilan and Johor including two (2) major townships which are flagship developments of the Group among many other mixed residential and commercial development.

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. Dato' Lee Tian Hock has recurrent related party transactions with Matrix Group, mandate of which had been duly sought and approved by the shareholders. General details of which are as disclosed in the circular to shareholder dated 24 July 2017 attached with this Annual Report. Other than what was disclosed herein, he has no conflict of interest and his shareholdings in Matrix are as disclosed on page 218 of this Annual Report. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.

**Profile of  
Board of Directors/  
Key Senior Management**

**HO KONG SOON**



**AGED 50**

**MALE**

**MALAYSIAN**

**GROUP DEPUTY  
MANAGING  
DIRECTOR**

**DATE**

**APPOINTED**

**30 DEC  
2002**



Ho Kong Soon is currently the Group Deputy Managing Director and a Member of the Sustainability Committee, Risk Management Committee and ESOS Committee. His current responsibilities include overall management and overseeing the daily operations of the Group. Mr Ho, being part of key senior management and deputy to Dato' Lee Tian Hock, is jointly responsible for the overall business operation of Matrix Group.

He 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.

Mr Ho left Potential Region Sdn Bhd and was appointed as Director and General Manager of Matrix Concepts Group 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 in 2012.

Ho Kong Soon does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 218 of this Annual Report. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.



REZAL ZAIN BIN ABDUL RASHID



AGED 49

MALE

MALAYSIAN

INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR

DATE  
APPOINTED

08 AUG  
2012



Rezal Zain Bin Abdul Rashid is currently the Chairman of the Audit Committee and a Member of the Risk Management Committee and Remuneration Committee. He holds a Bachelor of Arts (Accounting) degree from the University of Canberra, Australia, also a member of the Malaysian Institute of Accountants and a CPA Australian.

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 privatization 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 1999, he was promoted to Chief Operating Officer of TDM Berhad where he supported the Board of Directors 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 and also an Independent Non-Executive Director of Fima Corporation Berhad.

Rezal Zain Bin Abdul Rashid, does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 218 of this Annual Report. He has no conflict of interest and no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.

## Profile of Board of Directors

### DATO' FIRDAUS MUHAMMAD ROM BIN HARUN



AGED 67

MALE

MALAYSIAN

INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR

DATE

APPOINTED

02 APR  
2012



Dato' Firdaus Muhammad Rom Bin Harun is currently the Chairman of the Nomination Committee and a Member of the Audit Committee and Risk Management 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 40 years of experience in the corporate sector and civil service. He began his career as a Public Relations Officer in the Fisheries Development Authority in the Ministry of Agriculture in the year 1973 until 1980. In 1981, he joined Pemodal National Berhad as a Marketing Executive based at Amanah Saham Nasional Berhad (ASNB) headquarters in Kuala Lumpur. In 1982, he was appointed as a Manager of ASNB's Negeri Sembilan Branch. He was then promoted in 1984 to Regional Manager of the Southern Region, covering Negeri Sembilan, Melaka and Johor. In the year 1987, he was promoted to the Head of Analysis and Research Unit and Assistant Manager of the Marketing Department of ASNB. He was further promoted to Manager and Senior Manager of the Marketing Department of ASNB in 1991 and 1994 respectively. In 1994, he held the position of Senior Manager in the Branch Operations Department of ASNB. He subsequently resigned from ASNB in 1995 to stand for the 1995 Malaysia General Elections.

In year 1995, Dato' Firdaus Muhammad Rom Bin Harun became a Member of the Negeri Sembilan State Legislative Assembly for Chembong for two (2) terms from 1995 to 2014. In 2004, he was elected as a Member of Parliament for the Constituency of Rembau. In year 2008, he was appointed as the Political Secretary to the Menteri Besar of Negeri Sembilan until 2010.

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 218 of this Annual Report. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.



DATO' (IR.) BATUMALAI A/L RAMASAMY



AGED 69

MALE

MALAYSIAN

INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR

DATE

APPOINTED

28 DEC  
2012



Dato' (Ir.) Batumalai A/L Ramasamy is currently the Chairman of the ESOS Committee and a Member of the Audit Committee and Nomination 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. During his five (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. His shareholdings in Matrix are as disclosed on page 218 of this Annual Report. He has no conflict of interest and no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.

## Profile of Board of Directors

### DATO' HON CHOON KIM



**AGED 68**

**MALE**

**MALAYSIAN**

**INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR**

**DATE**

**APPOINTED**

**19 JUN  
2015**



Dato' Hon Choon Kim is currently the Chairman of the Remuneration Committee and a Member of the Audit Committee and Nomination Committee. He graduated with a Bachelor of Social Sciences (Econ) in 1976 from Universiti Sains Malaysia.

He started his career in the government's statistical department in 1977. Later, in 1986, he was elected as state assemblyman and was appointed as a state executive councilor of Negeri Sembilan. He was then elected to be a member of the Parliament in 1995 and was appointed as the Deputy Minister of Education from 1999 until 2008.

Dato' Hon Choon Kim 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 218 of this Annual Report. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.



DATO' HAJAH KALSOM BINTI KHALID



AGED 61

FEMALE

MALAYSIAN

INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR

DATE

APPOINTED

15 MARCH  
2016



Dato' Hajah Kalsom Binti Khalid is currently a Member of the Audit Committee, Remuneration Committee and Risk Management Committee. She holds a Bachelor of Arts in Geography from University of Malaya in 1978.

Dato' Hajah Kalsom Binti Khalid has more than 36 years of experience in education industry. Her last appointment was the Director of the Negeri Sembilan, State Education Department, a position which she held from year 2012 until November 2015.

Dato' Hajah Kalsom Binti Khalid does not have any family relationship with other Directors and/or major shareholders of Matrix. She has no conflict of interest and her shareholdings in Matrix are as disclosed on page 218 of this Annual Report. She has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.

## Profile of Board of Directors

### DATO' LOGENDRAN A/L K NARAYANASAMY



AGED 55

MALE

MALAYSIAN

NON-INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR

DATE

APPOINTED

15 NOV  
2016



Dato' Logendran A/L K Narayanasamy is currently the Chairman of the Risk Management Committee and a Member of the ESOS Committee and Sustainability Committee.

Dato' Logendran is an architect by profession and has been providing architectural design works, services of which also include lightings consultancy and provision of related accessories, ranges from individual projects to dwellings, mixed developments since 1987. Throughout his career, Dato' Logendran has designed and built impressive portfolio of completed projects in Negeri Sembilan and his clients including Matrix Group, reputable governmental ministries, established companies of diverging nature of businesses.

Currently, he is the Chairman of Matrix Concepts Foundation Committee and Executive Director of NSCMH Medical Center. He also hold directorships for several subsidiary companies of Matrix Group.

Dato' Logendran A/L K Narayanasamy, does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 218 of this Annual Report. Dato' Logendran has some recurrent related party transactions with Matrix group where shareholders' mandate is currently being sought, details of which, duly described in the circular to shareholders dated 24 July 2017 attached with this Annual Report. Other than as aforesaid, he has no other conflict of interests. He has no public sanction or penalty imposed by any regulatory bodies during the financial year for the past five (5) years.



# Senior Management Team



1



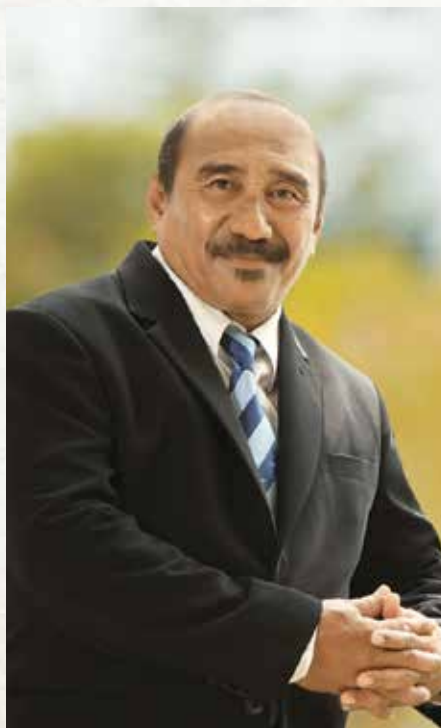
2



3



4



5



- 1 **DATO' LIM KIU HOCK**  
GROUP BUSINESS ADVISOR
- 2 **LOUIS TAN SAY KUAN**  
CHIEF FINANCIAL OFFICER
- 3 **CARMEN LOO KAH BOON**  
HEAD,  
GROUP CORPORATE SECRETARIAL  
& GOVERNANCE
- 4 **TN. HJ. MOHAMAD NOR BIN  
ABAS**  
HEAD,  
GROUP HUMAN RESOURCE  
& ADMINISTRATION
- 5 **TN. HJ. MUSTAZA BIN MUSA**  
HEAD,  
AUTHORITY CUM COMMUNITY LIAISON

## Senior Management Team



6



7



8



9



10



- 6 **LEONG JEE VAN**  
CHIEF EXECUTIVE OFFICER,  
PROPERTY DEVELOPMENT
- 7 **TIONG TING HAP**  
EXECUTIVE DIRECTOR,  
CONSTRUCTION
- 8 **TAN SZE CHEE**  
CHIEF PROJECT DEVELOPMENT  
OFFICER
- 9 **GAN GUAN CHYE**  
CHIEF OPERATING OFFICER,  
CONSTRUCTION
- 10 **TAN SENG HENG**  
GENERAL MANAGER (SOUTHERN)



Senior  
Management Team



11



12



13



14



15



11 **LIM KOK YEE**  
CHIEF SALES & MARKETING OFFICER

12 **HOW GIOK WAH**  
CORPORATE SALES ADVISOR

13 **FELIX LEE ENG BOON**  
CHIEF EXECUTIVE OFFICER,  
MATRIX GLOBAL SCHOOLS

14 **DENISE SINCLAIR**  
PRINCIPAL,  
MATRIX GLOBAL SCHOOLS

15 **CLARENCE SAMUEL**  
GENERAL MANAGER,  
D'TEMPAT COUNTRY CLUB





Hospitality



# *Enhance Lifestyle*

*Enhancing warm authentic services to our customers*





# Corporate Governance Statement



THE BOARD OF DIRECTORS ("THE BOARD") OF MATRIX CONCEPTS HOLDINGS BERHAD ("MATRIX" OR "THE COMPANY") IS COMMITTED TO ENSURE THAT HIGH STANDARD OF CORPORATE GOVERNANCE IS PRACTICED THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP") AS A FUNDAMENTAL PART OF DISCHARGING ITS RESPONSIBILITIES TO SAFEGUARD SHAREHOLDERS' INVESTMENTS AND TO PROTECT THE INTERESTS OF ALL STAKEHOLDERS.

THE BOARD IS OF THE VIEW THAT IT HAS COMPLIED WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 ("MCCG 2012"). SET OUT BELOW IS A STATEMENT, MADE PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS (MMLR) OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"), ON HOW THE GROUP HAS APPLIED THE PRINCIPLES AND RECOMMENDATIONS SET OUT IN THE MCCG 2012.

## **PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES**

### **Clear functions reserved for the Board and Management**

The respective roles and responsibilities of the Board and the Management are clearly set out and understood to ensure accountability by both parties.

The Board is responsible for developing and agreeing with the Group's corporate objectives, the goals and targets to be met by the Management.

### **Clear roles and responsibilities**

In line with its overall responsibility for the proper conduct of the Group's business, the Board is responsible for establishing the Group's goals and strategic directions, setting goals and targets for the Management and monitoring the achievement of those goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website. The Board Charter further defines the roles and responsibilities of the Chairman, Group Managing Director (GMD), Group Deputy Managing Director (GDMD) and Non-Executive Directors.

The following are the roles of the Board and its principal responsibilities:

- Review and adopt a strategic plan, as developed by the Management, taking into account the sustainability of the Company's business, with attention given to the environmental, social and governance aspects of the business;

- Oversee the conduct of the Company's business, including monitoring the performance of the Management to determine whether the business is being properly managed;
- Identify principle business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- Put succession planning in place by ensuring that all candidates appointed to senior management positions are of sufficient caliber and that there are avenues to provide for the orderly succession of senior management;
- Review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace;
- Review the adequacy and integrity of the Company's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and
- Oversees the Group's adherence to high standards of conduct or ethics and corporate behavior, including the Code of Ethics for Directors.

### **Promote Sustainability**

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability initiatives embedded in the development of the Group's strategies, taking into account the environment, social, cultural and governance aspects of business operations. These strategies seek to meet the expectations of stakeholders such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.

The sustainability statement is set out on page 28 to 74 of this Annual Report.

## Corporate Governance Statement

### Access to Information and Advice

The Company Secretary ensures that the Board papers together with the agenda are circulated in a timely manner prior to scheduled board meetings. This is to ensure that the Directors are given sufficient time to read the Board papers and seek any clarification that they need from the Management or to consult the Company Secretary or independent advisers before the Board Meetings, if necessary. This enables the Directors to discuss the issues effectively at the Board Meetings.

The Chairmen of the Board Committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees.

All Directors are entitled, whether via the Board or in their individual capacity, to take independent professional advice at the Company's expense where necessary in the furtherance of their duties. A Directors may consult the Chairman or other Board members prior to seeking any independent professional advice.

### Qualified and Competent Company Secretary

Every Director has ready and unrestricted access to the advice and the services of the Company Secretary in ensuring the effective functioning of the Board. The Company Secretary ensure that Board policies and procedures are both followed and reviewed regularly and they have the responsibility in law to ensure that each Director is made aware of and provided with guidance as to their duties, responsibilities and powers.

### Code of Conduct and Ethics

The Company's has issued a Code of Conduct and Business Ethics ("the Code") that applies to all Directors and employees of the Group. All employees are required to read, understand and abide by the Code. The Code is effectively communicated via the Company's intranet and is also subject to regular review and updates as and when applicable. The Board has an additional code of ethics which is incorporated in the Board Charter.

### Board Charter

The Board has formalized and adopted a Board Charter which serves as a source of reference for Directors. The Board Charter is established to provide guidance and clarity on the Board's roles and responsibilities as well as the relationship between the Board and Shareholders.

The Board Charter also set out processes and procedures for convening Board Meetings. The Board periodically reviews the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the Board's responsibilities. The Board Charter is available on the Company's website at [www.mchb.com.my](http://www.mchb.com.my).

The Board Charter addresses, among others, the following matters:-

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



**PRINCIPLE 2: STRENGTHENING COMPOSITION**

**Board Composition**

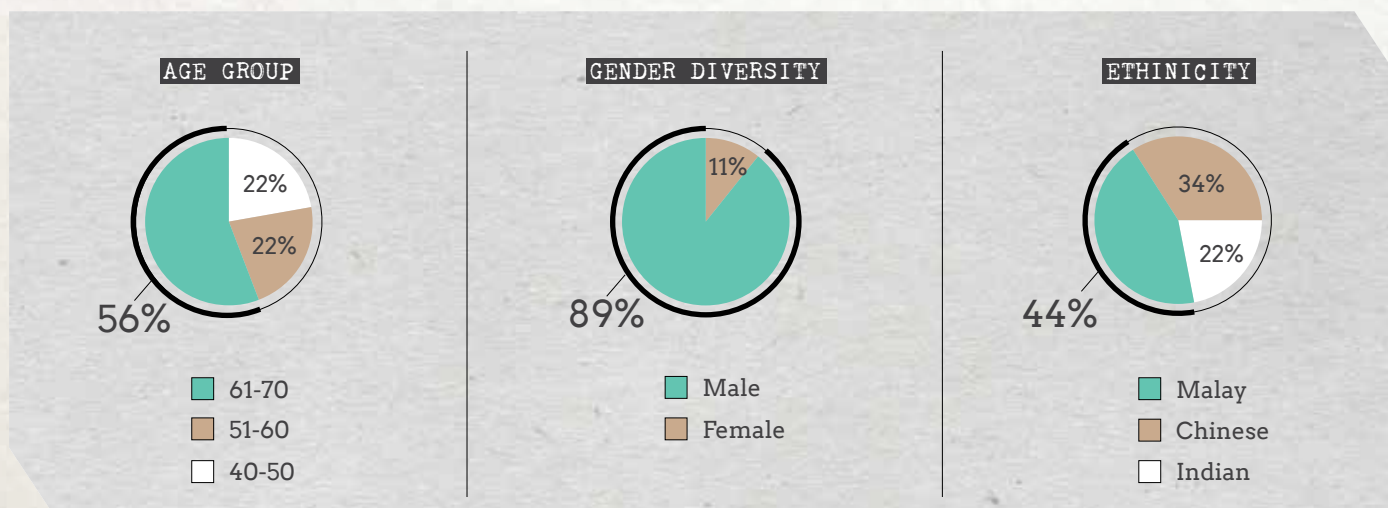
The Board currently has nine (9) members, comprising two (2) Non-Independent Non-Executive Director, two (2) Executive Directors and five (5) Independent Non-Executive Directors. Five (5) of the Directors are Independent Directors, which is more than one third of MMLR requirements. Together, the Directors bring diverse characteristics which allow a mix of qualifications, skills and experience which are necessary for the successful direction of the Group. Thus, the requirement under Paragraph 15.02 of the MMLR of Bursa Securities that at least two (2) Directors or 1/3 of the Board, whichever is higher, must be Independent Directors, is fulfilled. Profile of the Directors are as set out in this Annual Report on pages 80 to 88.

The composition comprises age, gender and ethnicity of the Board are as follows:-

Age Group		Gender Diversification		Ethnicity	
40-50	2	Male	8	Malay	4
51-60	2	Female	1	Chinese	3
61-70	5			Indian	2

The Group practices the division of responsibility between the Chairman and GMD and there is a balance of functions 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 director of the Board, is primarily responsible for the overall implementation of Board policies and decisions.

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



The Company recognizes the contribution of Independent Directors as vital to the development of the Group’s strategies and providing a balanced and independent view to the Board. All Independent Directors are independent of management and free from any relationship that could interfere with their independent judgement.

## Corporate Governance Statement

### Criteria for Recruitment

Selection of candidates for appointment as Directors will be recommended by the Directors, Senior Management or external parties. The Nomination Committee will assess the suitability of the candidates before recommending the candidates to the Board for appointment.

In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Group, and additionally, in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independence must be established. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

### Board Assessment

During the financial year, the Nomination Committee undertook an evaluation process involving self and peer assessment by individual directors and an assessment of the independence of the Independent Directors. The Board of Directors including the executive directors are subject to the process of self and peer assessment annually.

The following assessment 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 performance of the GMD/GDMD
- Reviewed the adequacy of the Board in terms of its mix of skills and the core competencies

To carry out the assessment, the Directors are provided with a questionnaire to complete and the results are then tabulated by the Secretary and presented to the Nomination Committee for its review and recommendation to the Board. The individual Directors each undertook self-assessment of their individual performance as well as overall assessment of the Board during the financial year based on the criteria as prescribed under the MMLR .

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 served. The assessment of the GMD and GDMD are co-related to the execution of the Group's strategic business plans by the Management and the achievement of performance targets set by the Board.

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. A full set of the results plus summarized version are also provided to each Director for their information.

### Retirement of Directors

In accordance with the MMLR of Bursa Securities and the Company's Articles of Association, at least 1/3 or the number nearest to 1/3 of the Directors shall retire from office each year such that all directors at least once in every three (3) years at the Annual General Meeting. The retiring directors shall be eligible for re-election at the Annual General Meeting.

### 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
- Sustainability Committee

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 management committees, namely Executive Management Committee were also formed to assist the Group with the inclusion of senior management in the administration and discharging significant operational matters. The composition of members for each Board Committee is available for viewing at the Corporate Information section of this Annual Report.



### Audit Committee

The Company has an Audit Committee whose composition meets the MMLR, comprising wholly of Independent Directors. All members of the Audit Committee are Independent Directors and relatively financially literate, while the Chairman of the Audit Committee, 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.

During the year, the Board of Directors, in accordance with Paragraph 15.20 of the MMLR also reviewed the terms of office and performance of the Audit Committee and was satisfied that the Audit Committee have carried out their duties in accordance with their terms of reference.

The terms of reference of the Audit Committee is available for viewing in the Company's corporate website.

### Nomination Committee

The Board has established a Nomination Committee comprising entirely Non-Executive Directors, a majority of whom are independent directors and chaired by an Independent Director.

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 available for viewing in the Company's corporate website.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. The Nomination Committee met twice during the financial period and all members registered full attendance. During the year, the Nomination Committee, upon its recent annual review carried out, was 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.

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.

### Remuneration Committee

#### Board Remuneration Policies and Procedures

The Board has established a Remuneration Committee consisting a majority of Independent Directors. The Remuneration Committee's principle objective is to evaluate, deliberate and recommend to the Board a remuneration policy for key management who are executive directors that is fairly guided by market norms and industry practice. The Remuneration Committee also recommends the key executive directors' remuneration and benefits based on their individual performances and that of the Group.

The Remuneration Committee reviews the remuneration packages, reward structure and fringe benefits applicable to the GMD, GDMD and top key management on an annual basis and makes recommendations to the Board. The Board as a whole determines the remuneration of the GMD and GDMD with each individual director abstaining from decision in respect of his own remuneration. The Remuneration Committee also reviews the overall performance of the Company and the specific KPIs of the GMD. In determining the bonus, the Remuneration Committee reviews their performance based on the overall performance of the Company, and specific KPIs set by the Board.

## Corporate Governance Statement

In establishing the level of remuneration for GMD, GDMD and top key management, the Remuneration Committee may access to packages offered by comparable companies and may also obtain independent advice if deem necessary. The Board believes in remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The remuneration of the GMD, GDMD and the top key management 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.

Fees payable to Non-Executive Directors are deliberated and decided by the Board as a whole before they are presented for approval by shareholders at the Annual General Meeting. Meeting allowances were provided to all non-executive Directors as and when they attend meeting.

Remuneration review procedures are briefly described as follows:-

- The Remuneration Committee recommends to the Board, the performance award system for determining the Directors' remuneration package for the key top management, namely GMD and GDMD
- In recommending the remuneration and bonuses of the GMD and GDMD, the Remuneration Committee reviews the overall performance of the Company and the specific KPIs set by the Board in respect of the GMD and GDMD based on the performance award system.
- The determination of the remuneration packages of Non-Executive Directors is a matter for the Board as a whole. Individual Directors do not participate in decisions regarding their own remuneration package.

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 under review and all the members registered full attendance.

The terms of reference of the Remuneration Committee are available for viewing at the Company's corporate website.

### Directors' Remuneration

The range of remuneration received by Directors who held office at the end of the financial year ended 31 March 2017 is set out below. The Company opts not to disclose the remuneration of individual Directors as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

- Aggregate remuneration received by Directors is categorized in the following components:-

	Company		Group	
	Non-Executive Directors	Executive Directors	Non-Executive Directors	Executive Directors
Allowances	68,000	-	68,000	-
Salaries	-	-	-	3,714,000
Statutory Contributions	-	-	-	2,043,494
Fees	349,000	-	1,709,000	-
Benefits-in-kind	2,850	-	32,950	110,517
Bonus	-	-	-	9,904,000



## Corporate Governance Statement

- Number of directors whose remuneration (include all emoluments and benefits) falls in each band of RM50,000 of total remuneration received are as follows:-

	Company		Group	
	Non-Executive Directors	Executive Directors	Non-Executive Directors	Executive Directors
150,000-200,000	2	-	-	-
250,000-300,000	3	-	-	-
450,000-500,000	-	-	1	-
1,900,000-1,950,000	-	-	1	-
8,300,000-8,350,000	-	-	-	1
8,800,000-8,850,000	-	-	-	1

### Sustainability Committee

The Board established the Sustainability Committee on 15 November 2016 which is responsible for overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals. The Sustainability Committee is further supported by Sustainability Task Force Committee to assist on the monitoring, management of the policies and action to be undertaken periodically.

The Board has taken steps to ensure that the Group's strategies continue to promote sustainability, with attention given to environmental, social and governance (ESG) aspects of the Group's business. The Board has approved the Corporate Sustainability (CS) framework in 2017 which clearly outlines Matrix's mission, corporate responsibility, strategic pillars, philosophies and governance structure. The CS framework is being realigned to reflect current business goals. With the CS's framework, the Company has a structured approach in delivering and embedding sustainability initiatives in the marketplace, workplace, community and environment.

### PRINCIPLE 3: REINFORCE INDEPENDENCE

#### Annual Assessment of Independence

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 Independent 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).

The Board assesses the independence of the Independent Non-Executive Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria as set out in the MMLR of Bursa Securities.

Based on the assessment carried out during the financial year ended 31 March 2017, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

In addition, during the assessment conducted, the Board studied the results of the evaluation and is generally satisfied with its current size, composition as well as the mix of skill sets and the independence of its Independent Non-Executive Directors. None of the Independent Directors had any relationship that could materially interfere with his unfettered and independent judgment.

## Corporate Governance Statement

### Tenure of Independent Directors

As at the date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board.

Upon the completion of nine (9) years of service, Independent Directors may continue to serve on the Board subject to them being re-designated as Non-Independent Directors. If the Board intends to retain any Director as an Independent Director beyond a cumulative term of nine (9) years, approval from shareholders will be sought.

### Chairman and GMD

The roles of Chairman and GMD are undertaken by separate persons. The Chairman is a non-executive member of the Board.

### Non-Independent Chairman

The Board is chaired by a Non-Independent Non-Executive Director.

The Board notes Recommendation 3.5 of the MCCG 2012, which states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. In this regard, the Company has fully complied with the said Recommendation as the composition of the Board comprises a majority of Independent Directors.

## PRINCIPLE 4: FOSTER COMMITMENT

### Time Commitment

Directors are expected to give sufficient time and attention to carry out their responsibilities. The Board Charter sets out a policy where a director shall notify the Chairman officially before accepting any new directorships in other companies and the notification shall explain the expectation and an indication of time commitment that will be spent on the new appointments.

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company.

### Board Meetings

The Board meets at least five (5) times a year, with additional meetings for particular matters convened as and when necessary. A total of five (5) Board Meetings were held during the financial period ended 31 March 2017. The attendance record of each Director is 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	Executive Director	5/5
Ho Kong Soon	Group Deputy Managing Director	Executive Director	5/5
Rezal Zain Bin Abdul Rashid	Director	Independent and Non-Executive	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
Dato' Hon Choon Kim	Director	Independent and Non-Executive	5/5
Dato' Hajah Kalsom Binti Khalid	Director	Independent and Non-Executive	5/5
Dato' Logendran A/L K Narayanasamy #	Director	Non-Independent and Non-Executive	2/2

# Dato' Logendran A/L K Narayanasamy was appointed to the Board on 15 November 2016



## Corporate Governance Statement

All the Directors registered full attendance at board meetings and therefore has complied with the minimum 50% attendance in respect of Board meetings held during the financial year ended 31 March 2017 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolution.

### 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.

During the financial year, the Directors attended the following programmes and seminars to keep abreast of relevant changes in law, regulations, business environment, risk management, general economic and industry developments:-

Name of Director	Topics of Training Attended
Dato' Haji Mohamad Haslah Bin Mohamad Amin	<ul style="list-style-type: none"> <li>Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> </ul>
Dato' Lee Tian Hock	<ul style="list-style-type: none"> <li>Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> <li>Sustainability – What It Entails</li> </ul>
Ho Kong Soon	<ul style="list-style-type: none"> <li>Is The Economy In A Crisis and Have We Learned From The Past Crisis?</li> <li>Latest Laws and Issues on Land, Property Development and High Rise Building Management</li> <li>Sustainability – What It Entails</li> </ul>
Rezal Zain Bin Abdul Rashid	<ul style="list-style-type: none"> <li>Creating a better world: The Role of Corporate ASEAN in driving the Sustainable Development Goals</li> <li>Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> <li>Amendments to Bursa Malaysia's Listing Requirements – with latest cases on directors duties</li> </ul>
Dato' Firdaus Muhammad Rom Bin Harun	<ul style="list-style-type: none"> <li>Critical and Creative Thinking Skills For Decision-Making and Problem-Solving</li> <li>Sustainability – What It Entails</li> <li>Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> <li>Comprehending Financial Statement For Directors and Senior Management</li> <li>Amendments to Bursa Malaysia's Listing Requirements – with latest cases on directors duties</li> </ul>

## Corporate Governance Statement

Name of Director	Topics of Training Attended
Dato' (Ir.) Batumalai A/L Ramasamy	<ul style="list-style-type: none"> <li>• Highlights of the Companies Act 2016 – Changes &amp; Implications</li> <li>• The Annual General Meeting – A Practical Insight and Managing Shareholders' Expectations</li> <li>• Critical and Creative Thinking Skills For Decision-Making and Problem-Solving</li> <li>• Sustainability – What It Entails</li> <li>• Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> <li>• Amendments to Bursa Malaysia's Listing Requirements – with latest cases on directors duties</li> </ul>
Dato' Hon Choon Kim	<ul style="list-style-type: none"> <li>• Critical and Creative Thinking Skills For Decision-Making and Problem-Solving</li> <li>• Amendments to Bursa Malaysia's Listing Requirements – with latest cases on directors duties</li> </ul>
Dato' Hajah Kalsom Binti Khalid	<ul style="list-style-type: none"> <li>• Bursa Malaysia's Listing Requirements Updates 2016 &amp; The Proposed Malaysia Code of Corporate Governance 2016</li> <li>• Amendments to Bursa Malaysia's Listing Requirements – with latest cases on directors duties</li> </ul>
Dato' Logendran A/L K Narayanasamy	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme for Directors of Public Listed Company</li> </ul>

The Directors will continue to undergo relevant training programmes and seminars from time to time and as and when necessary to update themselves with the relevant knowledge and skills to discharge their duties effectively.

### PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

#### Compliance with Applicable Financial Report Standards

In presenting the annual audited financial statements and interim financial result, the Board takes responsibilities to ensure that these financial statements are drawn up in accordance with the provision of the Companies Act 2016 and applicable financial reporting standards in Malaysia.

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

#### Related Party Transactions

The 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.



### **Assessment of Sustainability and Independence of External Auditors**

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee meets with the external auditors at least once a year to discuss their audit plan, audit findings and the Company's financial statements. At least once a year and whenever necessary, the Audit Committee shall meet with the external auditors without the presence of executive Board members or management personnel to allow the Audit Committee and the external auditors to exchange independent views on matters which the Audit Committee's attention.

The Audit Committee considered the non-audit services provided by the external auditors during the financial year and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors.

The external auditors have confirmed to the Audit Committee that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the Malaysia Institute of Accountants.

A summary of activities of the Audit Committee during the financial period under review is set out in the Audit Committee Report on page 108 of this Annual Report.

### **PRINCIPLE 6: RECOGNISE AND MANAGE RISK**

#### **Sound Risk Management Framework and Internal Controls System**

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 Risk Management Committee is to assist the Board in identifying, mitigating and monitoring critical risks highlighted by business units. The Risk Management Committee is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposure by ensuring that Management has taken the necessary steps to mitigate such risks and recommends action where necessary. The Risk Management Committee reports to the Board at least twice a year and briefs the Board on its findings if so required.

The statements on Risk Management and Internal Control as set out in page 111 to 115 of this Annual Report provides an overview of the management of risks and states of internal control within the Group.

#### **Internal Audit Function**

The Directors acknowledge their responsibility to formulate a system of internal control and risk management. The Board seeks regular assurance on the continuity and effectiveness of the internal control and risks management system through independent review by the internal auditors.

The internal audit function is independent of the operations of the Group and provides assurance that the Group's systems of internal control and risk management is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's framework in designing, implementing and monitoring its internal control system.

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 to assist our in-house internal auditor to manage the Company's internal audit function for the Group.

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 activities 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.

## Corporate Governance Statement

### 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 ended 31 March 2017 or during the period from 1 April 2017 to the date of publication of this statement.

### PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

#### Corporate Disclosure Policies and Procedures

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 Company recognizes the value of transparent and effective communication with the investment community and aims to build long-term relationships with its shareholders and investors through such appropriate channels for disclosure of information.

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.mchb.com.my](http://www.mchb.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.

Information disseminated through press releases, press conference, timely announcements and disclosures made to Bursa Securities is clear, relevant and comprehensive, provided on a timely basis and is readily accessible by all stakeholders. The Company endeavors to provide investors with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.

The Annual Report, which is also a key communication channel between the Company and its shareholders and investors, is published within four (4) months after the financial year ended. The Chairman's Statement and Management Discussion and Analysis Report provide an insightful interpretation of the Group's performance, operations, prospects and other matters affecting the Company's business and/or shareholders' interests.

#### Leverage on Information Technology for Effective Dissemination of Information

The Company's website [www.mchb.com.my](http://www.mchb.com.my) incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.

The quarterly financial results are announce via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

The primary contact for investor relation matters is:

Carmen Loo  
Head, Group Corporate Secretarial & Governance  
Email : [carmen@mchb.com.my](mailto:carmen@mchb.com.my)

### PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

#### Dividend Policy

The Board has adopted a dividend policy of paying out about 40% of the Group's consolidated net 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. In accordance with the applications of the Companies Act, 2016, the Board has received assurance from the Chief Financial Officer in respect of the solvency position of the Group prior to the declaration of dividend. The Internal Auditor further verified on the solvency status and assured the Board on such status prior to the payment.

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.

### **Dialogue With Shareholders**

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circular and press releases, interviews are conducted from time to time with local journalists by Management and reported in the local newspapers.

The Company is of the view that the Annual General Meeting and other general meetings provide 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.

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.

The Annual Report, which contains the Notice of Annual General Meeting, is sent to shareholders at least 21 days prior to the date of meeting. The Notice of Annual General Meeting, which sets out the business to be transacted at the Annual General Meeting, is also published in a major local newspaper. Items of special business included in the Notice of Annual General Meeting will be accompanied by an explanation of the proposed resolution.

### **Encourage Shareholder Participation at General Meetings**

At general meetings, the Board encourages shareholders' participation and responds to their questions. Shareholders may also leave written questions for the Board to respond.

### **Poll Voting**

In line with Recommendation 8.2 of the MCCG 2012, the shareholders may exercise their right to demand a poll at all general meetings.

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 put forth to the shareholders and the voting process shall either by show of hand or through polling session. In accordance with MMLR, all resolutions as stated in the notice of meetings are intended to be voted solely through polling sessions.

### **Effective Communication and Practice Engagement With Shareholders**

In maintaining its commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosure of information to its shareholders as well as the general investing public.

The practice of disclosure of information is not established just to comply with the requirement of the MMLR of Bursa Securities, but also to adopt the best practices recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders.

The Company's Investor Relation section plays an important role in conducting dialogues and discussions with fund managers, financial analysts, shareholders and media. These meetings provide financial analysts and institutional fund managers with ongoing updates on the Group's development activities to better understand the business and strategic direction of the Group.

Where possible, the Group also provides additional disclosures of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

The Directors have general responsible for taking such steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

# Audit Committee Report



THE BOARD OF DIRECTORS OF MATRIX CONCEPTS HOLDINGS BERHAD ("MATRIX" OR "THE COMPANY") IS PLEASED TO PRESENT THE REPORT ON THE AUDIT COMMITTEE (THE "COMMITTEE") OF THE BOARD FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (FY2017).

## OBJECTIVE

The Committee was established in line with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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 the Company and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration and reporting as well as internal control.

## A MEMBERS OF THE AUDIT COMMITTEE

The Committee consists of five (5) following members, who each satisfy the "independence" requirements contained in the Listing Requirements of Bursa Malaysia:-

- Encik Rezal Zain Bin Abdul Rashid - Chairman  
*Independent Non-Executive Director*
- Dato' Firdaus Muhammad Rom Bin Harun - Member  
*Independent Non-Executive Director*
- Dato' (Ir.) Batumalai A/L Ramasamy - Member  
*Independent Non-Executive Director*
- Dato' Hon Choon Kim - Member  
*Independent Non-Executive Director*
- Dato' Hajah Kalsom Binti Khalid - Member  
*Independent Non-Executive Director*

## B SUMMARY ON KEY SCOPE OF RESPONSIBILITIES

The Committee operates under a written Audit Committee's Terms of Reference containing provisions that address requirements imposed by Bursa Malaysia. That Terms of Reference is posted on the Corporate Governance section of the Company's website at [www.mchb.com.my](http://www.mchb.com.my).

The Terms of Reference prescribes the Committee's oversight of financial compliance matters in addition to a number of other responsibilities that the Committee performs. Those key responsibilities include, among others:-

- Overseeing the financial reporting process and integrity of the Group's financial statements;
- Evaluating the independence of External Auditors;
- Evaluating the performance and process of the Company's internal audit function and External Auditors;
- Overseeing the Group's system of internal controls and risk management that the Management and the Board have established;
- Assessing the Company's practices, processes and effectiveness;
- Reviewing conflict of interest situations and related party transactions of the Group;
- Reviewing any significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed.

## C DESCRIPTION OF DUTIES PERFORMED BY THE COMMITTEE

This Audit Committee report provides an overview of the duties that the Committee carried out during the year, including the significant issues considered in relation to the financial statements and how the Committee assessed the effectiveness of the External Auditors.

The Committee has a responsibility to oversee the Group's internal control. The Committee continues to monitor and review the effectiveness of the Group's internal control with the support of Group Internal Audit function. The Committee has an annual work plan, to review standing items that the Committee considers at each meeting, in addition to any matters that arise during the year.



The salient matters that the Committee considered during the FY2017 are as described below:-

### 1. Financial statements and reporting

The Committee monitored the financial reporting processes for the Group, which included reviewing reports from, and discussing these with the Management and the External Auditors, Messrs. Crowe Horwath ("the External Auditors"). The Committee has reviewed the unaudited quarterly financial results and audited financial statements of the Group before recommending them for Board's approval.

The Committee had also reviewed the External Auditors' report on other internal controls, accounting and reporting matters and a Management representation letter concerning accounting and reporting matters as well as recommendations in respect of control weaknesses noted in the course of their audit. There were no significant and unusual events or transactions highlighted by the Management as well as External Auditors during the financial year.

### 2. Going concern assessment

The Committee and the Board reviewed the going concern basis for preparing the Group's consolidated financial statements, including the assumptions underlying the going concern statement and the period of assessment. The Committee's assessment was based on presentation by Management and took note of the principal risks and uncertainties, the existing financial position, the Group's financial resources, and the expectations for future performance and capital expenditure.

### 3. Internal audit

Group Internal Audit provides independent and objective assurance and advisory services designed to add value and improve the operations of the Group. Its scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives.

The Head of Group Internal Audit, reports functionally to the Committee, and the Committee reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during FY2017. The Committee also reviewed the adequacy of the scope, functions, competency and resources of the internal audit function during the year.

Group Internal Audit performs routine audit on and reviews all operating units within the Group, with emphasis on principal risk areas. Group Internal Audit adopts a risk-based approach towards planning and conduct of audits, which is partly guided by an Enterprise Risk Management (ERM) framework.

The Committee reviewed the audit reports presented by Group Internal Audit on findings and recommendations and Management's responses thereto and ensure that material findings are adequately addressed by the Management.

The total costs incurred for the internal audit function of the Group for the FY2017 is RM455,502 (FP2016: RM453,514).

### 4. Assessing the effectiveness of external audit process

The Committee places great emphasis on ensuring that there are high standards of quality and effectiveness in the external audit carried out by the External Auditors. Audit quality is reviewed by the Committee and includes reviewing and approving the annual audit plan to ensure that it is consistent with the scope of the audit engagement.

In reviewing the audit plan, the Committee discussed the significant and elevated risk areas identified by the External Auditors which are most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis. The Committee met with the External Auditors without the Management presence, to discuss their audit plan and any issues arising from the audit. The Committee had met privately one (1) time with the External Auditors without the Management presence on 15 May 2017.

## Audit Committee Report

### 5. Other matters reviewed by the Committee

The Committee also reviewed the following matters:-

- (i) the Group's compliance with the relevant provision set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia.
- (ii) the Circular to Shareholders on the proposed renewal of Shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.
- (iii) the internal audit report relating to existing related party transactions.
- (iv) Recurrent Related Party Transactions on quarterly basis.
- (v) Solvency assessment by management in relation to the declaration of dividends.

### Overall Summary of work done by the Committee

In summary, the work done during the financial year are as described below:-

1. Reviewed with the Internal Auditors and report to the Board on the following matters:-
  - i) the Group's internal control procedures, including organizational and operational controls.
  - ii) the internal audit's scope of work, functions, competency and resources and that it has the necessary authority to carry out its work.
  - iii) the internal audit plan, scope of the work and its findings at every quarter, and to highlight to the Board on any material findings.
  - iv) the regular management information and to ensure that audit recommendations regarding management weaknesses are effectively implemented.
2. Reviewed with the External Auditors and report to the Board on the following matters:-
  - i) the audit planning memorandum.
  - ii) evaluation of the system of internal controls.

- iii) the audit reports, to ensure that their recommendations regarding management weaknesses are implemented.
- iv) the annual financial statements and recommend the adoption of the financial statements.
- v) the audit fees
- vi) the 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.

3. The Audit Committee also reviewed 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 implement of major accounting policy changes.
- ii) significant and unusual events.
- iii) compliance with accounting standards and other legal requirements.
- iv) Solvency assessment by management in relation to the declaration assessment dividends.

4. Reviewed 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 adjustment or unusual events.
- iii) Compliance with listing requirements of MMLR, Companies Act 2016 and other regulatory requirements.

5. Make enquiry if there are any recurrent related party transactions and to review and to ensure the recurrent 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.

6. Reviewed the Employees Share Option Scheme's record every quarterly.



## Audit Committee Report

### D INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, internal audit function had completed and reported audit assignments covering the following areas:-

#### Administration and Projects

- 1) Movable Fixed Assets
- 2) Quality Control Management
- 3) Contract and Procurement Management
- 4) Procurement Management for Non-Project Items

#### Hospitality

##### - d'Tempat Country Club:

- 1) Club Security and Emergency Management
- 2) Maintenance of Building Facilities Management
- 3) Fixed Assets Management
- 4) Procurement Management
- 5) Food and Beverage Management
- 6) Kitchen Operations Management
- 7) Inventory Management
- 8) Financial Statement Close Processing Management
- 9) Membership Sales and Marketing Management
- 10) Banquet Operations Management

#### Education

##### - Matrix Global Schools:

- 1) Human Resources and Payroll Management
- 2) Syllabus and Programme Quality Control
- 3) Procurement Management
- 4) Billings, Revenue and Collection Management
- 5) School Management System and Accounting System- Review of Completeness and Accuracy of Data

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

### E ATTENDANCE

#### Details of Attendance

A total of five (5) meetings were held during the FY2017. The attendance record of each member is as tabulated below:-

Members	Total Number of Meetings	Number of Meetings Attended
Encik Rezal Zain Bin Abdul Rashid	5	5
Dato' Firdaus Muhammad Rom Bin Harun	5	5
Dato' (Ir.) Batumalai A/L Ramasamy	5	5
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	5

### F ANNUAL REVIEW AND PERFORMANCE EVALUATION OF THE EXTERNAL AUDITORS

The Committee reviewed and amended its Terms of Reference during FY2017 due to the changes in the MMLR. Also, as required by its Terms of Reference, the Committee conducted their annual performance evaluation in an effort to continuously improve its processes.

The Committee's responsibility is to monitor and review the processes performed by the Management and the External Auditors. It is not the Committee's duty or responsibility to conduct auditing or accounting reviews or procedures. The Committee members are not employees of the Company. Therefore, the Committee has relied, without independent verification, on Management's representation that the financial statements have been prepared with integrity and objective and in conformity with approval accounting principles generally accepted in Malaysia and on the representations of the External Auditors included in its reports on the Company's financial statements and internal control over financial reporting.

## Audit Committee Report

The Committee considered the independence of the External Auditors. This review took into account the following factors:-

### (i) Auditors' effectiveness

The Committee met with the Management, to hear their views on the effectiveness of the External Auditors. The criteria for assessing the effectiveness of the audit included the robustness of the audit, the quality of the audit delivery and the quality of the people and service. The Committee concluded that the performance of the External Auditors remained effective.

### (ii) Independence and objectivity

The Committee reviews the work undertaken by the external auditor and each year assesses its independence, objective and performance. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The Committee monitors the auditor's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, as well as assessing annually its qualifications, expertise, resources and the effectiveness of the audit process, including presentation from the External Auditor on its own internal quality procedures.

The audit engagement partner is required to rotate at least every five (5) years which is in accordance with the By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants (MIA). The current audit engagement partner has held the position for two (2) years. The External Auditors reported to the Committee that it had considered its independence in relation to the audit and confirmed to the Committee that it complies with professional requirements and that its objective is not compromised.

The Committee concluded that it continues to be satisfied with the performance of the External Auditors and that they continue to be objective and independent in relation to the audit.

### (iii) Non-audit work carried out by the External Auditors

To help protect auditor's objectivity and independence, the provision of any non-audit services provided by the External Auditors requires prior monitoring by the Management.

Certain types of non-audit are of sufficiently low risk and does not to require the prior approval of the Committee, such as "audit-related services" including the review of interim financial information. The prohibited services are those that have potential to conflict directly with the auditors' role, such as the preparation of the Company's financial statements.

The total audit fees paid to the External Auditors during the FY2017 is set out in the Note 28 of the audit financial statements.

The External Auditors also provided in its engagement letter on the specific safeguards put in place for each piece of non-audit work confirming that it was satisfied that neither the extent of the non-audit services provided nor the size of the fees charges had any impact on its independence as statutory auditors.

The Committee is satisfied that the quantum of the non-audit relative to the audit fees (being 34% of the total audit fees on a group basis payable to the External Auditors and affiliates) and the Committee concluded that the External Auditors' independence for the Group was not compromised.

### (iv) External Audit fees

The Committee was satisfied that the level of audit fees payable in respect of the external audit services provided was RM559,000 for FY2017 [FP2016 RM484,000] was appropriate. The existing authority for the Directors (including the Committee) to determine the current remuneration of the External Auditors is derived from the shareholders' approval granted at the Company's Annual General Meeting held in August 2016.

## G RECOMMENDATION FOR APPOINTMENT

Following the annual assessment and performance review on the External Auditors, the Committee has recommended to the Board, the re-appointment of Messrs. Crowe Horwath as the External Auditors for the ensuing year. The Board has accepted this recommendation and a resolution for its re-appointment for a further year will be put to the shareholders at the forthcoming Annual General Meeting.



# 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 Management, through its Risk Management Committee, is entrusted with the responsibility of implementing and maintaining the enterprise risk management (ERM) framework to achieve the following objectives:-

- Communicate the vision, role, direction and priorities to all employees and key stakeholders;
- Identify, assess, treat, report and monitor significant risks in an effective manner; and
- Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans.

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:-

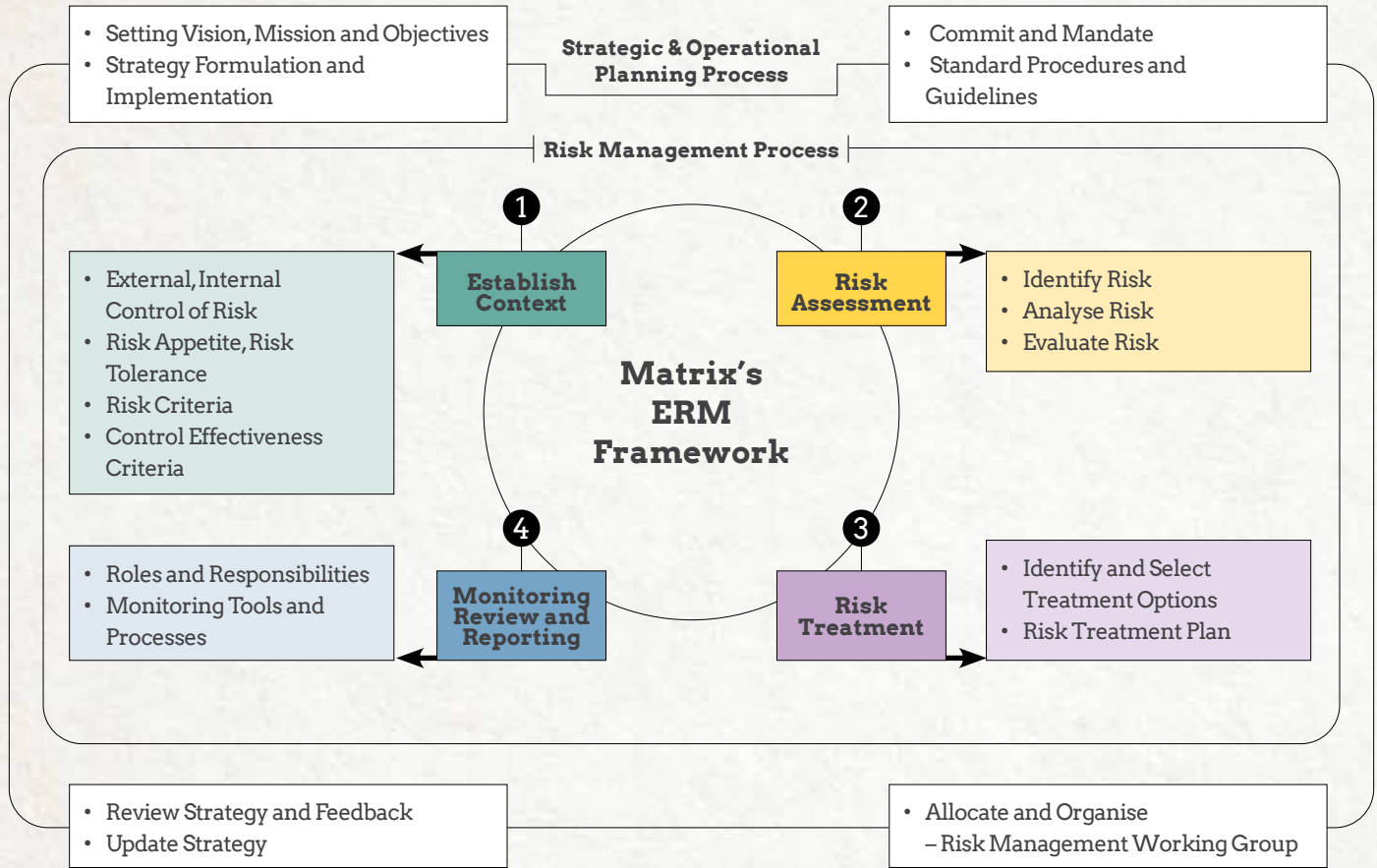
#### Risk Management Framework

The Risk Management Committee has been established by the Board 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.

## Statement on Risk Management and Internal Control

The Company's ERM Framework and processes are summarised in the flow chart as follows:-



All identified risks are displayed on a risk matrix based on their risk ranking to assist the Management in prioritising their efforts and appropriately managing the different classes of risks.

### RISK RATING SCALE - 5 BY 5 MATRIX

IMPACT	1. Unlikely	2. Low Probability	3. Possible	4. High Probability	5. Almost Certain
1. Catastrophic	Medium	Medium	High	High	High
2. Major	Medium	Medium	High	High	High
3. Moderate	Medium	Medium	Key	High	High
4. Minor	Low	Low	Key	Key	Key
5. Insignificant	Low	Low	Key	Key	Key

**LIKELIHOOD OF OCCURENCE**

■ High    ■ Key    ■ Medium    ■ Low



## Statement on Risk Management and Internal Control

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:-

- Continuously 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 above 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.

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

### Internal Audit

During the financial year ended 31 March 2017, internal audit function of the Group has been undertaken via the in-house Internal Auditor together with 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.

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.

### OTHER KEY INTERNAL CONTROL MECHANISMS

The Group manages its risks by implementing various internal control mechanisms. The key elements of the internal control systems 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, Remuneration Committee, ESOS Committee and Sustainability 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.



## Statement on Risk Management and Internal Control

- 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, at least five (5) times conducted annually 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 Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board, particularly on issues relating to compliance with the MMLR, the Companies Act 2016 and other relevant laws and regulations.
- The Audit Committee reviews the effectiveness of the Group's system of internal controls on behalf of the Board. The Audit Committee comprises 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.

- 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.

### MONITORING AND REVIEW OF THE ADEQUACY AND INTEGRITY OF THE SYSTEM OF INTERNAL CONTROL

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) The Management within the organisation is 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 was based on 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 identify 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.



## Statement on Risk Management and Internal Control

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 the Management maintain an ongoing commitment to continue taking appropriate measures to strengthen the risk management and internal control environment of the Group.

### RISK REVIEW FOR THE FINANCIAL YEAR

A half-yearly review on the adequacy and effectiveness of the risk management and internal control system have been undertaken for the financial year under review. During the financial year under review, each business unit via its respective working groups, comprising personnel at all levels carried out the following areas of work for periodic review:-

- Conducted reviews and updates of risk profiles of principal risks and emerging risks which will potentially derail the achievement of the business objectives and goals.
- Evaluated the adequacy of key processes, systems, and internal controls in relation to the rated principal risks, and established strategic responses, actionable programmes and tasks to manage the aforementioned and/or eliminate performance gaps.
- Ensured internal audit programmes covered identified principal risks. Audit findings throughout the financial period served as key feedback to validate effectiveness of risk management activities and embedded internal controls.
- Reviewed implementation progress of actionable programmes, and evaluated post-implementation effectiveness.
- Reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

The review includes the following:-

- Regular internal audit reports which are tabled quarterly to Board of Directors and the Risk Management Committee.
- Bi-annual risk reviews compiled by the respective units' risk owners and presentation to and discussion with the Risk Management Committee, the Board, Internal Auditors, and External Auditors.

- Operating units' response to the Questionnaire on Control and Regulations.

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

### 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 March 2017, 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.

### CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the Group Managing Director, Group Deputy Managing Director and Chief Financial Officer that the Group's risk management and internal control systems, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This statement is made in accordance with a resolution of the Board of Directors dated 6 July 2017.

# 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, 2016 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 March 2017, 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.





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## *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 March 2017.

## 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

	<b>THE GROUP</b>	<b>THE COMPANY</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit after taxation for the financial year	185,278	146,477
Attributable to:		
Owners of the Company	185,278	146,477

## DIVIDENDS

Dividends paid by the Company since 31 March 2016 are as follows:-

	<b>RM'000</b>
<b>In respect of the financial period ended 31 March 2016:-</b>	
- 5 <sup>th</sup> interim single tier dividend of 4.40 sen per ordinary share, paid on 1 July 2016	24,873
<b>In respect of the financial year ended 31 March 2017:-</b>	
- 1 <sup>st</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 6 October 2016	18,550
- 2 <sup>nd</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 12 January 2017	18,595
- 3 <sup>rd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 12 April 2017	20,095
	82,113

Subsequent to the end of financial year, the directors, on 16 May 2017 declared a fourth interim single tier dividend of 3.75 sen per ordinary share amounting to RM21,786,979 in respect of the current financial year, paid on 20 June 2017 to shareholders whose names appeared in the record of depositors on 6 June 2017. 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 March 2018.

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



## **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves and provisions during the financial year other than those items disclosed in the statements of changes in equity.

## **ISSUES OF SHARES AND DEBENTURES**

During the financial year,

- (a) the Company increased its issued and paid-up share capital from RM563,957,418 to RM577,121,532 by way of:-
  - (i) issuance of 4,905,841 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average exercise price of RM1.99 per share. The new shares were issued for cash consideration; and
  - (ii) issuance of 5,301,492 new ordinary shares of RM1 each from the exercise of warrant at an exercise price of RM2.40 per Warrant. The new shares were issued for cash consideration.

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

- (b) there were no issues of debentures by the Company.

## **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 Company's Employee Share Option Scheme.

## **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 17 to the financial statements.

During the financial year, the Company has granted 23,859,250 share options under the ESOS and these options expire on 27 May 2018.

## Directors' Report

### EMPLOYEE SHARE OPTION SCHEME (CONT'D)

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

Date of Offer	Exercise price per ordinary share	Number of Options over Ordinary Shares				
		At 1.4.2016	Granted	Exercised	Lapsed	At 31.3.2017
	RM					
6 May 2013	1.23	563,803	-	(202,238)	(45,611)	315,954
29 Jan 2014	1.83	4,016,271	-	(1,746,051)	(320,234)	1,949,986
9 Dec 2014	2.08	7,466,122	-	(2,262,677)	(516,717)	4,686,728
19 Oct 2016	2.34	-	23,859,250	(694,875)	(454,000)	22,710,375
		12,046,196	23,859,250	(4,905,841)	(1,336,562)	29,663,043

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

### WARRANTS

The Warrants are constituted by the Deed Poll dated 20 July 2015 ("Deed Poll").

On 21 July 2015, 77,325,585 Warrants ("Warrants") were issued free by the Company pursuant to the bonus issue on the basis of one (1) Warrant for every six (6) existing shares held.

The salient features of the Warrants are as follows:-

Terms	Details
Form	The Warrants will be issued in registered form and constituted by the Deed Poll.
Board lot	For the purposes of trading on Bursa Securities, a board lot of Warrants will be in one hundred (100) units, or such denomination as determined by Bursa Securities.
Listing	Approval has been obtained from Bursa Securities on 12 May 2015 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the Bonus Shares and the Warrants and new Company's Shares arising from the exercise of the Warrants.
Expiry date	Five (5) years from the date of issuance of the Warrants.
Exercise period	The Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 20 July 2020. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise price	RM2.40 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share of RM1 each in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.



## WARRANTS (CONT'D)

Terms	Details
Ranking of new Company's shares	The new Company's Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Governing Law	Laws and regulations of Malaysia.

The movements in the Warrants are as follows:-

	Entitlement For Ordinary Shares			At 31.3.2017
	At 1.4.2016	Issued	Exercised	
Number of unexercised Warrants	57,238,035	-	(5,301,492)	51,936,543

## 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 all known bad debts had been written off and adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional 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 ensure that any current assets, 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.

**Directors'  
Report****CONTINGENT AND OTHER LIABILITIES**

The contingent liabilities are disclosed in Note 38 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.

**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 in which this report is made.

**DIRECTORS**

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:-

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  
DATO' HON CHOON KIM  
DATO' HAJAH KALSOM BINTI KHALID  
DATO' LOGENDRAN A/L K NARAYANASAMY (APPOINTED ON 15.11.2016)  
DATO' LIM KIU HOCK (RETIRED ON 18.8.2016)



**DIRECTORS' INTERESTS**

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

The Company	Number of Ordinary Shares				
	At 14.2016/ Date of Appointment	Bought	Warrant conversion	Sold/ Transfer	At 31.3.2017
<b>Direct Interests</b>					
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,102,501	209,998	-	-	1,312,499
Dato' Lee Tian Hock	108,137,093	-	5,300,000	(12,650,000)	100,787,093
Ho Kong Soon	4,882,999	-	-	-	4,882,999
Dato' Firdaus Muhammad Rom Bin Harun	148,749	283,748	-	(148,749)	283,748
Rezal Zain Bin Abdul Rashid	667,499	-	-	(100,000)	567,499
Dato' (Ir) Batumalai A/L Ramasamy	500,835	157,498	-	(200,000)	458,333
Dato' Hon Choon Kim	-	100,000	-	-	100,000
Dato' Logendran A/L K Narayanasamy	484,750	-	-	-	484,750
<b>Indirect Interest in the Company</b>					
Dato' Lee Tian Hock <sup>(i)</sup>	132,207,896	-	-	-	132,207,896
Ho Kong Soon <sup>(ii)</sup>	23,329,635	-	-	-	23,329,635
Dato' (Ir) Batumalai A/L Ramasamy <sup>(iii)</sup>	21,000	15,000	-	-	36,000
Dato' Hon Choon Kim <sup>(iv)</sup>	14,000	-	-	-	14,000

<sup>(i)</sup> 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 8 of the Companies Act 2016 ("the Act") and the shareholdings of his spouse pursuant to Section 59(11)(c) of the Act.

<sup>(ii)</sup> Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of his spouse pursuant to Section 59(11)(c) of the Act.

<sup>(iii)</sup> Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

<sup>(iv)</sup> Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

## Directors' Report

### DIRECTORS' INTERESTS (CONT'D)

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

The Company	Number of Warrants				At 31.3.2017
	At 14.2016/ Date of Appointment	Acquired	Disposed	Exercised	
<b>Direct Interests</b>					
Dato' Haji Mohamad Haslah Bin Mohamad Amin	132,500	-	-	-	132,500
Dato' Lee Tian Hock	4,674,941	833,333	-	(5,300,000)	208,274
Ho Kong Soon	642,572	-	-	-	642,572
Dato' Firdaus Muhammad Rom Bin Harun	29,583	-	(21,250)	-	8,333
Rezal Zain Bin Abdul Rashid	70,000	-	-	-	70,000
Dato' (Ir) Batumalai A/L Ramasamy	85,834	-	(85,834)	-	-
Dato' Logendran A/L K Narayanasamy	69,250	-	-	-	69,250

The Company	Number of Options over Ordinary Shares				At 31.3.2017
	At 14.2016/ Date of Appointment	Granted	Exercised	At 31.3.2017	
<b>Share Options of the Company</b>					
Dato' Haji Mohamad Haslah Bin Mohamad Amin	618,329	1,500,000	(209,998)		1,908,331
Dato' Lee Tian Hock	618,329	1,500,000	-		2,118,329
Ho Kong Soon	233,331	1,500,000	-		1,733,331
Dato' Firdaus Muhammad Rom Bin Harun	358,750	250,000	(283,748)		325,002
Rezal Zain Bin Abdul Rashid	69,999	300,000	-		369,999
Dato' (Ir) Batumalai A/L Ramasamy	227,497	250,000	(157,498)		319,999
Dato' Logendran A/L K Narayanasamy	-	750,000	-		750,000
Dato' Hon Choon Kim	-	500,000	(100,000)		400,000
Dato' Hajah Kalsom Binti Khalid	-	500,000	-		500,000



### **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 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, warrants and options over shares of the Company or its related corporations during the financial year.

### **DIRECTORS' BENEFITS**

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than the benefits shown under the Directors' Remuneration section of our report) 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 35 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 and warrants acquired to certain directors.

### **DIRECTORS' REMUNERATION**

The details of the directors' remuneration are disclosed in Note 34 to the financial statements.

### **INDEMNITY AND INSURANCE COST**

During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company are RM25,000,000 and RM36,000 respectively.

### **SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

None of the subsidiaries had any interest in shares in the Company during the financial year. Their interests in shares in other related corporations are disclosed in Note 5 to the financial statements.

### **AUDITORS' REMUNERATION**

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

**Directors'  
Report**

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The significant event during the financial year is disclosed in Note 41 to the financial statements.

**SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The significant events occurring after the reporting period are disclosed in Note 42 to the financial statements.

**AUDITORS**

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 6 JULY 2017**

**Dato' Lee Tian Hock**

**Ho Kong Soon**



# Statement by Directors

*Pursuant to Section 251(2) of The Companies Act 2016*

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 133 to 210 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2017 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 43, 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 6 JULY 2017**

**Dato' Lee Tian Hock**

**Ho Kong Soon**

# Statutory Declaration

*Pursuant to Section 251(1)(b) of The Companies Act 2016*

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 133 to 210 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 6 July 2017

**Tan Say Kuan**

Before me

Wong Chuak Mong (N091)  
Commissioner for Oaths

# Independent Auditors' Report

to the Members of Matrix Concepts Holdings Berhad  
(Incorporated In Malaysia)  
Company No : 414615-U

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Matrix Concepts Holdings Berhad, which comprise the statements of financial position as at 31 March 2017 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 133 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their 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 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent Auditors' Report

to the Members of Matrix Concepts Holdings Berhad  
(Incorporated In Malaysia)  
Company No : 414615-U

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Reasonableness of revenue recognition arising from contracts with customers Refer to Note 4.24(a) and 26 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Area of focus</b> Most of the Group's revenue is derived from property development activities.</p> <p>Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:-</p> <ul style="list-style-type: none"> <li>• interpreting of contract terms and conditions;</li> <li>• assessing and identifying the performance obligations;</li> <li>• assessing the computation of revenue recognition.</li> </ul>	<p>To address this risk, our audit procedures involved the following by:</p> <ul style="list-style-type: none"> <li>• reviewing the contract terms and identifying performance obligations stipulated in the contracts;</li> <li>• evaluating whether the performance obligations are satisfied at point in time or over time;</li> <li>• evaluating the reasonableness of percentage of completion using the input method;</li> <li>• assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers".</li> </ul>
Reasonableness of attributable profits arising from property development projects Refer to Note 4.1(k), 9(b), 26 and 27 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Area of focus</b> The Group's property development division recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.</p>	<p>To address this risk, our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project development revenue and cost.</li> <li>• Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold to the estimated selling prices of unsold units.</li> <li>• Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period.</li> </ul>

## **Independent Auditors' Report**

*to the Members of Matrix Concepts Holdings Berhad*

*(Incorporated In Malaysia)*

*Company No : 414615-U*

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## **Independent Auditors' Report**

*to the Members of Matrix Concepts Holdings Berhad*

*(Incorporated In Malaysia)*

*Company No : 414615-U*

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report On Other Legal And Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

## **Independent Auditors' Report**

*to the Members of Matrix Concepts Holdings Berhad*

*(Incorporated In Malaysia)*

*Company No : 414615-U*

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Other Reporting Responsibilities**

The supplementary information set out in Note 43 on page 211 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.

#### **Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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

6 July 2017

Melaka

**Piong Yew Peng**

Approval No.: 03070/06/2019 J

Chartered Accountant



# Statements of Financial Position

At 31 March 2017

	Note	THE GROUP		THE COMPANY	
		31.3.2017 RM'000	31.3.2016 RM'000 (Restated)	31.3.2017 RM'000	31.3.2016 RM'000 (Restated)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	5	-	-	224,394	221,298
Property, plant and equipment	6	234,776	218,113	-	-
Investment properties	7	919	1,000	-	-
Goodwill	8	*	*	-	-
Inventories	9	760,775	665,611	-	-
Amount owing by subsidiaries	14	-	-	180,596	155,292
Deferred tax assets	10	10,902	6,662	-	-
		<b>1,007,372</b>	891,386	<b>404,990</b>	376,590
<b>CURRENT ASSETS</b>					
Inventories	9	163,781	152,304	-	-
Trade receivables and contract assets	11	252,141	165,835	-	-
Other receivables, deposits and prepayments	13	14,677	14,424	24	31
Amount owing by subsidiaries	14	-	-	419,152	346,400
Fixed deposits with licensed bank	15	29,836	44,786	22,913	34,241
Cash and bank balances	16	87,471	33,074	22,156	456
		<b>547,906</b>	410,423	<b>464,245</b>	381,128
<b>TOTAL ASSETS</b>		<b>1,555,278</b>	1,301,809	<b>869,235</b>	757,718

\* - Less than RM1,000

The annexed notes form an integral part of these financial statements.

## Statements of Financial Position

At 31 March 2017

	Note	THE GROUP		THE COMPANY	
		31.3.2017 RM'000	31.3.2016 RM'000 (Restated)	31.3.2017 RM'000	31.3.2016 RM'000 (Restated)
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	577,122	563,957	577,122	563,957
Retained profits		388,532	284,792	196,148	131,209
Other reserves	18	58,305	36,445	55,979	36,601
Equity attributable to owners of the Company		1,023,959	885,194	829,249	731,767
Non-controlling interests		*	*	-	-
<b>TOTAL EQUITY</b>		<b>1,023,959</b>	885,194	<b>829,249</b>	731,767
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	19	181,265	107,669	-	-
Deferred tax liabilities	10	768	275	-	-
Other payables and accruals	23	24,546	28,492	-	-
		206,579	136,436	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables and contract liabilities	22	105,075	65,760	-	-
Other payables, deposits and accruals	23	109,225	100,311	20,599	21,906
Amount owing to subsidiaries	14	-	-	13,890	760
Bank overdrafts	24	44,052	32,558	3,248	1,502
Short-term borrowings	25	48,855	64,192	-	-
Current tax liabilities		17,533	17,358	2,249	1,783
		324,740	280,179	39,986	25,951
<b>TOTAL LIABILITIES</b>		<b>531,319</b>	416,615	<b>39,986</b>	25,951
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,555,278</b>	1,301,809	<b>869,235</b>	757,718

The annexed notes form an integral part of these financial statements.



# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 March 2017

	Note	THE GROUP		THE COMPANY	
		1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000 (Restated)	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
REVENUE	26	<b>774,978</b>	912,201	<b>130,000</b>	125,000
COST OF SALES	27	<b>(321,858)</b>	(361,608)	-	-
GROSS PROFIT		<b>453,120</b>	550,593	<b>130,000</b>	125,000
OTHER INCOME		<b>8,559</b>	13,204	<b>24,937</b>	21,667
		<b>461,679</b>	563,797	<b>154,937</b>	146,667
SELLING AND MARKETING EXPENSES		<b>(64,502)</b>	(64,859)	-	-
ADMINISTRATIVE EXPENSES		<b>(129,356)</b>	(139,329)	<b>(2,300)</b>	(2,563)
FINANCE COSTS		<b>(7,509)</b>	(3,872)	<b>(224)</b>	(527)
PROFIT BEFORE TAXATION	28	<b>260,312</b>	355,737	<b>152,413</b>	143,577
INCOME TAX EXPENSE	29	<b>(75,034)</b>	(94,887)	<b>(5,936)</b>	(4,995)
PROFIT AFTER TAXATION		<b>185,278</b>	260,850	<b>146,477</b>	138,582
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES		<b>2,482</b>	(156)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		<b>187,760</b>	260,694	<b>146,477</b>	138,582
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		<b>185,278</b>	260,850	<b>146,477</b>	138,582
Non-controlling interests		-	-	-	-
		<b>185,278</b>	260,850	<b>146,477</b>	138,582
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		<b>187,760</b>	260,694	<b>146,477</b>	138,582
Non-controlling interests		-	-	-	-
		<b>187,760</b>	260,694	<b>146,477</b>	138,582
EARNINGS PER SHARE (SEN)					
Basic	30(a)	<b>32.6</b>	47.8		
Diluted	30(b)	<b>32.3</b>	47.4		

The annexed notes form an integral part of these financial statements.

# Statements of Changes in Equity

For the Financial Year Ended 31 March 2017

THE GROUP	Note	NON-DISTRIBUTABLE				DISTRIBUTABLE			NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	TRANSLATION RESERVES RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000			
At 1.1.2015		457,084	1,218	6,269	-	199,186	663,757	*	663,757	
Profit after taxation		-	-	-	-	260,850	260,850	-	260,850	
Other comprehensive income for the financial period		-	-	-	-	-	-	-	-	
- Foreign currency translation differences	18(c)	-	-	-	(156)	-	(156)	-	(156)	
Total comprehensive income for the financial period		-	-	-	(156)	260,850	260,694	-	260,694	
Contribution by and distribution to owners of the Company:-										
- Bonus issue	17,18(b)	77,325	(10,835)	-	-	(66,490)	-	-	-	
- Share options to employees		-	-	3,194	-	-	3,194	-	3,194	
- Employees' share options exercised	17,18(b)	9,461	13,436	(4,178)	-	-	18,719	-	18,719	
- Dividends	31	-	-	-	-	(109,382)	(109,382)	-	(109,382)	
- ESOS lapsed		-	-	(628)	-	628	-	-	-	
- Warrant exercised	17,18(b)	20,087	28,125	-	-	-	48,212	-	48,212	
Total transactions with owners		106,873	30,726	(1,612)	-	(175,244)	(39,257)	-	(39,257)	
Balance at 31.3.2016		563,957	31,944	4,657	(156)	284,792	885,194	*	885,194	

\* - Less than RM1,000

The annexed notes form an integral part of these financial statements.



**Statements of Changes in Equity**  
For the Financial Year Ended 31 March 2017

THE GROUP	Note	NON-DISTRIBUTABLE					DISTRIBUTABLE			NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	TRANSLATION RESERVES RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000				
At 1.4.2016		563,957	31,944	4,657	(156)	284,792	885,194	*	885,194		
Profit after taxation		-	-	-	-	185,278	185,278	-	185,278		
Other comprehensive income for the financial year		-	-	-	-	-	-	-	-		
- Foreign currency translation differences	18(c)	-	-	-	2,482	-	2,482	-	2,482		
Total comprehensive income for the financial year		-	-	-	2,482	185,278	187,760	-	187,760		
Contribution by and distribution to owners of the Company:-		-	-	-	-	-	-	-	-		
- Share options to employees		-	-	10,621	-	-	10,621	-	10,621		
- Employees' share options exercised	17,18(b)	7,863	4,040	(2,129)	-	-	9,774	-	9,774		
- Dividends	31	-	-	-	-	(82,113)	(82,113)	-	(82,113)		
- ESOS lapsed		-	-	(575)	-	575	-	-	-		
- Warrant exercised	17,18(b)	5,302	7,421	-	-	-	12,723	-	12,723		
Total transactions with owners		13,165	11,461	7,917	-	(81,538)	(48,995)	-	(48,995)		
Balance at 31.3.2017		577,122	43,405	12,574	2,326	388,532	1,023,959	*	1,023,959		

\* - Less than RM1,000

The annexed notes form an integral part of these financial statements.

## Statements of Changes in Equity

For the Financial Year Ended 31 March 2017

THE COMPANY	Note	NON-DISTRIBUTABLE			DISTRIBUTABLE	TOTAL EQUITY
		SHARE CAPITAL	SHARE PREMIUM	OPTION RESERVE	RETAINED PROFITS	
		RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2015		457,084	1,218	6,269	167,871	632,442
Profit after taxation/ Total comprehensive income for the financial period		-	-	-	138,582	138,582
Contribution by and distribution to owners of the Company:-						
- Bonus issue	17,18(b)	77,325	(10,835)	-	(66,490)	-
- Share options to employees		-	-	3,194	-	3,194
- Employees' share options exercised	17,18(b)	9,461	13,436	(4,178)	-	18,719
- Dividends	31	-	-	-	(109,382)	(109,382)
- ESOS lapsed		-	-	(628)	628	-
- Warrant exercised	17,18(b)	20,087	28,125	-	-	48,212
Total transactions with owners		106,873	30,726	(1,612)	(175,244)	(39,257)
Balance at 31.3.2016		563,957	31,944	4,657	131,209	731,767

The annexed notes form an integral part of these financial statements.



## Statements of Changes in Equity

For the Financial Year Ended 31 March 2017

THE COMPANY	Note	NON-DISTRIBUTABLE			DISTRIBUTABLE	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	RETAINED PROFITS RM'000	
At 1.4.2016		563,957	31,944	4,657	131,209	731,767
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	146,477	146,477
Contribution by and distribution to owners of the Company:-						
- Share options to employees		-	-	10,621	-	10,621
- Employees' share options exercised	17,18(b)	7,863	4,040	(2,129)	-	9,774
- Dividends	31	-	-	-	(82,113)	(82,113)
- ESOS lapsed		-	-	(575)	575	-
- Warrant exercised	17,18(b)	5,302	7,421	-	-	12,723
Total transactions with owners		13,165	11,461	7,917	(81,538)	(48,995)
Balance at 31.3.2017		577,122	43,405	12,574	196,148	829,249

The annexed notes form an integral part of these financial statements.

# Statements of Cash Flows

For the Financial Year Ended 31 March 2017

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit before taxation	<b>260,312</b>	355,737	<b>152,413</b>	143,577
Adjustments for:-				
Bad debts written off	<b>174</b>	-	-	-
Depreciation of property, plant and equipment	<b>8,936</b>	9,831	-	-
Depreciation of investment properties	<b>25</b>	33	-	-
Equipment written off	<b>3</b>	-	-	-
ESOS expenses	<b>10,621</b>	3,194	<b>790</b>	200
Impairment loss on trade receivables	<b>417</b>	-	-	-
Interest expenses	<b>8,343</b>	5,184	<b>224</b>	527
Interest income	<b>(2,209)</b>	(10,381)	<b>(24,672)</b>	(21,667)
Gain on disposal of investment property	<b>(9)</b>	(92)	-	-
Loss/(Gain) on disposal of property, plant and equipment	<b>78</b>	(81)	-	-
Operating profit before working capital changes	<b>286,691</b>	363,425	<b>128,755</b>	122,637
Increase in inventories	<b>(106,641)</b>	(192,246)	-	-
(Increase)/Decrease in trade and other receivables	<b>(90,187)</b>	(44,082)	<b>7</b>	4
Increase/(Decrease) in trade and other payables	<b>43,120</b>	(97,561)	<b>(255)</b>	257
<b>CASH FROM OPERATIONS</b>	<b>132,983</b>	29,536	<b>128,507</b>	122,898
Interest received	<b>2,209</b>	3,629	<b>24,672</b>	21,667
Tax paid	<b>(78,606)</b>	(97,279)	<b>(5,469)</b>	(3,264)
Interest paid	<b>(3,090)</b>	(5,184)	<b>(224)</b>	(527)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>53,496</b>	(69,298)	<b>147,486</b>	140,774

The annexed notes form an integral part of these financial statements.



## Statements of Cash Flows

For the Financial Year Ended 31 March 2017

	Note	THE GROUP		THE COMPANY	
		1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Investment in subsidiary companies		-	-	(3,096)	(198,104)
Placements of pledged deposits with licensed banks		(3,698)	(218)	(33)	(154)
Proceeds from disposal of property, plant and equipment		428	2,892	-	-
Proceeds from disposal of investment property		65	151	-	-
Purchase of property, plant and equipment	32	(24,549)	(40,243)	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(27,754)</b>	<b>(37,418)</b>	<b>(3,129)</b>	<b>(198,258)</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>					
Dividends paid		(83,166)	(105,375)	(83,166)	(105,375)
Drawdown of term loans		103,676	112,867	-	-
Net (repayment for)/drawdown of revolving credit		(30,000)	30,000	-	-
Proceeds from issuance of shares		22,497	66,931	22,497	66,931
Net (advances to)/repayment from related parties		-	-	(75,095)	97,404
Repayment of term loans		(16,872)	(10,790)	-	-
Repayment of hire purchase		(97)	(100)	-	-
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		<b>(3,962)</b>	<b>93,533</b>	<b>(135,764)</b>	<b>58,960</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>21,780</b>	<b>(13,183)</b>	<b>8,593</b>	<b>1,476</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>		<b>2,475</b>	<b>(156)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>		<b>39,611</b>	<b>52,950</b>	<b>30,325</b>	<b>28,849</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	33	<b>63,866</b>	<b>39,611</b>	<b>38,918</b>	<b>30,325</b>

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

## 1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in 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 6 July 2017.

## 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 2016 in Malaysia.

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)**

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 3. BASIS OF PREPARATION (CONT'D)

3.2 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

The adoption of the above mentioned accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### 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.

**Notes to the Financial Statements***For the Financial Year Ended 31 March 2017***4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****(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 expense and deferred tax balances in the year in which such determination is made.

**(c) 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.

**(d) 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.

**(e) Classification between Investment Properties and Owner-occupied Properties**

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.

**(f) Impairment of Trade 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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

**(g) 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.

**(h) Fair Value Estimates for Certain Financial Assets and Financial Liabilities**

The Group carries certain financial assets and financial 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.

**(i) 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.

**(j) Held-to-maturity Financial Assets**

The Group classifies fixed deposits with licensed bank as held-to-maturity investments when it has a positive intention and ability to hold the investments to maturity. Management exercises judgement based on the Group's treasury objective and financial risk management policy to determine whether the financial assets are to be classified as held-to-maturity.

**(k) Profit Recognition of Property Development and Construction Contract Activities**

The Group recognises property development and construction contract revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 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 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. 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

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.

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.

##### (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.



#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.2 BASIS OF CONSOLIDATION (CONT'D)**

###### **(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
- (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 off (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 in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates.

##### **4.4 CONTRACT ASSETS/CONTRACT LIABILITIES**

Where property development revenue recognised in the profit or loss exceeds the billings to purchasers, the balance is shown as contract assets under current assets.

Where billings to purchasers exceed the property development revenue recognised to the profit or loss, the balances is shown as contract liabilities under current liabilities.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.5 FUNCTIONAL AND FOREIGN CURRENCIES

##### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

##### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

##### (c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes off only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.



#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.6 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities 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 financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. 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, held-to-maturity investments, 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. Fair value through profit or loss category also comprises contingent consideration in a business combination.

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.

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

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

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.6 FINANCIAL INSTRUMENTS (CONT'D)

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

###### (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.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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.

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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**4.6 FINANCIAL INSTRUMENTS (CONT'D)**

**(a) Financial Assets (Cont'd)**

(iv) Available-for-sale Financial Assets (Cont'd)

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**

(i) Financial Liabilities at 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.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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.

**(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

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

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

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.6 FINANCIAL INSTRUMENTS (CONT'D)

##### (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.

#### 4.7 FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group and the Company designates performance bond granted in favour of third parties for contract work undertaken by the Group and corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group and the Company recognises these performance bonds and corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 4.8 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.

#### 4.9 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

Freehold land is not depreciated. Depreciation on other property, plant and equipment 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%

Buildings in progress are not depreciated as these assets are not yet available for use.

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. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

#### 4.10 INVESTMENT PROPERTIES

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

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

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 INVESTMENT PROPERTIES (CONT'D)

Investment properties are derecognised when they have either been disposed off 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.

#### 4.11 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.

##### (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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.12 LEASED ASSETS**

###### **Finance Assets**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

##### **4.13 INVENTORIES**

Inventories are stated at the lower of cost and net realisable value.

###### **(a) Property Development Costs**

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer.

###### **(b) Unsold Properties**

The cost of unsold properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

###### **(c) Operating Supplies**

Cost is determined using first-in, first-out method and comprises food and beverage supplies.

Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, and demand deposits 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. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

#### 4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) 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.

#### 4.16 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses 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.

##### (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 (known as "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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.17 INCOME TAXES**

###### **(a) Current tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

###### **(b) Deferred tax**

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill 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 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 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 the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or 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 taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

###### **(c) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.18 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.

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.

- (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).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

#### 4.19 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, unless the probability of outflow of economic benefits is remote. 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.20 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 directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

##### **4.21 EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise of ESOS.

##### **4.22 BORROWING COSTS**

Borrowing costs that are 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. The 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 are incurred.

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

##### **4.23 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 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 and leasing transactions.

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.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.24 REVENUE AND OTHER INCOME

##### (a) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

##### *Recognition and measurement*

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices. A good or service is distinct if:

- the customer can either benefit from the good or service on its own or together with other readily available resources; and
- the good or service is separately identifiable from other promises in the contract.

If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured based on the consideration specified in a contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**4.24 REVENUE AND OTHER INCOME (CONT'D)**

**(a) Revenue from contracts with customers (Cont'd)**

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Control over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances a customer-controlled asset; or
- the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The revenue recognition policies for each of the Group's major activities are described below:-

**i. Sale of Goods**

Revenue is recognised upon delivery of goods and customers' acceptance, and the Group has a present right to payment for goods sold. Revenue is measured based on the consideration specified in a contract with customer and where applicable, net of GST, expected returns, cash and trade discounts.

**ii. Rendering of Services**

Revenue is recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for, the services.

**iii. Property Development Activities**

Revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract.

When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.24 REVENUE AND OTHER INCOME (CONT'D)

##### (b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

##### (c) Dividend income

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

##### (d) Rental income

Rental income is accounted for on a straight-line method over the lease term.

### 5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000
Unquoted shares, at cost		
- in Malaysia	221,294	221,294
- outside Malaysia	3,100	4
	<b>224,394</b>	221,298

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		31.3.2017 %	31.3.2016 %	
<b>Subsidiaries of the Company</b>				
Pembinaan Juwasan Sdn. Bhd.	Malaysia	100	100	Investment holding
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 and investment holding



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		31.3.2017 %	31.3.2016 %	
<b>Subsidiaries of the Company (Cont'd)</b>				
Matrix Concepts Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Seventech Sdn. Bhd.	Malaysia	100	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	100	100	Property development
BSS Development Sdn. Bhd.	Malaysia	100	100	Property development
MCHB Properties Sdn. Bhd.	Malaysia	100	100	Property investment and investment holding
Insani Utama Sdn. Bhd.	Malaysia	100	100	Dormant
Matrix IBS Sdn. Bhd.	Malaysia	100	100	Dormant
Matrix Property Services Sdn. Bhd.	Malaysia	100	100	Property management services
Matrix Healthcare Sdn. Bhd.	Malaysia	100	100	Dormant
Matrix Concepts (Australia) Pty Ltd <sup>@</sup>	Australia	100	100	Property development
<b>Subsidiaries of Pembinaan Juwasan Sdn. Bhd.</b>				
Matrix Excelcon Sdn. Bhd.	Malaysia	100	100	General contractors
Matrix Excelbuilder Sdn. Bhd. (Formerly known as Juwasan Trading Sdn. Bhd.)	Malaysia	100	100	Dormant
<b>Subsidiary of Masuda Corporation Sdn. Bhd.</b>				
MCHB Management Services Sdn. Bhd.	Malaysia	100	100	Project management and administrative services
<b>Subsidiaries of Matrix Concepts Sdn. Bhd.</b>				
Matrix Country Club Sdn. Bhd.	Malaysia	100	100	Clubhouse operator
Matrix Hotels Management Sdn. Bhd.	Malaysia	100	100	Hotel management and hospitality services

<sup>@</sup> This subsidiary was audited by other firm of chartered accountant.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2016 RM'000	ADDITIONS RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	DISPOSAL/ WRITE OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2017 RM'000
<b>NET BOOK VALUE</b>						
Freehold land	1,257	-	-	-	-	1,257
Buildings	195,914	688	-	-	(4,848)	191,754
Leasehold land and buildings	142	-	-	-	(2)	140
Office equipment, furniture and fittings	9,419	6,631	7	(79)	(2,402)	13,576
Plant and machinery	680	78	-	-	(131)	627
Motor vehicles	5,007	2,793	-	(430)	(1,553)	5,817
Building in progress	5,694	15,911	-	-	-	21,605
Total	218,113	26,101	7	(509)	(8,936)	234,776

THE GROUP	AT 1.1.2015 RM'000	ADDITIONS RM'000	RECLASSIFICATION RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2016 RM'000
<b>NET BOOK VALUE</b>						
Freehold land	1,257	-	-	-	-	1,257
Buildings	38,303	20,703	142,913	-	(6,005)	195,914
Leasehold land and buildings	144	-	-	-	(2)	142
Office equipment, furniture and fittings	3,063	8,398	-	-	(2,042)	9,419
Plant and machinery	839	3	-	-	(162)	680
Motor vehicles	3,993	5,445	-	(2,811)	(1,620)	5,007
Building in progress	142,913	5,694	(142,913)	-	-	5,694
Total	190,512	40,243	-	(2,811)	(9,831)	218,113



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>31.3.2017</b>			
Freehold land	1,257	-	1,257
Buildings	203,481	(11,727)	191,754
Leasehold land and buildings	173	(33)	140
Office equipment, furniture and fittings	19,641	(6,065)	13,576
Plant and machinery	1,570	(943)	627
Motor vehicles	13,485	(7,668)	5,817
Building in progress	21,605	-	21,605
Total	261,212	(26,436)	234,776

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>31.3.2016</b>			
Freehold land	1,257	-	1,257
Buildings	202,793	(6,879)	195,914
Leasehold land and buildings	173	(31)	142
Office equipment, furniture and fittings	13,107	(3,688)	9,419
Plant and machinery	1,492	(812)	680
Motor vehicles	11,226	(6,219)	5,007
Building in progress	5,694	-	5,694
Total	235,742	(17,629)	218,113

Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a total net book value of RM1,630,000 (31.3.2016 – RM136,000), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

The carrying amount of property of the Group that are charged to licensed bank amounted to RM141,281,000 (31.3.2016 – RM3,743,000) to secure credit facilities granted to the Group (Note 20).

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 7. INVESTMENT PROPERTIES

THE GROUP NET BOOK VALUE	At 1.4.2016 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	At 31.3.2017 RM'000
Houses	1,000	(56)	(25)	919

THE GROUP NET BOOK VALUE	At 1.1.2015 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	At 31.3.2016 RM'000
Houses	1,092	(59)	(33)	1,000

THE GROUP 31.3.2017	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
Houses	1,250	(331)	919

THE GROUP 31.3.2016	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
Houses	1,325	(325)	1,000

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM2,400,000 (31.3.2016 - RM2,400,000).

### 8. GOODWILL

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Goodwill arising from consolidation	18	18
Accumulated impairment losses	(18)	(18)
At 31.3.2017/31.3.2016	*	*

\* - Less than RM1,000



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 9. INVENTORIES

	Note	THE GROUP	
		31.3.2017 RM'000	31.3.2016 RM'000 (Restated)
<b>Non-current</b>			
Property development costs	9(a)	760,775	665,611
<b>Current</b>			
Property development costs	9(b)	153,261	146,091
Unsold properties	9(c)	10,333	5,985
Operating supplies	9(d)	187	228
		<b>163,781</b>	<b>152,304</b>

Certain development properties have been pledged to secure term loans as disclosed in Note 20 to the financial statements.

Included in the development costs are interest capitalised during the year of RM11,183,000 (31.3.2016 - RM5,167,000).

(a) Property development costs (non-current)

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000 (Restated)
<b>Land, at cost</b>		
At beginning of the year/period	533,686	465,033
Costs incurred during the year/period	50,585	115,657
Transfer to property development costs (current)	(6,203)	(47,004)
Disposal during the year/period	(5,330)	-
At the end of the year/period	572,738	533,686
<b>Development costs</b>		
At beginning of the year/period	131,925	76,386
Costs incurred during the year/period	78,411	103,333
Transfer to property development costs (current)	(21,907)	(47,794)
Disposal during the year/period	(392)	-
At the end of the year/period	188,037	131,925
<b>Cumulative cost/Carrying amount</b>	<b>760,775</b>	<b>665,611</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 9. INVENTORIES (CONT'D)

(b) Property development costs (current)

	<b>THE GROUP</b>	
	<b>31.3.2017</b> <b>RM'000</b>	<b>31.3.2016</b> <b>RM'000</b> <b>(Restated)</b>
<b>Land, at cost</b>		
At beginning of the year/period	<b>83,865</b>	56,875
Costs incurred during the year/period	<b>9,875</b>	20,900
Transfer from property development costs (Non-current)	<b>6,203</b>	47,004
Reversal of completed project	<b>(17,436)</b>	(40,914)
Effect of movement in exchange rate	<b>2,551</b>	-
At the end of the year/period	<b>85,058</b>	83,865
<b>Development costs</b>		
At beginning of the year/period	<b>416,648</b>	443,068
Costs incurred during the year/period	<b>309,396</b>	252,914
Transfer from property development costs (Non-current)	<b>21,907</b>	47,794
Reversal of completed project	<b>(298,611)</b>	(327,128)
Effect of movement in exchange rate	<b>330</b>	-
At the end of the year/period	<b>449,670</b>	416,648
<b>Cumulative cost</b>	<b>534,728</b>	500,513
<b>Cumulative cost recognised in profit or loss</b>		
At beginning of the year/period	<b>(354,422)</b>	(322,974)
Recognised during the year/period	<b>(334,102)</b>	(394,635)
Unsold completed unit transfer to inventories	<b>(8,990)</b>	(4,855)
Reversal of completed project	<b>316,047</b>	368,042
At the end of the year/period	<b>(381,467)</b>	(354,422)
<b>Carrying amount</b>	<b>153,261</b>	146,091



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 9. INVENTORIES (CONT'D)

(c) Unsold properties

	<b>THE GROUP</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
At cost:-		
Unsold completed development properties	<b>10,333</b>	5,985

(d) Operating supplies

As at the end of the reporting year, all operating supplies for the Group are stated at cost.

### 10. DEFERRED TAX (ASSETS)/LIABILITIES

	<b>At 1.4.2016</b>	<b>Recognised in Profit or Loss (Note 29)</b>	<b>At 31.3.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Group</b>			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	275	493	<b>768</b>
<i>Deferred Tax Assets</i>			
Unabsorbed business losses	(32)	-	<b>(32)</b>
Unutilised capital allowances	(148)	(93)	<b>(241)</b>
Provisions	(1,067)	1,067	-
Unrealised profits	(5,415)	(5,214)	<b>(10,629)</b>
	<b>(6,662)</b>	<b>(4,240)</b>	<b>(10,902)</b>
	<b>(6,387)</b>	<b>(3,747)</b>	<b>(10,134)</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 10. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	At 1.1.2015 RM'000	Recognised in Profit or Loss (Note 29) RM'000	At 31.3.2016 RM'000
<b>The Group</b>			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	645	(370)	275
<i>Deferred Tax Assets</i>			
Unabsorbed business losses	-	(32)	(32)
Unutilised capital allowances	-	(148)	(148)
Provisions	(272)	(795)	(1,067)
Unrealised profits	(6,883)	1,468	(5,415)
	(7,155)	493	(6,662)
	(6,510)	123	(6,387)

### 11. TRADE RECEIVABLES AND CONTRACT ASSETS

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Trade receivables	131,084	93,911
Contract assets in relation to property development (Note 12)	121,474	71,924
	252,558	165,835
Less: Allowance for impairment losses	(417)	-
	252,141	165,835
Allowance for impairment losses:		
At 1.4.2016/1.1.2015	-	-
Addition during the financial year	417	-
At 31.3.2017/31.3.2016	417	-

(a) The credit terms of the Group range from 14 to 60 (31.3.2016 - 14 to 60) days.

(b) Other credit terms are assessed and approved on a case-by-case basis.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 12. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2017 and 31 March 2016 were not impacted by significant changes in contract terms.

	<b>THE GROUP</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Net carrying amount of contract assets and liabilities is analysed as follows:-		
At 1.4.2016/1.1.2015		
- contract assets	<b>71,924</b>	84,364
- contract liabilities	<b>(13,333)</b>	(82,697)
Property development revenue recognised on performance obligation during the financial year/period	<b>748,811</b>	889,565
Less: Billings during the financial year/period	<b>(726,043)</b>	(832,641)
At 31.3.2017/31.3.2016	<b>81,359</b>	58,591
At 31.3.2017/31.3.2016		
- contract assets (Note 11)	<b>121,474</b>	71,924
- contract liabilities (Note 22)	<b>(40,115)</b>	(13,333)
	<b>81,359</b>	58,591

- (a) Contract assets represent the Group's rights to consideration for property development activities carried out but not billed at the end of the reporting period. This balance will be billed progressively in the future upon the fulfillment of contractual milestones notwithstanding the control of the properties under construction has not been transferred to house buyers.
- (b) Contract liabilities represent the excess of progress billings to house buyers over revenue recognised in profit or loss at the end of the reporting period.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Other receivables	4,901	8,185	23	30
Deposits	4,260	3,731	1	1
Goods and services tax refundable	1,236	1,962	-	-
Prepayment	4,280	546	-	-
	<b>14,677</b>	<b>14,424</b>	<b>24</b>	<b>31</b>

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

	THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000
		(Restated)
<b>Non-current</b>		
Amount owing by:-		
Non-trade balances	<b>180,596</b>	155,292
<b>Current</b>		
Amount owing by:-		
Non-trade balances	<b>419,152</b>	346,400
Amount owing to:-		
Non-trade balances	<b>(13,890)</b>	(760)

The non-trade balances bear an interest of 5% per annum (31.3.2016 – 5% per annum). The amounts owing have no fixed terms of repayment.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 15. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.60% to 3.43% (31.3.2016 – 2.60% to 3.43%) per annum and 2.80% to 3.43% (31.3.2016 – 3.15% to 3.43%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (31.3.2016 – 30 to 365) days and 30 to 365 (31.3.2016 – 30 to 365) days for the Group and the Company respectively.
- (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 RM9,389,000 (31.3.2016 – RM5,691,000) and RM2,903,000 (31.3.2016 – RM2,870,000) which has been pledged to licensed banks as security for banking facilities granted to the Group.

### 16. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM44,927,000 (31.3.2016 – RM15,530,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

### 17. SHARE CAPITAL

The movements in the paid-up share capital of the Company are as follows:-

	THE GROUP/THE COMPANY			
	31.3.2017 Number of shares ('000)	31.3.2016	31.3.2017 RM'000	31.3.2016 RM'000
ISSUED AND FULLY PAID-UP				
At 1.4.2016/1.1.2015	563,957	457,084	563,957	457,084
New shares issued:				
- bonus shares	-	77,325	-	77,325
- ESOS exercised	4,906	9,461	7,863	9,461
- warrant conversion	5,302	20,087	5,302	20,087
At 31.3.2017/31.3.2016	574,165	563,957	577,122	563,957

- (i) 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.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 17. SHARE CAPITAL (CONT'D)

#### EMPLOYEES' 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.
- (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 acquired 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.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 17. 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 RM	Balance at 1 April 2016	←-----During the year-----→			Balance at 31 March 2017
				Granted	Exercised	Lapsed	
6.5.2013	1.7.2013 – 2.1.2015	1.23	563,803	-	(202,238)	(45,611)	315,954
29.1.2014	7.2.2014 – 1.1.2016	1.83	4,016,271	-	(1,746,051)	(320,234)	1,949,986
9.12.2014	1.1.2015 – 1.1.2017	2.08	7,466,122	-	(2,262,677)	(516,717)	4,686,728
19.10.2016	19.10.2016 – 27.5.2018	2.34	-	23,859,250	(694,875)	(454,000)	22,710,375
			12,046,196	23,859,250	(4,905,841)	(1,336,562)	29,663,043

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

During the financial year, the Company has granted 23,859,250 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 March 2017

### 18. OTHER RESERVES

	THE GROUP		THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Non-distributable:-				
Employee share option reserve (a)	12,574	4,657	12,574	4,657
Share premium (b)	43,405	31,944	43,405	31,944
Translation reserves (c)	2,326	(156)	-	-
	<b>58,305</b>	<b>36,445</b>	<b>55,979</b>	<b>36,601</b>

#### (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			
	19.10.2016	9.12.2014	29.1.2014	6.5.2013
Fair value of share options at the grant date (RM)	0.42	0.52	0.78	0.43
Weighted average share price (RM)	2.62	2.36	3.57	2.57
Exercise price (RM)	2.34	2.46	3.26	2.20
Expected volatility (%)	25.87	43.73	29.10	20.49
Expected life (years)	1.61	3.43	4.32	5.00
Risk free rate (%)	3.33	3.98	3.96	3.41
Expected dividend yield (%)	5.44	8.59	6.53	-



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 18. 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	
	31.3.2017 RM'000	31.3.2016 RM'000
At 1.4.2016/1.1.2015	31,944	1,218
New shares issued under the employee share option scheme	4,040	13,436
Bonus issues of new shares	-	(10,835)
Warrant conversion	7,421	28,125
At 31.3.2017/31.3.2016	43,405	31,944

Pursuant to Companies Act 2016, the Group and the Company may, within 24 months upon the commencement of Companies Act 2016, use the amount standing to the credit of its share premium account for specific purposes set out in the transitional provisions of Companies Act 2016. Thereafter, any unutilised credit balance in the share premium account shall be transferred and credited to share capital.

#### (c) FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary.

### 19. LONG-TERM BORROWINGS

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Term loans (Note 20)	180,099	107,669
Hire purchase payables (Note 21)	1,166	-
	181,265	107,669

**Notes to the Financial Statements***For the Financial Year Ended 31 March 2017***20. TERM LOANS (SECURED)**

	<b>THE GROUP</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans	<b>228,638</b>	141,834
Less: Portion repayable within twelve months (Note 25)	<b>(48,539)</b>	(34,165)
Portion repayable after twelve months (Note 19)	<b>180,099</b>	107,669
<u>Current portion</u>		
Not later than 1 year	<b>48,539</b>	34,165
<u>Non-current portion</u>		
Later than 1 year and not later than 2 years	<b>28,996</b>	29,087
Later than 2 years and not later than 5 years	<b>111,699</b>	56,320
Later than 5 years	<b>39,404</b>	22,262
Total non-current portion	<b>180,099</b>	107,669
	<b>228,638</b>	141,834

The bank term loans are repayable over 15 to 84 (31.3.2016 – 60 to 84) monthly installments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 24 to the financial statements.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 21. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Minimum hire purchase payments:-		
- not later than 1 year	363	30
- later than 1 year and not later than 5 years	1,286	-
	1,649	30
Less: Future finance charges	(167)	(3)
Present value of hire purchase payables	1,482	27
<b>Current (Note 25)</b>		
- not later than 1 year	316	27
<b>Non-current (Note 19)</b>		
- later than 1 year and not later than 5 years	1,166	-
	1,482	27

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase finance leases as disclosed in Note 6 to the financial statements. The hire purchase arrangements are expiring in 5 (31.3.2016 - 4) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 2.08% to 2.51% (31.3.2016 - 2.43%). The interest rates are fixed at the inception of the hire purchase arrangements.

### 22. TRADE PAYABLES AND CONTRACT LIABILITIES

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Trade payables	55,065	51,836
Retention sum	595	591
Contract liabilities in relation to property development (Note 12)	40,115	13,333
Accruals	9,300	-
	105,075	65,760

The normal trade credit terms granted to the Group range from 30 days to 120 days (31.3.2016 - 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

**Notes to the Financial Statements**

For the Financial Year Ended 31 March 2017

**23. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

	THE GROUP		THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
<b>Current</b>				
Other payables	19,538	8,189	4	4
Goods and services tax payables	68	351	-	-
Deposits	13,420	13,797	-	-
Accruals	53,853	52,651	499	754
Dividend payables	20,096	21,148	20,096	21,148
Deferred income	2,250	4,175	-	-
	109,225	100,311	20,599	21,906
<b>Non-Current</b>				
Other payables and accruals	24,546	28,492	-	-
	133,771	128,803	20,599	21,906

The fair value of other payables and accruals of RM30,545,000 (31.3.2016 – RM40,662,000) was estimated by calculating the present value of the future expected cash flows based on a discount rate of 5% (31.3.2016 – 5%).

**24. BANK OVERDRAFTS**

	THE GROUP		THE COMPANY	
	31.3.2017 %	31.3.2016 %	31.3.2017 %	31.3.2016 %
Bank overdrafts	7.48	7.69	8.25	8.35

The bank overdrafts and term loans 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; and
- (vii) A specific debenture over certain charged properties of subsidiaries companies.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 25. SHORT-TERM BORROWINGS

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Revolving credit	-	30,000
Term loans (Note 20)	48,539	34,165
Hire purchase payables (Note 21)	316	27
	<b>48,855</b>	<b>64,192</b>

The weighted average effective interest rates at the reporting year/period for the borrowings, excluding hire purchase payables were as follows:-

	THE GROUP	
	31.3.2017 %	31.3.2016 %
Revolving credit	-	8.60
Term loans	6.58	7.06

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 26. REVENUE

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Contract with customers:-				
- Property development revenue	741,630	887,330	-	-
- Sales of completed properties	7,181	2,235	-	-
- Revenue from hospitality segment	13,017	11,028	-	-
- Revenue from education segment	12,888	11,608	-	-
Dividend income	-	-	130,000	125,000
Others	262	-	-	-
	<b>774,978</b>	912,201	<b>130,000</b>	125,000

### 27. COST OF SALES

Included in cost of sales are the following:-

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Property development costs	296,606	342,668	-	-
Cost of completed properties sold	4,642	965	-	-
Cost of services	20,402	17,975	-	-
Others	208	-	-	-
	<b>321,858</b>	361,608	-	-



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:-				
- audit fees				
- current year/period	531	490	76	73
- under/(over) provision in prior year	28	(6)	8	-
- non-audit fees				
- Crowe Horwath in Malaysia	-	75	-	50
Bad debts written off	174	-	-	-
Depreciation of investment properties	25	33	-	-
Depreciation of property, plant and equipment	8,936	9,831	-	-
Directors' remuneration (Note 34)	27,911	27,134	1,207	587
Equipment written off	3	-	-	-
Impairment loss on trade receivables	417	-	-	-
Interest expenses:				
- finance charges	45	1,394	12	327
- hire purchase interest	30	12	-	-
- overdraft interest	2,181	1,881	212	200
- term loan interest	834	1,897	-	-
- imputed interest	5,253	-	-	-
	8,343	5,184	224	527
Loss on disposal of property, plant and equipment	78	-	-	-
Rental of equipment	809	348	-	-
Rental of land	8	3	-	-
Rental of premises	2,533	1,080	-	-
Staff costs	40,028	64,295	-	-
Staff ESOS expenses	6,290	2,081	-	-

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 28. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Gain on disposal of property, plant and equipment	-	(81)	-	-
Gain on disposal of investment property	(9)	(92)	-	-
Interest income:				
- fixed deposits with licensed banks	(629)	(2,138)	(542)	(2,033)
- imputed interest	-	(6,752)	-	-
- interest from loan to subsidiaries	-	-	(24,130)	(19,634)
- late payment interest	(699)	(848)	-	-
- others	(881)	(643)	-	-
	(2,209)	(10,381)	(24,672)	(21,667)
Rental income	(272)	(384)	-	-
Reversal of provision for company trip in prior year	(4,988)	(1,641)	-	-

Included in staff costs is EPF contribution of RM5,648,000 (31.3.2016 – RM4,962,000) of the Group.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 29. TAXATION

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Current tax expenses:-				
Malaysian Income Tax for the current financial year/ period	<b>76,933</b>	96,052	<b>5,872</b>	5,060
Under/(Over) provision in the previous financial period/year	<b>1,848</b>	(1,288)	<b>64</b>	(65)
	<b>78,781</b>	94,764	<b>5,936</b>	4,995
Deferred tax expenses (Note 10):-				
- origination and reversal of temporary differences	<b>(4,171)</b>	660	-	-
- under/(over) provision in the previous financial period/year	<b>424</b>	(537)	-	-
	<b>(3,747)</b>	123	-	-
	<b>75,034</b>	94,887	<b>5,936</b>	4,995

Subject to agreement with the tax authorities, at the end of the reporting year/period, the unabsorbed tax losses and unutilised capital allowances of the Group are as follows:

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Unabsorbed tax losses	<b>30,468</b>	16,337
Unutilised capital allowances	<b>5,389</b>	2,951
	<b>35,857</b>	19,288

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 29. TAXATION (CONT'D)

No deferred tax assets are recognised in the Group in respect of the following items: -

	THE GROUP	
	31.3.2017 RM'000	31.3.2016 RM'000
Unabsorbed tax losses	30,468	15,722
Unutilised capital allowances	3,057	1,553
Provision	-	5,587
Others	2,168	-
	<b>35,693</b>	22,862

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 is as follows:-

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
Profit before taxation	260,312	355,737	152,413	143,577
Tax at the applicable corporate tax rate of 24% (31.3.2016 - 24%)	62,475	85,377	36,579	34,458
Tax effects of:-				
Non-deductible expenses	6,975	8,061	311	205
Non-taxable income	(383)	(1,248)	(31,018)	(29,603)
Deferred tax assets not recognised during the financial year/period	3,695	4,539	-	-
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	-	(17)	-	-
Under/(Over) provision of Malaysian Income Tax in the previous financial period/year	1,848	(1,288)	64	(65)
Under/(Over) provision of deferred tax in the previous financial period/year	424	(537)	-	-
Tax charge for the financial year/period	<b>75,034</b>	94,887	<b>5,936</b>	4,995



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 30. 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 year/period under review.

	<b>THE GROUP</b>	
	<b>1.4.2016 to 31.3.2017</b>	<b>1.1.2015 to 31.3.2016</b>
Profit attributable to owners of the Company (RM'000)	<b>185,278</b>	260,850
Weighted average number of ordinary shares ('000)	<b>568,799</b>	545,863
Basic earnings per share (Sen)	<b>32.6</b>	47.8

#### (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 and warrants issued, adjusted for the number of such shares that would have been issued at fair value during the year under review.

	<b>THE GROUP</b>	
	<b>1.4.2016 to 31.3.2017</b>	<b>1.1.2015 to 31.3.2016</b>
Profit attributable to owners of the Company (RM'000)	<b>185,278</b>	260,850
Weighted average number of ordinary shares for basic earnings per share ('000)	<b>568,799</b>	545,863
Effect of potential exercise of ESOS ('000)	<b>2,213</b>	2,490
Effect of potential exercise of warrants ('000)	<b>2,127</b>	1,549
Weighted average number of ordinary share for diluted earnings per share computation ('000)	<b>573,139</b>	549,902
Diluted earnings per share (Sen)	<b>32.3</b>	47.4

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 31. DIVIDENDS

	THE COMPANY	
	14.2016 to 31.3.2017 RM'000	11.2015 to 31.3.2016 RM'000
<b>In respect of the financial year ended 31 December 2014:-</b>		
- 4 <sup>th</sup> interim single tier dividend of 5.25 sen per ordinary share, paid on 9 April 2015	-	24,226
- Special interim dividend of 1.25 sen per ordinary share, paid on 9 April 2015	-	5,768
<b>In respect of the financial period ended 31 March 2016:-</b>		
- 1 <sup>st</sup> interim single tier dividend of 4.25 sen per ordinary share, paid on 9 July 2015	-	19,711
- 2 <sup>nd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 9 October 2015	-	19,261
- 3 <sup>rd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 8 January 2016	-	19,268
- 4 <sup>th</sup> interim single tier dividend of 3.75 sen per ordinary share, paid on 8 April 2016	-	21,148
- 5 <sup>th</sup> interim single tier dividend of 4.40 sen per ordinary share, paid on 1 July 2016	<b>24,873</b>	-
<b>In respect of the financial year ended 31 March 2017:-</b>		
- 1 <sup>st</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 6 October 2016	<b>18,550</b>	-
- 2 <sup>nd</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 12 January 2017	<b>18,595</b>	-
- 3 <sup>rd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 12 April 2017	<b>20,095</b>	-
	<b>82,113</b>	109,382

Subsequent to the end of financial year, the directors, on 16 May 2017 declared a fourth interim single tier dividend of 3.75 sen per ordinary share amounting to RM21,786,979 in respect of the current financial year, paid on 20 June 2017 to shareholders whose names appeared in the record of depositors on 6 June 2017.

### 32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP	
	14.2016 to 31.3.2017	11.2015 to 31.3.2016
Cost of property, plant and equipment purchased (Note 6)	<b>26,101</b>	40,243
Amount financed through hire purchase	<b>(1,552)</b>	-
Cash disbursed for purchase of property, plant and equipment	<b>24,549</b>	40,243



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 33. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Fixed deposits with licensed banks	29,836	44,786	22,913	34,241
Cash and bank balances	87,471	33,074	22,156	456
Bank overdrafts (Note 24)	(44,052)	(32,558)	(3,248)	(1,502)
	73,255	45,302	41,821	33,195
Less: Fixed deposits pledged to licensed banks	(9,389)	(5,691)	(2,903)	(2,870)
	63,866	39,611	38,918	30,325

### 34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

(a) The key management personnel compensation during the financial year/period are as follows:-

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>Directors</b>				
<i>Directors of the Company</i>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	13,619	16,471	-	-
Post-employment benefits	2,042	2,474	-	-
ESOS expense	1,335	346	-	-
	16,996	19,291	-	-
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	1,709	1,665	349	315
- other benefits	68	72	68	72
	1,777	1,737	417	387
ESOS expense	1,772	373	790	200
	3,549	2,110	1,207	587
	20,545	21,401	1,207	587

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 34. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(a) The key management personnel compensation during the financial year/period are as follows (Cont'd):-

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>Directors (Cont'd)</b>				
Directors of the subsidiaries				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	715	1,134	-	-
- salaries, bonuses and other benefits	4,787	3,672	-	-
	5,502	4,806	-	-
Post-employment benefits	640	533	-	-
ESOS expense	1,224	394	-	-
	7,366	5,733	-	-
Total directors' remuneration (Note 28)	27,911	27,134	1,207	587

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM144,000 and RM3,000 (31.3.2016 – RM490,000 and RM177,000) respectively.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 34. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	THE GROUP	
	1.4.2016 to 31.3.2017	1.1.2015 to 31.3.2016
	Number of Directors	
<b>Executive Directors:-</b>		
RM1,850,001 – RM1,900,000	-	1
RM8,050,001 – RM8,100,000	-	1
RM8,300,001 – RM8,350,000	1	-
RM8,800,001 – RM8,850,000	1	-
RM9,300,001 – RM9,350,000	-	1
	<b>2</b>	<b>3</b>
<b>Non-executive Directors:-</b>		
RM1 – RM50,000	-	2
RM50,001 – RM100,000	-	1
RM100,001 – RM150,000	-	2
RM150,001 – RM200,000	2	-
RM200,001 – RM250,000	-	1
RM250,001 – RM300,000	3	-
RM450,001 – RM500,000	1	-
RM1,500,001 – RM1,550,000	-	1
RM1,900,001 – RM1,950,000	1	-
	<b>7</b>	<b>7</b>

### 35. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 35. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	THE GROUP		THE COMPANY	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>Subsidiaries</b>				
Dividend income	-	-	(130,000)	(125,000)
Interest income	-	-	(24,588)	(19,634)
Interest expenses	-	-	458	308
<b>Persons connected to directors of the Company</b>				
Rental paid	8	93	-	-
Sales of development properties	(27,129)	(17,598)	-	-
<b>Persons connected to directors of the subsidiary company</b>				
Rental paid	28	42	-	-
<b>Corporations connected to directors of the Company and of certain subsidiary companies</b>				
Development management and sales and marketing services	558	372	-	-
Lead architect and architectural consultancy services	150	540	-	-
Purchases of building materials and sub-contract charges	48,181	55,073	-	-
Rental paid	60	75	-	-
Supply of light fittings and accessories	90	-	-	-
<b>Director</b>				
Sale of motor vehicle	-	(110)	-	-



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable 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) Hospitality – involves in managing and operating a clubhouse and hotel
- (d) Others – involves in property management services

#### BUSINESS SEGMENTS

	Property Development RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>31.3.2017</b>					
Revenue					
External revenue	748,811	12,888	13,017	262	774,978
Inter-segment revenue	526,706	615	1,129	-	528,450
	<b>1,275,517</b>	<b>13,503</b>	<b>14,146</b>	<b>262</b>	<b>1,303,428</b>
Adjustments and eliminations					(528,450)
Consolidated revenue					<b>774,978</b>
<b>Results</b>					
Segment results	297,429	(9,468)	(1,894)	(64)	286,003
Interest income	2,192	-	17	-	2,209
	<b>299,621</b>	<b>(9,468)</b>	<b>(1,877)</b>	<b>(64)</b>	<b>288,212</b>
Depreciation	(2,238)	(4,624)	(2,074)	-	(8,936)
Finance costs	(8,325)	-	(18)	-	(8,343)
Share options to employees	(9,458)	(647)	(479)	(37)	(10,621)
Profit before taxation	279,600	(14,739)	(4,448)	(101)	260,312
Income tax expense	(74,568)	-	(466)	-	(75,034)
Consolidated profit after taxation	<b>205,032</b>	<b>(14,739)</b>	<b>(4,914)</b>	<b>(101)</b>	<b>185,278</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 36. OPERATING SEGMENTS (CONT'D)

#### BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Education RM'000	Hospitality RM'000	Group RM'000
<b>31.3.2016</b>				
Revenue				
External revenue	889,565	11,608	11,028	912,201
Inter-segment revenue	433,402	-	-	433,402
	1,322,967	11,608	11,028	1,345,603
Adjustments and eliminations				(433,402)
Consolidated revenue				912,201
<b>Results</b>				
Segment results	372,792	(7,927)	(1,300)	363,565
Interest income	10,381	-	-	10,381
	383,173	(7,927)	(1,300)	373,946
Depreciation	(2,426)	(5,007)	(2,398)	(9,831)
Finance costs	(5,156)	-	(28)	(5,184)
Share options to employees	(3,194)	-	-	(3,194)
Profit before taxation	372,397	(12,934)	(3,726)	355,737
Income tax expense	(94,887)	-	-	(94,887)
Consolidated profit after taxation	277,510	(12,934)	(3,726)	260,850



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 36. OPERATING SEGMENTS (CONT'D)

#### BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>31.3.2017</b>					
<b>Assets</b>					
Segment assets	1,320,356	150,816	73,009	195	1,544,376
Unallocated assets	10,902	-	-	-	10,902
Consolidated total assets					<u>1,555,278</u>
<b>Liabilities</b>					
Segment liabilities	503,097	8,598	1,203	120	513,018
Unallocated liabilities	19,663	-	(1,362)	-	18,301
Consolidated total liabilities					<u>531,319</u>
<b>Other Segment Items</b>					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	4,962	5,037	16,102	-	26,101
	Property Development RM'000	Education RM'000	Hospitality RM'000		Group RM'000
<b>31.3.2016</b>					
<b>Assets</b>					
Segment assets		1,073,121	149,783	72,243	1,295,147
Unallocated assets		6,662	-	-	6,662
Consolidated total assets					<u>1,301,809</u>
<b>Liabilities</b>					
Segment liabilities		388,037	6,527	4,418	398,982
Unallocated liabilities		17,633	-	-	17,633
Consolidated total liabilities					<u>416,615</u>
<b>Other Segment Items</b>					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment		6,451	3,402	30,390	40,243

**Notes to the Financial Statements***For the Financial Year Ended 31 March 2017***36. OPERATING SEGMENTS (CONT'D)**

## MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

**37. CAPITAL COMMITMENTS**

	<b>THE GROUP</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Contracted but not provided for:-		
- Land held for property development	<b>23,224</b>	63,409

**38. CONTINGENT LIABILITIES**

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	<b>THE COMPANY</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unsecured</b>		
Corporate guarantee given to licensed banks and third parties for credit facilities granted to subsidiaries	<b>301,923</b>	218,894



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. 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.

#### 39.1 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 is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily Australian Dollar ("AUD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

	Australian Dollar RM'000
<b>THE GROUP</b>	
31.3.2017	
<b>Financial Assets</b>	
<b>Loans and Receivables Financial Assets</b>	
Other receivables and deposits	406
Fixed deposits with licensed bank	437
Cash and bank balances	6,965
	7,808
<b>Financial Liabilities</b>	
<b>Other Financial Liabilities</b>	
Trade payables and contract liabilities	3,625
Other payables, deposits and accruals	53
Term loans	19,543
	23,221
Net financial liabilities / Currency exposure	(15,413)

**Notes to the Financial Statements***For the Financial Year Ended 31 March 2017***39. FINANCIAL INSTRUMENTS (CONT'D)****39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

<b>THE GROUP</b>	<b>Australian Dollar RM'000</b>
31.3.2016	
<b>Financial Assets</b>	
<i>Loans and Receivables Financial Assets</i>	
Other receivables and deposits	114
Fixed deposits with licensed bank	7,723
Cash and bank balances	2,504
	<b>10,341</b>
<b>Financial Liabilities</b>	
<i>Other Financial Liabilities</i>	
Term loans	10,867
Net financial liabilities / Currency exposure	<b>(526)</b>



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

###### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>Effects on Profit After Taxation</b>		
AUD/RM – strengthened by 13% (31.3.2016 – 4%)	-1,520	-18
– weakened by 13% (31.3.2016 – 4%)	+1,520	+18

###### (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 long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 20, 21 and 24 to the financial statements.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

##### *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	
	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000	1.4.2016 to 31.3.2017 RM'000	1.1.2015 to 31.3.2016 RM'000
<b>Effects on Profit After Taxation</b>				
Increase of 25 basis points (31.3.2016 : 25 basis points)	-283	-178	+28	+117
Decrease of 25 basis points (31.3.2016 : 25 basis points)	+283	+178	-28	-117

##### (iii) Equity Price Risk

The Group does not have any quoted investment and hence, is not exposed to equity price risk.

##### (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 cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.



**39. FINANCIAL INSTRUMENTS (CONT'D)**

**39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(b) Credit Risk (Cont'd)**

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

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 (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(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

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Ageing Analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

<b>THE GROUP</b>	<b>Gross Amount RM'000</b>	<b>Individual Impairment RM'000</b>	<b>Collective Impairment RM'000</b>	<b>Carrying Amount RM'000</b>
31.3.2017				
Not past due	74,467	-	-	74,467
Past due:-				
- less than 1 month	16,984	-	-	16,984
- 1 to 2 months	5,316	-	-	5,316
- more than 2 months	34,317	(417)	-	33,900
	56,617	(417)	-	56,200
	131,084	(417)	-	130,667

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Ageing Analysis (Cont'd)

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows (Cont'd):-

<b>THE GROUP</b>	<b>Gross Amount RM'000</b>	<b>Individual Impairment RM'000</b>	<b>Collective Impairment RM'000</b>	<b>Carrying Amount RM'000</b>
31.3.2016				
Not past due	56,958	-	-	56,958
Past due:-				
- less than 1 month	8,376	-	-	8,376
- 1 to 2 months	6,502	-	-	6,502
- more than 2 months	22,075	-	-	22,075
	36,953	-	-	36,953
	93,911	-	-	93,911

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies/individuals with good collection track record and no recent history of default.

##### (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 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

###### Maturity Analysis

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	CONTRACTUAL	CARRYING	CONTRACTUAL	WITHIN		OVER
	INTEREST RATE	AMOUNT	UNDISCOUNTED	1 YEAR	1 – 5 YEARS	5 YEARS
	%	RM'000	CASH FLOWS	RM'000	RM'000	RM'000
			RM'000			
31.3.2017						
Non-derivative Financial Liabilities						
Trade payables and contract liabilities	-	105,075	105,075	105,075	-	-
Other payables, deposits and accruals	5.00	133,703	139,702	109,157	16,370	14,175
Hire purchase payables	2.08 – 2.51	1,482	1,649	363	1,286	-
Term loans	6.52	228,638	267,776	54,896	167,966	44,914
Bank overdrafts	7.48	44,052	44,052	44,052	-	-
		512,950	558,254	313,543	185,622	59,089

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (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) (Cont'd):-

THE GROUP	CONTRACTUAL	CARRYING	CONTRACTUAL	WITHIN		OVER
	INTEREST RATE	AMOUNT	UNDISCOUNTED	1 YEAR	1 - 5 YEARS	5 YEARS
	%	RM'000	CASH FLOWS	RM'000	RM'000	RM'000
			RM'000			
31.3.2016						
Non-derivative Financial Liabilities						
Trade payables and contract liabilities	-	65,760	65,760	65,760	-	-
Other payables, deposits and accruals	5.00	128,452	136,667	100,492	24,000	12,175
Hire purchase payables	2.43	27	30	30	-	-
Term loans	7.06	141,834	168,569	34,864	113,018	20,687
Bank overdrafts	7.69	32,558	32,558	32,558	-	-
Revolving credit	8.60	30,000	30,000	30,000	-	-
		398,631	433,584	263,704	137,018	32,862



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (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) (Cont'd):-

THE COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000
31.3.2017				
Non-derivative Financial Liabilities				
Other payables and accruals	-	20,599	20,599	20,599
Amounts owing to subsidiaries	5.00	13,890	13,890	13,890
Bank overdrafts	8.25	3,248	3,248	3,248
		<b>37,737</b>	<b>37,737</b>	<b>37,737</b>

THE COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000
31.3.2016				
Non-derivative Financial Liabilities				
Other payables and accruals	-	21,906	21,906	21,906
Amounts owing to subsidiaries	5.00	760	760	760
Bank overdrafts	8.35	1,502	1,502	1,502
		<b>24,168</b>	<b>24,168</b>	<b>24,168</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.2 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 its businesses and maximise shareholders 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	<b>THE GROUP</b>	
	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans	<b>228,638</b>	141,834
Hire purchase liabilities	<b>1,482</b>	27
Bank overdrafts	<b>44,052</b>	32,558
Revolving credit	<b>-</b>	30,000
	<b>274,172</b>	204,419
Less: Deposits with licensed banks	<b>29,836</b>	44,786
Less: Cash and bank balances	<b>87,471</b>	33,074
	<b>117,307</b>	77,860
Net debt	<b>156,865</b>	126,559
Total equity	<b>1,023,959</b>	885,194
Debt-to-equity ratio (times)	<b>0.15</b>	0.14

There was no change in the Group's approach to capital management during the financial year.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
<b>Financial Assets</b>				
<b>Loans and Receivables Financial Assets</b>				
Trade receivables and contract assets	252,141	165,835	-	-
Other receivables and deposits	9,161	11,916	24	31
Amount owing by subsidiaries	-	-	599,748	501,692
Fixed deposits with licensed bank	20,447	39,095	20,010	31,371
Cash and bank balances	87,471	33,074	22,156	456
	<b>369,220</b>	<b>249,920</b>	<b>641,938</b>	<b>533,550</b>
<b>Held-to-maturity Financial Assets</b>				
Fixed deposits with licensed bank	9,389	5,691	2,903	2,870
<b>Financial Liabilities</b>				
<b>Other Financial Liabilities</b>				
Trade payables and contract liabilities	105,075	65,760	-	-
Other payables, deposits and accruals	133,703	128,452	20,599	21,906
Amount owing to subsidiaries	-	-	13,890	760
Bank overdrafts	44,052	32,558	3,248	1,502
Hire purchase payables	1,482	27	-	-
Term loans	228,638	141,834	-	-
Revolving credit	-	30,000	-	-
	<b>512,950</b>	<b>398,631</b>	<b>37,737</b>	<b>24,168</b>

**Notes to the Financial Statements**

For the Financial Year Ended 31 March 2017

**39. FINANCIAL INSTRUMENTS (CONT'D)****39.4 FAIR VALUE INFORMATION**

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value of Financial Instruments not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>31.3.2017</b>					
<b>Financial liabilities</b>					
Other payables and accruals	-	30,545	-	30,545	24,546
Term loans	-	228,638	-	228,638	228,638
Hire purchase payables	-	1,482	-	1,482	1,482
<b>31.3.2016</b>					
<b>Financial liabilities</b>					
Other payables and accruals	-	40,662	-	40,662	33,910
Term loans	-	141,834	-	141,834	141,834
Hire purchase payables	-	27	-	27	27

(a) The fair values of level 2 above are for disclosure purposes and have been determined using the following basis:-

- (i) The fair values of term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	31.3.2017 %	31.3.2016 %
Term loans	6.52	7.06
Hire purchase payables	2.08 – 2.51	2.43

- (ii) There has been no transfer from level 2 to level 1 during the financial year.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 40. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Financial Position (Extract):-		
<b>The Group</b>		
Inventories (Non-current)	665,611	459,907
Inventories (Current)	152,304	358,008

*The property development costs were reclassified to non-current as the development activities for these properties are not expected to commence within the next 12 months.*

<b>The Company</b>		
Amount owing by subsidiaries (Non-current)	155,292	-
Amount owing by subsidiaries (Current)	346,400	501,692

*The amount owing by subsidiaries was reclassified to non-current as the amount is not expected to be payable within the next 12 months.*

Consolidated Statements of Profit or Loss and Other Comprehensive Income (Extract):-

<b>The Group</b>		
Cost of sales	361,608	360,296
Finance costs	3,872	5,184

*The finance costs were reclassified to cost of sales as the finance costs were directly attributable to property development activities.*

### 41. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 March 2017, the Company entered into a Memorandum of Understanding ("MOU") with Changhua Christian Hospital ("CCH"), Republic of China (Taiwan) for the proposed establishment of a medical and specialist healthcare service provider in Bandar Sri Sendayan, Negeri Sembilan to be known as Matrix Global Specialist Centre ("MGSC").

The Company and CCH have agreed pursuant to the terms of the MOU, to jointly establish a joint working group for the review, feasibility study, construction and development of MGSC. Under this MOU, both parties shall contribute their own expertise and specialty for the intended establishment of MGSC.

## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 42. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (i) On 13 April 2017, the Company entered into a Joint Venture Agreement cum Shareholders Agreement and Subscription Agreement with Nissin Ex. Co, Ltd (“NECL”) and Nihon House Corporation (“NHC”) to jointly venture into the manufacturing of prefabricated building materials using the technology of Industrialised Building Systems (“IBS”) to be undertaken by the joint venture company, Matrix IBS Sdn. Bhd. (“MIBS”).

The adoption of this new technology is expected to bode well for the future earnings of the Company as the integration of this new construction methodologies with the Group’s in house construction arm using IBS technologies will shorten the construction duration of the properties by up to 30% with better worksite efficiency.

As at 18 May 2017, the shares allotment for the Company, NECL and NHC comprising the initial share capital in MIBS were fully completed in accordance with the Subscription Agreement and accordingly, the Company owns 80%, NECL owns 12% and NHC owns 8% of the equity interests in MIBS.

- (ii) On 22 May 2017, the Company had lodged with the Securities Commission Malaysia to establish the Sukuk Wakalah Programme. The Sukuk Wakalah Programme shall have a tenure of seven (7) years and the first issuance under the programme will be made within sixty (60) business days from the lodgement date. The Sukuk Wakalah Programme will be unrated and is structured based on the Shariah principle of Wakalah Bi Al-Istithmar.

Proceeds raised from the issuance of Sukuk Wakalah under the programme may be utilised by the Company for, amongst others, the following Shariah-compliant purposes:

- (a) to finance future investments;
  - (b) to finance working capital requirements, capital expenditure, and other general corporate purposes; and/or
  - (c) to defray expenses in relation to the Sukuk Wakalah Programme.
- (iii) On 7 June 2017, the Company obtained approval from Bursa Malaysia Securities Berhad to undertake a proposed bonus issue of up to 163,941,084 new ordinary shares in the Company (“Bonus Shares”) on the basis of one (1) Bonus Share for every four (4) existing shares held on the entitlement date to be determined later.



## Notes to the Financial Statements

For the Financial Year Ended 31 March 2017

### 43. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

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	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Total retained profits of the Company and its subsidiaries:				
- realised	442,180	315,532	196,148	131,209
- unrealised	10,134	6,388	-	-
	452,314	321,920	196,148	131,209
Less: Consolidation adjustments	(63,782)	(37,128)	-	-
At 31.3.2017/31.3.2016	388,532	284,792	196,148	131,209

# Additional Information

For the Financial Year Ended 31 March 2017

## Utilisation of Proceeds

There was no new proceeds raised during the financial year ended 31 March 2017. The utilization of proceeds arising from the listing of Matrix on the Main Market of Bursa Malaysia Securities had been fully completed.

## Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the external auditors or their affiliated companies by Matrix for the financial year ended 31 March 2017 as shown below:-

Audit Fees	Non-Audit Fees *
559,000	199,300

\* Non-audit fees comprise taxation services incurred

## Information on Employees' Share Option Scheme

Information on Employees' Share Option Scheme (including adjustments from Bonus Issue) during the financial year ended 31 March 2017 as follows:-

Total No. of Options Vested	Additional Options Offered During the Financial Year	Total No. of Options Exercise/Lapsed	Total No. of Outstanding Unexercised Options
12,046,196	23,859,250	6,242,403	29,663,043

## Information on Warrants 2015/2020

Information on Warrants 2015/2020 during the financial year ended 31 March 2017 as follows:-

Total No. of Warrants Issued	Total No. of Warrants Converted	Total No. of Unconverted Warrants
77,325,585	25,389,042	51,936,543

## 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 March 2017.



## Additional Information

For the Financial Year Ended 31 March 2017

The breakdown of options granted to the Directors and Senior Management for the financial year ended 31 March 2017 as shown below :-

Name of Director	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 (ESOS1/2014)	Aggregate amount and percentage of Options granted/ vested (ESOS2/2014)	Bonus Issue Adjustment	Aggregate amount and percentage of Options granted/ vested (ESOS1/2016)	Aggregate amount of Options exercised	Aggregate amount of Options outstanding
Dato' Haji Mohamad Haslah Bin Mohamad Amin (Non-Independent Non-Executive Chairman)	2,500,000 (0.44%)	200,000 (0.03%)	300,000 (0.05%)	500,000 (0.09%)	258,330 (0.04%)	1,500,000 (0.26%)	849,999 (0.15%)	1,908,331 (0.33%)
Dato' Lee Tian Hock (Group Managing Director)	2,500,000 (0.44%)	200,000 (0.03%)	300,000 (0.05%)	500,000 (0.09%)	233,330 (0.04%)	1,500,000 (0.26%)	615,001 (0.11%)	2,118,329 (0.37%)
Ho Kong Soon (Group Deputy Managing Director)	2,500,000 (0.44%)	200,000 (0.03%)	300,000 (0.05%)	500,000 (0.09%)	308,330 (0.05%)	1,500,000 (0.26%)	1,074,999 (0.19%)	1,733,331 (0.30%)
Rezal Zain Bin Abdul Rashid (Independent Non-Executive Director)	700,002 (0.12%)	100,000 (0.02%)	150,000 (0.03%)	150,002 (0.03%)	142,496 (0.02%)	300,000 (0.05%)	472,499 (0.08%)	369,999 (0.06%)
Dato' Firdaus Muhammad Rom Bin Harun (Independent Non-Executive Director)	650,002 (0.11%)	100,000 (0.02%)	150,000 (0.03%)	150,002 (0.03%)	146,247 (0.03%)	250,000 (0.04%)	471,247 (0.08%)	325,002 (0.06%)
Dato' (Ir.) Batumalai A/L Ramasamy (Independent Non-Executive Director)	650,002 (0.11%)	100,000 (0.02%)	150,000 (0.03%)	150,002 (0.03%)	127,496 (0.02%)	250,000 (0.04%)	457,499 (0.08%)	319,999 (0.06%)
Dato' Hon Choon Kim (Independent Non-Executive Director)	500,000 (0.09%)	NIL	NIL	NIL	NIL	500,000 (0.09%)	100,000 (0.02%)	400,000 (0.07%)
Dato' Hajah Kalsom Binti Khalid (Independent Non-Executive Director)	500,000 (0.09%)	NIL	NIL	NIL	NIL	500,000 (0.09%)	NIL	500,000 (0.09%)
Dato' Logendran A/L K Narayanasamy (Non-Independent Non-Executive Director)	750,000 (0.13%)	NIL	NIL	NIL	NIL	750,000 (0.13%)	NIL	750,000 (0.13%)

**Additional Information***For the Financial Year Ended 31 March 2017*

<b>Name of Senior Management</b>	<b>Maximum amount and percentage of Options allocated</b>	<b>Aggregate amount and percentage of Options granted/ vested (IPO Grant)</b>	<b>Aggregate amount and percentage of Options granted/ vested (ESOS1/2014)</b>	<b>Aggregate amount and percentage of Options granted/ vested (ESOS2/2014)</b>	<b>Bonus Issue Adjustment</b>	<b>Aggregate amount and percentage of Options granted/ vested (ESOS1/2016)</b>	<b>Aggregate amount of Options exercised</b>	<b>Aggregate amount of Options outstanding</b>
Dato' Lim Kiu Hock (Group Business Advisor)	NA	NIL	NIL	NIL	NIL	500,000 (0.09%)	NIL	500,000 (0.09%)
Tan Say Kuan (Chief Financial Officer)	NA	100,000 (0.02%)	200,000 (0.03%)	220,002 (0.04%)	135,663 (0.02%)	375,000 (0.07%)	655,665 (0.11%)	375,000 (0.07%)
Carmen Loo Kah Boon (Head, Group Corporate Secretarial & Governance)	NA	NIL	45,000 (0.01%)	67,501 (0.01%)	28,122 (0.00%)	192,500 (0.03%)	190,623 (0.03%)	142,500 (0.02%)
Th. Hj. Mohamad Nor Bin Abas (Head, Group Human Resource & Administration)	NA	NIL	NIL	40,000 (0.01%)	4,666 (0.00%)	192,500 (0.03%)	44,600 (0.01%)	192,566 (0.03%)
Th. Hj. Mustaza Bin Musa (Head, Authority Cum Community Liaison)	NA	100,000 (0.02%)	180,000 (0.03%)	180,002 (0.03%)	130,997 (0.02%)	262,500 (0.05%)	590,999 (0.10%)	262,500 (0.05%)
Tiong Ting Hap (Executive Director, Construction)	NA	100,000 (0.02%)	200,000 (0.03%)	220,002 (0.04%)	135,663 (0.02%)	375,000 (0.07%)	655,665 (0.11%)	375,000 (0.07%)
Tan Sze Chee (Chief Project Development Officer)	NA	80,000 (0.01%)	160,000 (0.03%)	160,002 (0.03%)	106,663 (0.02%)	375,000 (0.07%)	506,665 (0.09%)	375,000 (0.07%)
Tan Seng Heng (General Manager (Southern))	NA	100,000 (0.02%)	180,000 (0.03%)	180,002 (0.03%)	157,997 (0.03%)	262,500 (0.05%)	617,999 (0.11%)	262,500 (0.05%)
Lim Kok Yee (Chief Sales & Marketing Officer)	NA	NIL	NIL	NIL	NIL	157,500 (0.03%)	NIL	157,500 (0.03%)
How Giok Wah (Corporate Sales Advisor)	NA	100,000 (0.02%)	50,000 (0.01%)	32,002 (0.01%)	72,829 (0.01%)	187,500 (0.03%)	254,831 (0.04%)	187,500 (0.03%)
Felix Lee Eng Boon (Chief Executive Officer, Matrix Global Schools)	NA	NIL	20,000 (0.00%)	75,001 (0.01%)	27,498 (0.00%)	110,000 (0.02%)	NIL	232,499 (0.04%)
Denise Sinclair (Principal, Matrix Global Schools)	NA	NIL	NIL	NIL	NIL	40,000 (0.01%)	NIL	40,000 (0.01%)



# List of Properties

For the Financial Year Ended 31 March 2017

## PROPERTIES OWNED BY OUR GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2017 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse	190,037	5 July 2013

## DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2017 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold / Perpetuity			178,413	11 August 2011
(i)	Lot No. PT 6450-6730, 6733-6751, 6753-6854, 9314-9707, 10919-10985, 10987-11081, 11146-11589 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		242.4	On-going and/or future mixed residential and commercial development		
(ii)	Lot No. PT 7148-7194, 7196-7220 and 7239-7298, Bandar Sri Sendayan, Seremban, Negeri Sembilan		13.2	On-going and/or Future commercial development		
(iii)	Lot No. PT 4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan		18.4	On-going commercial development		
(iv)	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		
(v)	Lot No. PT 6337, 11633 and 12853 Bandar Sri Sendayan, Seremban, Negeri Sembilan		21.0	On-going industrial development		
(vi)	Lot No. PT 6394, 6396, 6409, 11650-11680, 12630, 12678, 12682-12683, 12685 and 12690-12691, Bandar Sri Sendayan, Seremban, Negeri Sembilan		134.9	On-going industrial and commercial development		

## List of Properties

For the Financial Year Ended 31 March 2017

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2017 (RM'000)	Date of acquisition
(vii)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		
(viii)	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		
(ix)	Lot No. PT 10282-10532 and 10564-10672 Bandar Sri Sendayan, Seremban, Negeri Sembilan		45.0	On-going residential development		
2.	Lot No. PT 11691-11814, 11820-12595 Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	101.7	On-going mixed residential and commercial development	48,588	1 August 2012
3.	PT24225-27856, Mukim Labu, Seremban, Negeri Sembilan	Freehold / Perpetuity	294.6	Future mixed residential and commercial development	62,921	31 October 2013
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	61,453	24 December 2013
5.	PTD25635-26918, Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	194.4	Future residential development	94,359	28 November 2013
6.	HS(D) 176671, PT17805, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	54,083	10 April 2014
7.	Geran No. 110843, Lot 16378, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	Future industrial development	85,478	13 February 2015
8.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.76	Future residential development	127,843	4 January 2016
9.	Lot No. PT5400, 5407-5410, 5412-5414, 5416, 5418-5427, 26307, and 26311-26312 Mukim of Labu, Seremban, Negeri Sembilan	Freehold	115.6	Future industrial development	33,147	Between 18 June 2014 and 26 May 2016
10.	15&17 Belsize Avenue and 316&320 Neerim Road, Carnegie VIC 3163	Freehold	0.46	On-going residential development	40,316	1 October 2015



# Analysis of Shareholdings

As At 30 June 2017

Issued Share Capital	: 581,867,047 ordinary shares
Class of Shares	: Ordinary shares
Voting Right	: One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Share Holdings	No. of Shareholders	Share Holdings	%
Less Than 100 shares	335	14,723	0.00
100 To 1,000 shares	853	564,248	0.10
1,001 To 10,000 shares	3,771	16,283,512	2.80
10,001 To 100,000 shares	1,496	42,369,156	7.28
100,001 To Less Than 5% of issued shares	346	362,581,255	62.31
5% and above of issued shares	3	160,054,153	27.51
<b>Total</b>	<b>6,804</b>	<b>581,867,047</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under section 144 of the Companies Act, 2016, ("the Act") the following are the substantial shareholders of Matrix:-

	Name of Substantial Shareholder	No. of Shares			
		Direct	%	Indirect	%
1	Dato' Lee Tian Hock	100,787,093	17.32	<sup>(i)</sup> 133,041,229	22.86
2	Shining Term Sdn Bhd	84,587,486	14.54	-	-
3	Datin Yong Chou Lian	1,875,175	0.32	<sup>(ii)</sup> 89,045,994	15.30
4	Ho Kong Soon	6,616,330	1.14	<sup>(iii)</sup> 23,329,635	4.01

Notes:

<sup>(i)</sup> 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 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(1)(c) of the Act.

a)	Shining Term Sdn Bhd	84,587,486
b)	Ambang Kuasa Sdn Bhd	26,159,348
c)	Magnitude Point Sdn Bhd	15,960,712
d)	Yakin Teladan Sdn Bhd	4,458,508
e)	Datin Yong Chou Lian	1,875,175
<b>Total</b>		<b>133,041,229</b>

<sup>(ii)</sup> Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.

a)	Shining Term Sdn Bhd	84,587,486
b)	Yakin Teladan Sdn Bhd	4,458,508
<b>Total</b>		<b>89,045,994</b>

<sup>(iii)</sup> Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59 (1)(c) of the Act.

a)	Supreme Interest Sdn Bhd	23,084,635
b)	Alice Tan Khiam Chow	245,000
<b>Total</b>		<b>23,329,635</b>

## Analysis Of Shareholdings

As At 30 June 2017

### DIRECTOR'S SHAREHOLDINGS

	Name of Director	No. of Shares			
		Direct	%	Indirect	%
1	Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,312,499	0.23	-	-
2	Dato' Lee Tian Hock	100,787,093	17.32	<sup>(i)</sup> 133,041,229	22.86
3	Dato' Firdaus Muhammad Rom Bin Harun	283,748	0.05	-	-
4	Dato' (Ir.) Batumalai A/L Ramasamy	528,332	0.09	<sup>(iii)</sup> 36,000	0.006
5	Rezal Zain Bin Abdul Rashid	937,498	0.16	-	-
6	Ho Kong Soon	6,616,330	1.14	<sup>(ii)</sup> 23,329,635	4.01
7	Dato' Hon Choon Kim	100,000	0.02	<sup>(iv)</sup> 14,000	0.002
8	Dato' Hajah Kalsom Binti Khalid	100,000	0.02	-	-
9	Dato' Logendran A/L K Narayanasamy	484,750	0.08	-	-

#### Notes:

<sup>(i)</sup> 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 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a)	Shining Term Sdn Bhd	84,587,486
b)	Ambang Kuasa Sdn Bhd	26,159,348
c)	Magnitude Point Sdn Bhd	15,960,712
d)	Yakin Teladan Sdn Bhd	4,458,508
e)	Datin Yong Chou Lian	1,875,175
<b>Total</b>		<b>133,041,229</b>

<sup>(ii)</sup> Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59(11)(c) of the Act.

a)	Supreme Interest Sdn Bhd	23,084,635
b)	Alice Tan Khiam Chow	245,000
<b>Total</b>		<b>23,329,635</b>

<sup>(iii)</sup> Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Dr. Santha A/P Sockalingam	3,500
b)	Dr. Navin Kumar A/L Batumalai	32,500
<b>Total</b>		<b>36,000</b>

<sup>(iv)</sup> Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Datin Lee Siow Kian @ Lee Siow Kian	7,000
b)	Hon Woei Tatt	7,000
<b>Total</b>		<b>14,000</b>



## Analysis Of Shareholdings

As At 30 June 2017

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Tian Hock</i>	75,466,667	12.97
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Shining Term Sdn Bhd</i>	48,000,000	8.25
3.	Shining Term Sdn. Bhd.	36,587,486	6.29
4.	Ambang Kuasa Sdn. Bhd.	26,159,348	4.50
5.	Lee Tian Hock	25,320,426	4.35
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for ALA Bhd.</i>	24,176,442	4.15
7.	Supreme Interest Sdn Bhd	23,084,635	3.97
8.	Magnitude Point Sdn. Bhd.	15,960,712	2.74
9.	Target Venue Sdn. Bhd.	9,959,635	1.71
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	8,126,000	1.40
11.	Fine Approach Sdn. Bhd.	8,000,000	1.37
12.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 12)</i>	6,473,333	1.11
13.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB For Prulink Dana Unggul</i>	5,287,033	0.91
14.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Tian Hock (E-SRB/PDN)</i>	5,000,000	0.86
15.	Ho Kong Soon	4,882,999	0.84
16.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PBTB For Takafulink Dana Ekuiti</i>	4,851,800	0.83
17.	Meridian Effect Sdn. Bhd.	4,792,680	0.82
18.	Yakin Teladan Sdn. Bhd.	4,458,508	0.77
19.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Bank Kerjasama Rakyat (M) Berhad (412803)</i>	4,447,833	0.76
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Am Inv)</i>	4,366,900	0.75
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (F Templeton)</i>	4,310,900	0.74
22.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad - Kenanga Growth Fund</i>	3,440,000	0.59
23.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 14)</i>	3,422,400	0.59
24.	Kumpulan Wang Persaraan (Diperbadankan)	3,413,467	0.59
25.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham</i>	3,276,683	0.56
26.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>RHB Trustees Berhad For Manulife Investment Shariah Progress Fund</i>	3,203,517	0.55
27.	Yong Soi Mee	3,200,000	0.55
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	3,199,933	0.55
29.	Amanah Raya Berhad <i>Kumpulan Wang Bersama Syariah</i>	3,100,067	0.53
30.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd For Affin Hwang Aiman Growth Fund (4207)</i>	2,981,342	0.51
	<b>Total</b>	<b>378,950,746</b>	<b>65.11</b>

# Analysis of Warrant Holdings

As At 30 June 2017

No. of Unconverted Warrants	: 51,935,710 warrants
Exercise Price	: RM2.40 per warrant
Warrants Issued Date	: 21 July 2015
Expiry Date	: 20 July 2020

## DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	Warrant Holdings	%
Less Than 100 warrants	484	19,944	0.04
100 To 1,000 warrants	1,829	891,277	1.71
1,001 To 10,000 warrants	1,011	3,621,273	6.97
10,001 To 100,000 warrants	348	10,650,359	20.51
100,001 To Less Than 5 % of issued warrants	65	23,946,426	46.11
5% and above of issued warrants	4	12,806,431	24.66
Total	3,741	51,935,710	100.00

## DIRECTOR'S WARRANT HOLDINGS

	Name of Director	No. of Warrants			
		Direct	%	Indirect	%
1	Dato' Haji Mohamad Haslah Bin Mohamad Amin	132,500	0.26	-	-
2	Dato' Lee Tian Hock	208,274	0.40	<sup>(i)</sup> 6,802,916	13.10
3	Dato' Firdaus Muhammad Rom Bin Harun	8,333	0.02	-	-
4	Dato' (Ir.) Batumalai A/L Ramasamy	-	-	<sup>(iii)</sup> 3,000	0.006
5	Rezal Zain Bin Abdul Rashid	70,000	0.13	-	-
6	Ho Kong Soon	642,572	1.24	<sup>(ii)</sup> 3,332,805	6.42
7	Dato' Hon Choon Kim	-	-	<sup>(iv)</sup> 2,000	0.004
8	Dato' Hajah Kalsom Binti Khalid	-	-	-	-
9	Dato' Logendran A/L K Narayanasamy	69,250	0.13	-	-



## Analysis Of Warrant Holdings

As At 30 June 2017

### Notes:

(i) Deemed interested by virtue of his direct warrant holdings in Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the warrant holdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a)	Ambang Kuasa Sdn Bhd	3,737,050
b)	Magnitude Point Sdn Bhd	2,280,102
c)	Yakin Teladan Sdn Bhd	517,882
d)	Datin Yong Chou Lian	267,882
<b>Total</b>		<b>6,802,916</b>

(ii) Deemed interested by virtue of his direct warrant holdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the warrant holdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59(11)(c) of the Act.

a)	Supreme Interest Sdn Bhd	3,297,805
b)	Alice Tan Khiam Chow	35,000
<b>Total</b>		<b>3,332,805</b>

(iii) Deemed interested of warrants held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Dr. Santha A/P Sockalingam	500
b)	Dr. Navin Kumar A/L Batumalai	2,500
<b>Total</b>		<b>3,000</b>

(iv) Deemed interested of warrants held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Datin Lee Siow Kian @ Lee Siew Kian	1,000
b)	Hon Woei Tatt	1,000
<b>Total</b>		<b>2,000</b>

## Analysis Of Warrant Holdings

As At 30 June 2017

### THIRTY (30) LARGEST WARRANT HOLDERS

No.	Warrant Holders	No. of Warrants Held	%
1.	Ambang Kuasa Sdn. Bhd.	3,737,050	7.20
2.	Supreme Interest Sdn. Bhd.	3,297,805	6.35
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	3,046,676	5.87
4.	Ho Siew Heng	2,724,900	5.25
5.	Magnitude Point Sdn. Bhd.	2,280,102	4.39
6.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Len Book Learn</i>	1,606,700	3.09
7.	Target Venue Sdn. Bhd.	1,422,805	2.74
8.	Lim Chin Hong	830,200	1.60
9.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Len Book Learn (M66002)</i>	754,800	1.45
10.	Meridian Effect Sdn. Bhd.	684,669	1.32
11.	HLIB Nominees (Tempatan) Sdn. Bhd. <i>Hong Leong Bank Bhd for Wong Tzh Shin</i>	648,800	1.25
12.	Tan Seng	648,600	1.25
13.	Ho Kong Soon	642,572	1.24
14.	Fine Approach Sdn. Bhd.	620,000	1.19
15.	Dan Yoke Pyng	616,500	1.19
16.	P & L Nichi Trade Sdn. Bhd.	600,000	1.16
17.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Yap Koon Teck</i>	560,000	1.08
18.	Ng Tiow Min	560,000	1.08
19.	Low Ying Hoe	531,200	1.02
20.	Yakin Teladan Sdn. Bhd.	517,882	1.00
21.	Lam Ying Choi	500,000	0.96
22.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Chen Mei Fong Mary</i>	483,800	0.93
23.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Foo Sang @ Wong Chin Lim</i>	450,700	0.87
24.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koh Kin Lip</i>	433,333	0.83
25.	Ter Leong Swee	396,000	0.76
26.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Koon Teck (Penang-CL)</i>	370,000	0.71
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ting Siew Pin (CEB)</i>	351,975	0.68
28.	Yong Siew Ngee	308,300	0.59
29.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Pang Chow Wah</i>	303,083	0.58
30.	Lau Feng Mey	300,000	0.58
	<b>Total</b>	<b>30,228,452</b>	<b>58.21</b>



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twentieth Annual General Meeting (20<sup>th</sup> AGM) of Matrix Concepts Holdings Berhad (“MCHB” or “the Company”) will be held at Halia Room, d’Tempat Country Club, PT12653, Jalan Pusat Dagangan Sendayan 1, 71950, Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia on Wednesday, 16 August 2017 at 10.30 a.m. for the transaction of the following business:-

## AGENDA

### AS ORDINARY BUSINESS

1. TO RECEIVE the Audited Financial Statements for the financial year ended 31 March 2017 and the Directors’ and Auditors’ Reports thereon.
2. TO APPROVE the following payments to Directors:-
  - a) Directors’ Fees of RM349,000 for the financial year ended 31 March 2017 (2016: RM315,000). **Ordinary Resolution 1**
  - b) Directors’ Benefits of up to RM400,000 from 31 January 2017 until the next Annual General Meeting of the Company to be held in the year 2018. **Ordinary Resolution 2**
3. TO RE-ELECT the following Directors retiring in accordance with Article 97 & 103 of the Company’s Articles of Association/Constitution:-
  - a) Dato’ Lee Tian Hock (Article 97) **Ordinary Resolution 3**
  - b) Rezal Zain Bin Abdul Rashid (Article 97) **Ordinary Resolution 4**
  - c) Dato’ Firdaus Muhammad Rom Bin Harun (Article 97) **Ordinary Resolution 5**
  - d) Dato’ Logendran A/L K Narayanasamy (Article 103) **Ordinary Resolution 6**
4. TO RE-APPOINT Messrs. Crowe Horwath (Firm No. AF 1018) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

### AS SPECIAL BUSINESS

TO CONSIDER AND IF THOUGHT FIT, to pass the following as Ordinary Resolutions:-

5. **Proposed Bonus Issue of up to RM163,941,084 new ordinary shares in the Company (“MCHB Shares”) (“Bonus Shares”) on the basis of one (1) Bonus Share for every four (4) existing MCHB Shares held on an entitlement date to be determined later (“Proposed Bonus Issue”) **Ordinary Resolution 8****

**“THAT** subject to the approvals of all relevant authorities or parties for the listing and quotation of the Bonus Shares, authority be and is hereby given to the Board of Directors of the Company (“Board”) to capitalise an amount of up to RM163,941,084 from the Company’s share premium and retained profits accounts, and to apply the same for the purposes of issuing up to RM163,941,084 Bonus Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced by the Board on the basis of one (1) Bonus Share for every four (4) existing MCHB Shares held by such shareholders on that date.

## Notice of Annual General Meeting

**THAT** fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner as it may in its absolute discretion deems fit and expedient, and in the best interest of the Company;

**THAT** the Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing MCHB Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment of the Bonus Shares;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue."

### 6. Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016

Ordinary Resolution 9

"**THAT**, subject always to the Companies Act 2016 ("the Act"), the Articles of Association/Constitution of the Company and the approvals of the relevant authorities, the Directors be and hereby empowered pursuant to Section 75 and 76 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 capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing 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".

### 7. Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 10

"**THAT** approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 18 August 2016 and new shareholders' mandate pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.1.4 and 2.1.5 in Part B of the Circular to Shareholders dated 24 July 2017, with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries' for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders.



## Notice of Annual General Meeting

**THAT** the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the 20<sup>th</sup> AGM at which such mandate will lapse, unless by an ordinary resolution passed at an AGM whereby the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier;

**THAT** the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this resolution.”

TO CONSIDER AND IF THOUGHT FIT, to pass the following as Special Resolution:-

**8. Proposed Alteration of the existing Memorandum and Articles of Association in its Entirety and Substituting with a New Constitution of the Company** **Special Resolution**

“**THAT** pursuant to Section 36 of the Companies Act 2016, approval be and is hereby given for the Company to alter the existing Memorandum and Articles of Association in its entirety and simultaneously substituting with a new Constitution of the Company, details as set out in Part C of the Circular to Shareholders dated 24 July 2017 attached herewith **AND THAT** the alteration of the existing Memorandum and Articles of Association and replacement of the same with the new Constitution shall be effective from 1 November 2017 **AND THAT** the Board be and is hereby authorised to sign and execute all documents to give effect to the foregoing with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the foregoing.”

**9. TO TRANSACT** any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

**LOO KAH BOON** (MAICSA 0784630)  
Group Company Secretary  
24 July 2017  
Negeri Sembilan

## Notice of Annual General Meeting

### Notes:

- (i) 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 place. A proxy may, but need not be, a member of the Company. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 20<sup>th</sup> 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.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member of the Company is an exempt nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus account it holds. An exempt authorised nominee with more than one (1) Securities Account must submit a separate instrument of proxy for each securities account.
- (iv) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall 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.
- (v) In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 August 2017 shall be entitled to attend, speak and vote at the 20<sup>th</sup> AGM.

### Explanatory Notes on Item 1, 2(b) and 4 of the Agenda and Special Business.

#### Ordinary Business:

##### 1. Item 1 of the Agenda – Audited Financial Statements

This item 1 of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act 2016 require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda does not require a formal approval from the shareholders. Hence, this Agenda is not put forward for voting.

##### 2. Item 2(b) of the Agenda – Payment of Directors' Benefits

Pursuant to Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, the fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is seeking shareholders' approval for the payment of the Directors' benefits incurred or to be incurred from 31 January 2017 until the next annual general meeting of the Company to be held in the year 2018.

The Directors' benefits payable to the Directors comprise meeting allowances, club memberships and leave passages. If the Proposed Resolution 2 is passed at the 20<sup>th</sup> AGM, the payment of the Directors' benefits will be made by the Company as and when incurred. The Board is of the view that it is fair and equitable for the Directors to be paid as and when incurred, given that the Directors have duly discharged their responsibilities and provided their services to the Company for the said period.

##### 3. Item 4 of the Agenda – Reappointment of Auditors

The Board had approved the recommendation by the Audit Committee on the re-appointment of Messrs. Crowe Horwath (Firm No. AF 1018) as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs. Crowe Horwath has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



## Notice of Annual General Meeting

### Special Business:

#### 4. Proposed Bonus Issue

The proposed Ordinary Resolution 8 is to consider and if deem fit, approve the Proposed Bonus Issue. For further information on the Proposed Bonus Issue, please refer to Part A of the Circular to Shareholders dated 24 July 2017 accompanying the Company's Annual Report 2017.

#### 5. Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 9 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 mandate granted at the Nineteenth Annual General Meeting held on 18 August 2016 and unless revoked or varied at a general meeting, shall expire at the 20<sup>th</sup> AGM 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 of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when such 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.

#### 6. Recurrent Related Party Transactions

The proposed Ordinary Resolution 10 is to seek a renewal of shareholders' mandate and new shareholders' mandate to allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. For further information, please refer to the Part B of the Circular to Shareholders dated 24 July 2017 accompanying the Company's Annual Report 2017.

#### 7. Proposed Alteration of the existing Memorandum and Articles of Association in its Entirety and Substituting with a New Constitution of the Company

The proposed Special Resolution, if passed, will bring the Company's new Constitution in line with the enforcement of the Companies Act 2016 and to enhance administrative efficiency. The proposed new Constitution is set out in Part C of the Circular to Shareholders dated 24 July 2017 accompanying the Company's Annual Report 2017. The enforcement date of the new Company's Constitution shall be 1 November 2017.

# 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 20<sup>th</sup> AGM of Matrix Concepts Holdings Berhad are as follows:-
  - (a) Dato' Lee Tian Hock
  - (b) Rezal Zain Bin Abdul Rashid
  - (c) Dato' Firdaus Muhammad Rom Bin Harun
  - (d) Dato' Logendran A/L K Narayanasamy
2. The profiles of the Directors who are standing for re-election are set out on page 81, 83, 84 and 88 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 218 of this Annual Report.
4. Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016

The shareholders had at the Nineteenth Annual General Meeting held on 18 August 2016, granted the authority 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 20<sup>th</sup> AGM. The Board of Directors intends to seek a renewal of the said authority.

During the validity period of the said authority up to date of the Notice of 20<sup>th</sup> AGM, there was no issuance of new shares by the Board of Directors of the Company. Details of the said authority are further explained in the Explanatory Notes attached with the Notice of 20<sup>th</sup> AGM on page 227 of this Annual Report.





**MATRIX CONCEPTS HOLDINGS BERHAD**  
(Company No.: 414615-U)  
(Incorporated in Malaysia)

# Proxy Form

No. of shares	CDS Account No.

(Before completing this form please refer to the notes below)

\*I/\*We .....  
(Full name in Block Letters)

NRIC /Passport No./Company No. ....

of .....  
(Full address)

Being a member / members of Matrix Concepts Holdings Berhad ("MCHB" 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 Twentieth Annual General Meeting ("20<sup>th</sup> AGM") of MCHB to be held on Wednesday, 16 August 2017 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	Ordinary Resolution	For	Against
1	To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and the Auditors thereon			
2	To approve the payment of Directors' Fees	1		
	To approve the payment of Directors' Benefits	2		
3	i) To re-elect Dato' Lee Tian Hock as Director of the Company	3		
	ii) To re-elect Rezal Zain Bin Abdul Rashid as Director of the Company	4		
	iii) To re-elect Dato' Firdaus Muhammad Rom Bin Harun as Director of the Company	5		
	iv) To re-elect Dato' Logendran A/L K Narayanasamy as Director of the Company	6		
4	To re-appoint Auditors	7		
Special Business				
5	Proposed Bonus Issue	8		
6	Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016	9		
7	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	10		
8	Proposed Alteration of the existing Memorandum and Articles of Association and substituting with a New Constitution of the Company	Special Resolution		

(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).

As witness my hand this ..... day of ..... 2017.

.....  
Signature/Common Seal of Shareholder(s)

**Notes:**

- (i) 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 place. A proxy may, but need not be, a member of the Company. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 20<sup>th</sup> 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.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member of the Company is an exempt nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee with more than one (1) Securities Account must submit a separate instrument of proxy for each securities account.
- (iv) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall 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.
- (v) In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 August 2017 shall be entitled to attend, speak and vote at the 20<sup>th</sup> AGM.

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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

Malaysia

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[www.mchb.com.my](http://www.mchb.com.my)

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**Matrix Concepts Holdings Berhad** 414615-U

Wisma Matrix  
No. 57, Jalan Tun Dr. Ismail,  
70200 Seremban,  
Negeri Sembilan Darul Khusus,  
Malaysia.

T: +606 764 2688

F: +606 764 6288