



**Advancing Growth Strengthening Value**



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Matrix Concepts Holdings Berhad has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance practices.

# 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.



# MISSION



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



# MISSION



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

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• Proxy Form



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# ABOUT THIS REPORT

## COVER RATIONALE

This year's annual report, reflects our status of not only, able to stay resilience against the challenging times but also advancing growth. The cover portray the portfolio of businesses undertaken by Matrix Concepts Holdings Berhad ("Matrix") in Property Development, Construction, Hospitality and Education. Guided by our philosophy, "Nurturing Environments, Enriching Lives", Matrix 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 Malaysia (formerly known as Crowe Horwath), were prepared according to Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The non-financial statements in this Report were developed in accordance to the Malaysian Code on Corporate Governance 2017, Main Market Listing Requirements of Bursa Malaysia, Bursa Malaysia Sustainability Reporting Guidelines and the Global Reporting Initiatives.

We have made every efforts 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

# CREATING SUSTAINABLE LIVING



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**OUR BUSINESS**

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# 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**



**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 6,150 residential and commercial properties with a Gross Development Value (GDV) of RM2.5 billion over the last 5 years. The Group's combined on-going and future GDV is approximately RM15 billion over the next fifteen (15) years.



**GROUP  
REVENUE  
FY2018**

**818.5**  
Million



**GROUP  
PRE-TAX PROFIT  
FY2018**

**295.2**  
Million



**GROUP  
NET PROFIT  
FY2018**

**213.3**  
Million



**MARKET  
CAPITALISATION  
(AS AT 30 JUNE 2018)**

**1.505**  
Billion

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

#### Chairman

Non-Independent  
 Non-Executive Director

**DATO' LEE TIAN HOCK**  
**Group Managing Director**  
 Non-Independent Executive Director

**HO KONG SOON**  
**Group Deputy Managing Director**  
 Non-Independent Executive Director

**REZAL ZAIN BIN ABDUL RASHID**  
 Senior 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

#### 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

#### 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

#### REMUNERATION COMMITTEE

Dato' Hon Choon Kim (Chairman)  
 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  
 Dato' Hajah Kalsom Binti Khalid

#### RISK MANAGEMENT COMMITTEE

Rezal Zain Bin Abdul Rashid  
 (Chairman)  
 Dato' Logendran A/L K  
 Narayanasamy  
 Ho Kong Soon  
 Dato' Firdaus Muhammad Rom  
 Bin Harun  
 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

#### ESOS COMMITTEE

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

#### 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 Malaysia  
 (formerly known as  
 Crowe Horwath)  
 (AF 1018)  
 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

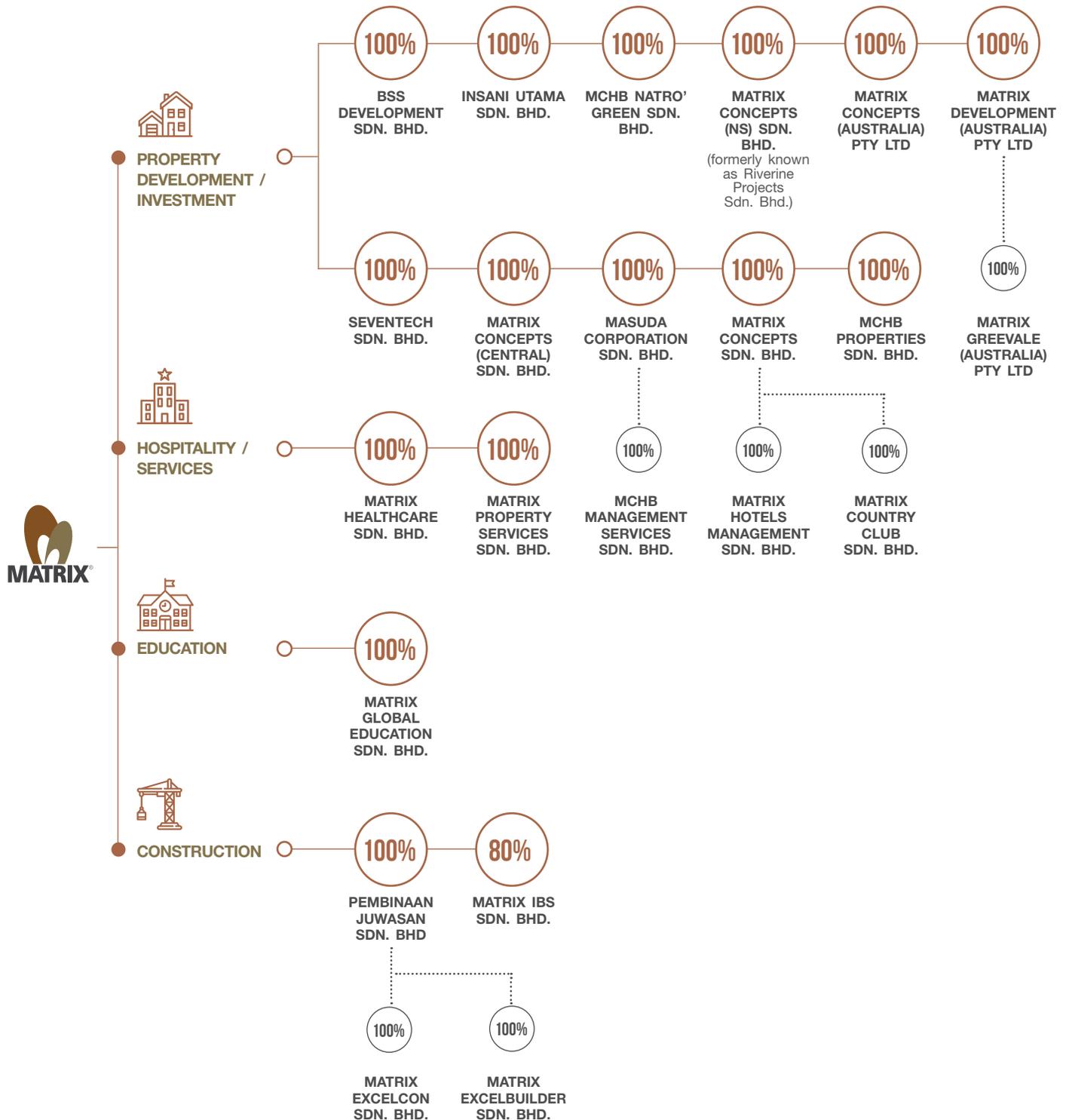
AmBank Islamic Berhad  
 AmBank Berhad  
 Public Bank Berhad  
 Maybank Islamic Berhad  
 Hong Leong Bank Berhad  
 RHB Islamic Bank Berhad

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## OUR BUSINESS

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# CORPORATE STRUCTURE





**CONSTRUCTION**

# TRANSFORMING THE LANDSCAPE



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# FIVE-YEAR GROUP PERFORMANCE CHART

	Audited 31 Mar 2018	Audited 31 Mar 2017 (Restated)	Audited 31 Mar 2016 (15 months period)	Audited 31 Dec 2014	Audited 31 Dec 2013
<b>In RM'000</b>					
Revenue	818,477	774,978	912,201	598,842	574,045
Cost of sales	(345,157)	(339,181)	(361,608)	(270,921)	(299,584)
Operating expenses	(180,464)	(176,543)	(204,188)	(84,533)	(72,522)
Operating profit	292,856	259,254	346,405	243,388	201,939
Other income	7,470	8,567	13,204	3,919	4,911
Finance cost	(5,098)	(7,509)	(3,872)	(2,721)	(1,798)
Profit before taxation	295,228	260,312	355,737	244,586	205,052
Taxation	(81,947)	(75,034)	(94,887)	(62,350)	(53,489)
Profit after taxation	213,281	185,278	260,850	182,236	151,563
Profit attributable to owners of the company	213,280	185,278	260,850	182,236	151,563
Shareholders' equity	1,206,491	1,023,959	885,194	663,757	529,139
Earnings per share (sen)*	32.0	28.7	37.0	28.1	26.3
Return on equity	17.7%	18.1%	29.5%	27.5%	28.6%

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

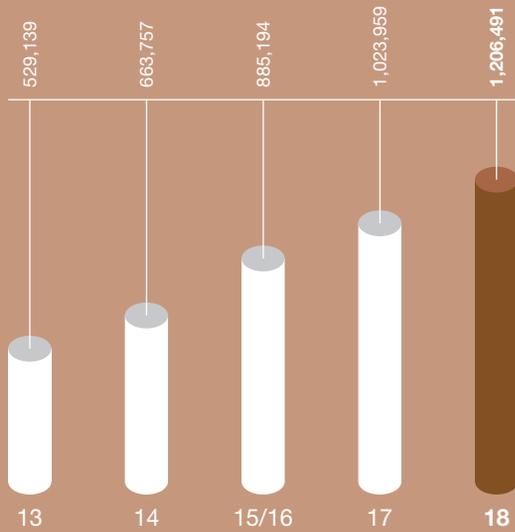
- (i) bonus issue on the basis of 1 new ordinary share for every 2 existing ordinary shares held in FY2014;
- (ii) bonus issue on the basis of 1 new ordinary share for every 6 existing ordinary shares held in FP2016; and
- (iii) bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary shares held in FY2018.

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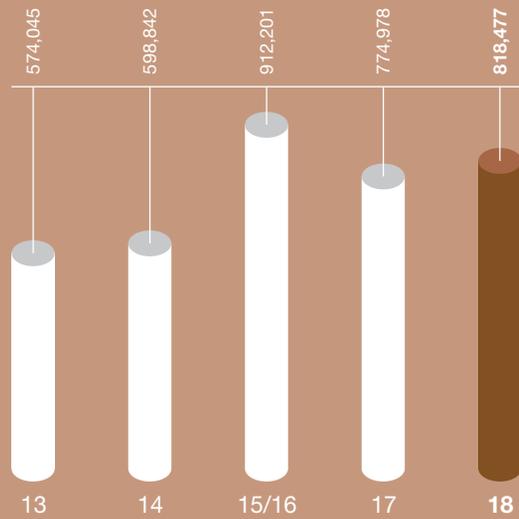
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# GROUP FINANCIAL HIGHLIGHTS

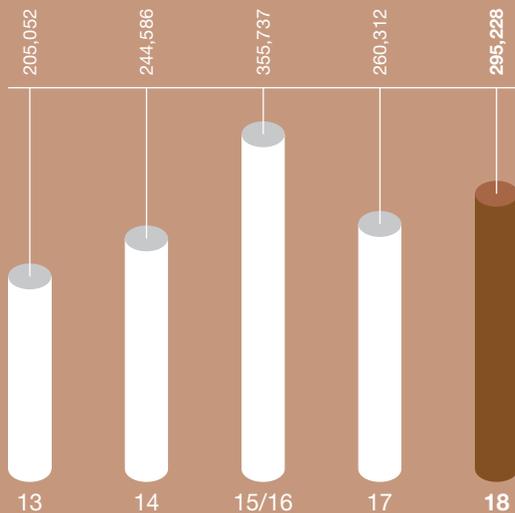
**SHAREHOLDERS' EQUITY**  
 (RM'000)



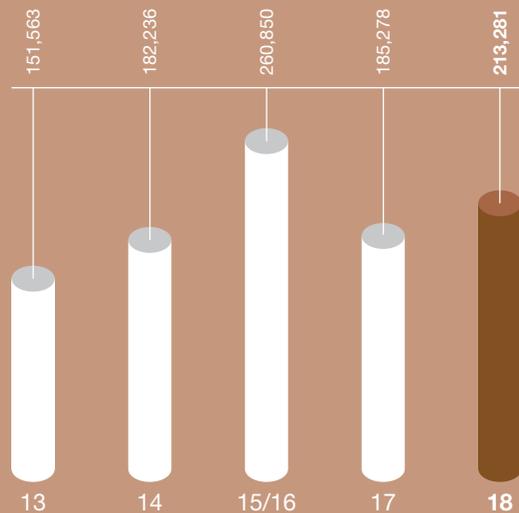
**REVENUE**  
 (RM'000)



**PROFIT BEFORE TAXATION**  
 (RM'000)



**PROFIT AFTER TAXATION**  
 (RM'000)



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# CHAIRMAN'S STATEMENT

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report incorporating the audited financial statements for Matrix Concepts Holdings Berhad ("Matrix" or "the Group") for the financial year ended 31 March 2018 ("FY2018").

**DATO' HAJI MOHAMAD HASLAH  
BIN MOHAMAD AMIN**  
Chairman





Ariel View Suriaman

In FY2018, the Malaysian economy rebounded strongly on the back of improving crude oil prices, strong domestic consumption, improved export performance and the strengthening of the ringgit. Malaysia's gross domestic product ("GDP") growth for 2017 was robust at 5.5%-6.0%.

However, the property industry for the most part remained soft with the exception of certain property segments such as landed developments which continued to see encouraging take-up across the year. For the most part, market sentiments remained dampened as prevailing issues of rising price unaffordability; high loan rejection rates and increasing living costs impacted overall consumer sentiment.

Despite the prevailing scenario, Matrix by leveraging on its townships of Bandar Sri Sendayan ("BSS") and Bandar Seri Impian ("BSI"), its inherent financial strength and established track record was able to achieve another financial year of strong revenue and earnings growth.

### Financial Performance

In FY2018, Matrix posted revenue of RM818.5 million, 5.61% higher than the previous financial year, on the back of strong revenue recognition and property sales. Property sales for the 2<sup>nd</sup> consecutive year have exceeded RM1 billion with RM1.1 billion in unbilled sales. On the back of improving revenue, the Group saw its profit before taxation ("PBT") rise to RM295.2 million, 13.4% more than FY2017.

We draw a measure of confidence and satisfaction that we have continued to create value for shareholders reflected in our improved financial results and various operational highlights achieved during the financial year.

### Value Creation

Our improved financial and business performance in FY2018 is due to the many years of tremendous hard work that the Group has invested in building the Matrix brand name, in remaining true to our development approach of township development in the Greater Kuala Lumpur area, and by focussing on meeting real market demand at varying price points to truly provide affordability while meeting lifestyle aspirations for homeowners.



REVENUE

**RM818.5**  
million

▲ 5.61%

PROFIT BEFORE TAXATION  
("PBT")

**RM295.2**  
million

▲ 13.4%

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## CHAIRMAN'S STATEMENT



Matrix has transformed BSS into a **KEY SATELLITE DEVELOPMENT** within the Greater Klang Valley



Both **BANDAR SRI SENDAYAN ("BSS")** and **BANDAR SERI IMPIAN ("BSI")** are iconic townships and established brand names.



TOTAL DIVIDEND PAY-OUT

**RM95.9**  
million

▲ 21.2%

Today, Matrix has transformed BSS into a key satellite development within the Greater Klang Valley, catering to the expanding of Kuala Lumpur, as well as supporting the growth of the government proposed Malaysian Vision Valley ("MVV"). Both BSS and BSI are iconic townships and established brand names. They have emerged as highly sought after addresses – that provide truly pleasurable lifestyle experiences with properties having achieved strong capital appreciation over the years.

Buyers from both the Klang Valley and surrounding areas continue to choose our properties as it is within their budget, caters to their lifestyle aspirations and because, Matrix is a proven brand name which they trust.

Since our inception, our belief has always been to create well-designed, quality, "value-for-money" and spacious homes amidst vibrant, self-contained communities that come complete with the right amenities and facilities, not forgetting a sustainable environment that continues to create value and rewards residents well into the future. This includes providing educational and recreational facilities. In creating added value, we continue to explore the possibility of establishing a medical facility within our township.

We are heartened by the continued positive response we see towards our brand and properties despite the challenging operating environment. We are progressing on the right track and will redouble our efforts to maintain our growth momentum going forward.

### Dividend Payouts

In line with our improved financial performance, I am happy to report that

the Board will continue to maintain its dividend payment of up to 40% of net profit via quarterly dividend distributions to shareholders for the upcoming financial year. We will continue to reward shareholders in tandem with our financial performance balanced with the Group's capital expenditure requirements.

For FY2018, the Group paid out four (4) quarterly dividends of 3.25 sen, 3.25 sen, 3.50 sen and 3.50 sen per share respectively amounting to a total dividend pay-out of RM95.9 million, 21.2% higher than in FY2017.

### SUSTAINABILITY & CORPORATE GOVERNANCE

The Board remains mindful of measuring Matrix's value creation journey from a triple bottom-line perspective of Economic, Environmental and Social ("EES") pillars. In FY2018, we have continued to make encouraging progress on our sustainability journey supported by improved disclosure on our achievements as well as lessons learnt and areas for improvement. A detailed account of our sustainability performance is given in the Sustainability Report found in this annual report.

With the launch of the Malaysian Code on Corporate Governance ("MCCG") 2017, the Group has intensified its efforts to further enhance its practices in this area. While Matrix has always ascribed to the highest standards of corporate governance, we have taken the opportunity during the financial year to review our practices towards enhancing our practices, systems and policies in this area.

Good corporate governance is vital to our value creation process, in mitigating risk and essentially providing the foundation upon which to build a better organisation



*Ara Sendayan Recreation Park*

for the benefit of stakeholders. Our efforts in improving corporate governance, notably in meeting the practices under the new MCGG is detailed in the Corporate Governance Overview Statement of this annual report and our Corporate Governance Report which is available at [www.mchb.com.my](http://www.mchb.com.my).

As we move forward, we will continue to uphold good corporate governance and best practices. We are delighted to share that our constant efforts have led to Matrix being included into FTSE4Good Bursa Malaysia (“F4GBM”) Index effective 18 June 2018.

Launched in December 2014, the F4GBM Index measures the performance of public-listed companies (PLCs) demonstrating strong environmental, social and governance (ESG) practices. It is a unique distinction to be one of only 56 public listed companies to be included into F4GBM Index. This achievement certainly marked a significant milestone for Matrix in recognition of its ESG endeavours.

## OUTLOOK & PROSPECTS

The Group is focused on strengthening the Matrix brand as one of the leading property developers in the country. In doing so, the Group’s strategy is premised on its focus on creating Nurturing Environments, Enriching Lives.

Certainly, there is strong demand for good quality, well-designed homes within the Greater Klang Valley, especially for the township development segment. By providing the right product concept, location and overall value proposition, we remain well on track to meeting real market demand and continue to be the preferred choice of Malaysians.

A good example of this is the launch of our Tiara Sendayan in April 2018 where all 404 units of single-storey and double-storey homes were sold out and most taken up within a single day of launching.

We will leverage on the strength of our townships, which give us the flexibility to launch developments by phases and to respond appropriately to evolving market trends and consumer preferences. In the pipeline for FY2019 are property launches of RM1.565 billion. With this, the Group will have over more than RM15 billion in projects which will keep us busy till 2033.

Given the proven effectiveness of our business strategies, our established track record and the strength of our brands, we are confident of our path and progress forward driven by a strong purpose to deliver value and quality to Malaysians.

## ACKNOWLEDGEMENTS

On behalf of the Board, I wish to thank the Matrix staff whose tireless dedication, and professionalism during the financial year has been nothing short of excellent. I wish to also extend my appreciation to the senior management team for their leadership and my fellow Board members for their wise counsel, support and contributions in the respective Board Committees. Certainly, our appreciation is also extended to our many shareholders for their continued vote of confidence during the financial year.

In the same vein, I wish to thank our customers, business partners, bankers and vendors for their working partnership with Matrix. May we continue to progress together to greater heights of achievement in the coming financial year.

**DATO’ HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN**  
Chairman

30 June 2018

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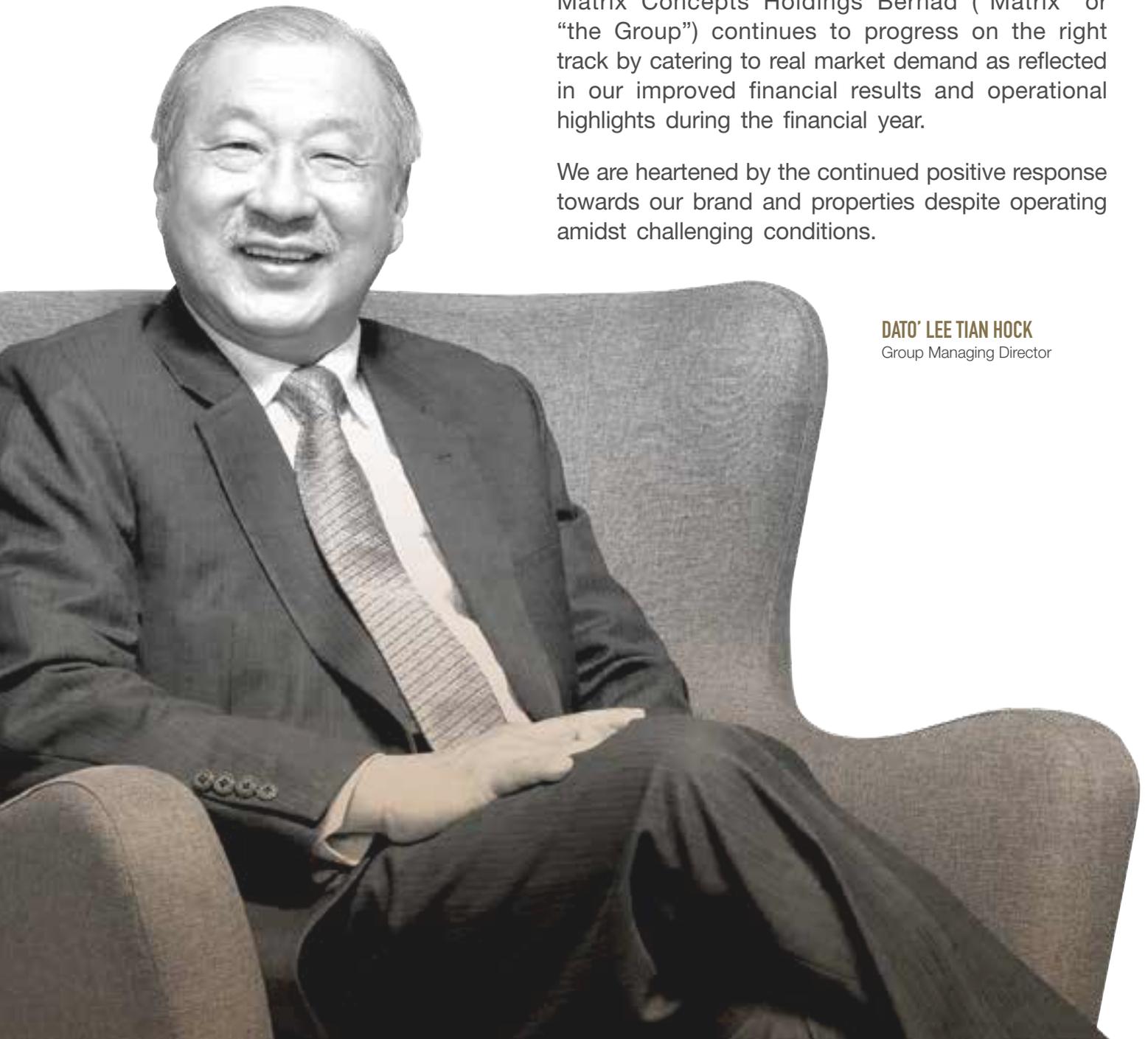
# MANAGEMENT DISCUSSION & ANALYSIS

## DEAR SHAREHOLDERS,

Matrix Concepts Holdings Berhad (“Matrix” or “the Group”) continues to progress on the right track by catering to real market demand as reflected in our improved financial results and operational highlights during the financial year.

We are heartened by the continued positive response towards our brand and properties despite operating amidst challenging conditions.

**DATO' LEE TIAN HOCK**  
Group Managing Director



## OVERVIEW OF BUSINESS AND OPERATIONS

Established in 1996 and listed on the Main Market of Bursa Malaysia Securities Berhad in 2013, Matrix is an award-winning and dynamic property developer who has a successful and growing business presence within the property development, construction, education, and hospitality sectors. Over the last 5 years, the Group has built over 6,150 properties in Malaysia with a total GDV of RM2.5 billion.

Since its inception, Matrix has progressively established itself as a leading, township developer and lifestyle creator, particularly within the Greater Kuala Lumpur (“Greater KL”) area via its flagship developments of Bandar Sri Sendayan (“BSS”) – located at Seremban, Negeri Sembilan and Bandar Seri Impian (“BSI”) – in Kluang, Johor.

BSS is an award-winning, 5,233-acre township that is strategically located just 10 minutes from the Seremban town centre and 30 minutes from Kuala Lumpur International Airport. It is easily accessible via multiple highways.

Beyond location, accessibility and connectivity, BSS has been master-planned by Matrix to deliver a complete lifestyle ecosystem and to meet the aspirations of buyers who desire, quality living yet also desire more refined lifestyle aspirations such as international education, recreational pursuits, top-notch healthcare and more.

Progressively, BSS has become a highly desired address for Klang Valley folks looking for quality, spacious landed homes amidst greener suburbs with value for money, mid-range pricing as Klang Valley’s landed properties are beyond the reach of average income earners. The township has also become a much sought after locale for upgraders from surrounding areas. Once fully completed in the next 15 years, BSS is poised to have an estimated gross development value (“GDV”) of RM12



Artist Impression: Pusat Komersial Lobak 2, Seremban

billion as a sustainable and thriving township with a 120,000 self-contained community.

The Group’s other township, BSI measures 900-acre with a GDV of RM2.3 billion. Themed the Serene & Harmonious Urban Township, BSI offers the best of urban comforts and innovation coupled with the serene beauty of lush greenery and verdant surroundings. It is strategically located within close proximity to schools, shopping malls, private educational institutions, public parks, government offices, commercial areas and more.

Complementing Matrix’s township developments are its high-rise developments in the Kuala Lumpur city centre and Puchong, Selangor. In 2016, the Group made its maiden foray into overseas property development via its M.Carnegie project in Melbourne, Australia.

The remaining business divisions complements the Group’s property arm – completing the overall value proposition and lifestyle eco-system that the Group offers to meet homeowners’ aspirations.



Over the last 5 years,  
Matrix has built over

**6,150**  
PROPERTIES

in Malaysia with  
a total GDV of

**RM2.5 billion.**



BSS is an **AWARD-WINNING**,  
5,233-acre township

**10 MINUTES**  
from the  
**SEREMBAN**  
TOWN  
CENTRE

**30 MINUTES**  
from **KLIA**

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## MANAGEMENT DISCUSSION & ANALYSIS

At the heart of BSS is the Matrix Global Schools (MGS) a quality private, international school affiliated to the 130-year old Ellesmere College. Ellesmere is 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, sport center, lecture theatres, music rooms, recording facilities and a performing arts centre. It caters to pre-school, primary and secondary school students.

Meeting residents' needs for recreation and leisure, the 380,000 square feet d'Tempat Country Club is a leading 5-star, family oriented club. Membership stands at 6,000 plus. With its lush green spaces and relaxing pocket parks, d'Tempat Country Club has become the focal point for family, community and leisure activities in Seremban.

d'Tempat Country Club offers a string of recreational facilities to enhance members' lifestyle. These include food and beverage outlets, an Olympic-sized swimming pool, aqua gym, bowling alley, tennis and squash courts, meeting facilities and more. d'Tempat Country Club is Green Building Index Gold Standard (Provisional) certified.



*Matrix Global Schools*

Launched in January 2017, d'Sora Boutique Business Hotel is Matrix's first venture into the hotel and hospitality segment. The boutique hotel consists of 72 guest rooms, catering to the needs of tourists, locals, travellers and the business community of Sendayan TechValley, Sendayan Metropark and surrounding areas.

d'Tempat Country Club, Matrix Global Schools and upcoming Matrix Tower (HQ) is located within Sendayan Merchant Square, a 100-acre integrated central business hub for the community.



*Aerial view d'Tempat Country Club*

## GROUP OBJECTIVES AND STRATEGIES

Following is the individual strategies of each business division:



### PROPERTY DEVELOPMENT

As a township developer, Matrix intends to:

- Continue leveraging on its proven track record and the established award-winning brand name of BSS to tap the growing lifestyle trend among urbanites to reside in the suburbs, yet remaining close enough to commute daily to the city centre for work and other purposes.
- Reflecting its tagline of “Nurturing Environments, Enriching Lives”, Matrix aspires to deliver a sustainable, community living environments that meets buyers’ aspirations while providing them with value and the opportunity to live better lifestyle experiences. In essence, beyond providing quality build and design, Matrix looks to deliver a complete lifestyle eco-system.



### EDUCATION

Leverage on MGS to derive investment income while further establishing its presence in the highly lucrative and fast-growing education sector. Through MGS, Matrix is available to deliver quality, international education towards completing the value proposition and eco-system of the BSS township.



### HOSPITALITY (CLUB AND HOTEL)

d’Tempat Country Club and d’Sora Boutique Business Hotel provide the much needed hospitality, recreation and enjoyment components to complete the lifestyle experience within the area for residents. The opening of the Extreme Park in 2017 further enhances the available options for pleasure activities, especially for youths seeking more active and robust leisure pursuits.



### CONSTRUCTION

Matrix’s in-house construction provides the necessary building expertise and capabilities to ensure timely completion of projects and that construction costs remain within control. Via the construction arm, the Group is better able to manage its projects while realising greater cost efficiency and build quality.

Matrix plans to adopt the Industrialised Business Systems (“IBS”) to leverage on new technologies to improve build quality, reduce costs and dependence on foreign labour, shorten project completion time and strengthen its position as a leading township developer in Malaysia.

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### REVIEW OF FINANCIAL RESULTS

#### Group Revenue

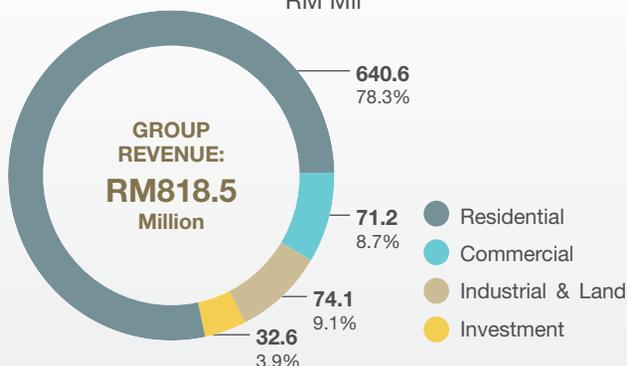
In FY2018, on the back of higher revenue from our residential, commercial and industrial property segments, Group revenue rose by 5.61% to post RM818.5 million for the year. Total property sales recorded was RM1.184 billion, 14.9% higher year-on-year (“y-o-y”). Unbilled sales for the financial year were RM1.052 billion, 22.5% higher y-o-y.

The residential property segment remained the largest contributor to Matrix’s topline, accounting for 78.3% of overall revenue. The residential property segment grew by 0.9% y-o-y to post RM640.6 million. This is attributed to strong overall demand for our properties across our BSS and BSI townships. Revenue of industrial properties increased by 103.3% to RM74.1 million, while revenue performance from commercial properties remained strong though having declining of 8.3% to RM71.2 million during the year.

Our investment properties also gain momentum with strong revenue growth of 24.4% y-o-y to close the financial year at RM32.6 million.

**FY2018 Revenue Segmentation (by type)**

RM Mil



#### RESIDENTIAL

▲ +0.9% y-o-y

#### COMMERCIAL

▼ -8.3% y-o-y

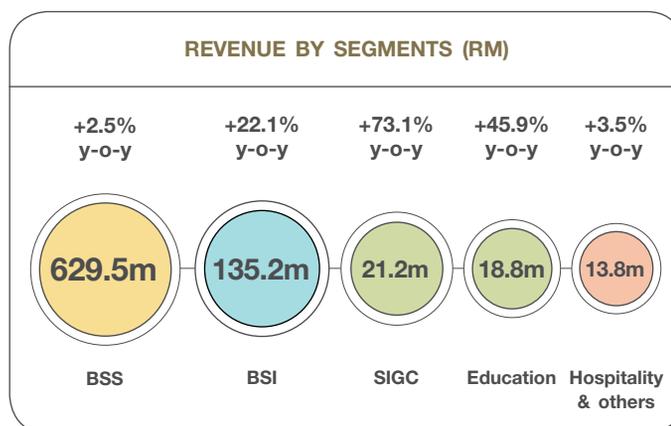
#### INVESTMENT PROPERTY

▲ +24.4% y-o-y

#### INDUSTRIAL & LAND

▲ +103.3% y-o-y

BSS and BSI remained our biggest revenue contributors accounting for almost 93% of total group revenue for FY2018. Revenue from investment properties remains small but continues to be on the uptrend.



Unbilled sales stood at RM1.052 billion with RM2.588 billion GDV in ongoing development projects during the year. This is 22.5% higher than the previous year’s RM0.859 billion.

#### Group Profit

On the back of continued growth in revenue, Matrix posted improved profit performance. Profit before taxation (“PBT”) was recorded at RM295.2 million, 13.4% higher y-o-y. Profit after tax and minority interest was also higher at RM213.3 million, 15.1% higher than in the previous financial year.

	FY2018 (RM'000)	FY2017 (RM'000)	Change
<b>Revenue</b>	<b>818,477</b>	774,978	5.6%
<b>Gross Profit</b>	<b>473,320</b>	435,797	8.6%
<i>Gross Profit margin</i>	<b>57.8%</b>	56.2%	1.6 pt
<b>EBITDA</b>	<b>305,003</b>	275,407	10.7%
<i>EBITDA margin</i>	<b>38.0%</b>	35.8%	2.2 pt
<b>PBT</b>	<b>295,228</b>	260,312	13.4%
<i>PBT margin</i>	<b>36.1%</b>	33.6%	2.5 pt
<b>PATMI</b>	<b>213,281</b>	185,278	15.1%
<i>Net margin</i>	<b>26.1%</b>	23.9%	2.2 pt
<b>Basic EPS (sen)</b>	<b>32.0</b>	28.7	11.5%

pt: point

## Assets & Liabilities

Assets	FY2018 (RM'000)	FY2017 (RM'000)
Non-current	894,836	994,348
Current	969,931	560,930
<b>Total Assets</b>	<b>1,864,767</b>	1,555,278

The Group's non-current and current assets remain healthy and continue to grow. The increase is attributable to substantial increase in cash collections. Total Group assets stood at RM1.865 billion.

Total liabilities increased by RM126.5 million mainly due to the increased of progress claim in relation to property development yet to be recognised as revenue.

Liabilities	FY2018 (RM'000)	FY2017 (RM'000)
Non-current	189,406	206,579
Current	468,369	324,740
<b>Total Liabilities</b>	<b>657,775</b>	531,319

## Capital Structure & Capital Resources

Capital expenditure ("capex") was channelled towards of some RM11.3 million was for acquisition of motor vehicles and other assets during the financial year.

The Group's borrowings increased by 15.0% to RM315 million compared to the previous year's RM274 million. This is due to drawdown of borrowings to finance some of our on-going projects. Nonetheless, the Group's gearing ratio decreased slightly to 0.26 times as at year ended 31 March 2018 compared to 0.27 times in the previous financial year due to increased of total equity attributed from the Group's current year profit after taxation performance.

Shareholders' equity continues to grow strongly registering a 17.8% improvement in FY2018.

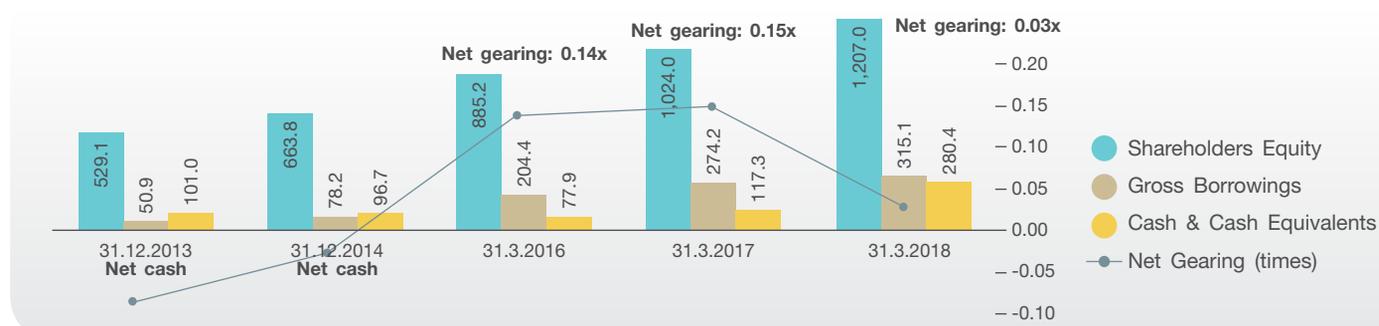
The Group is comfortable with its present gearing ratio and is confident in servicing its debt for the next financial year. It is in a sound financial position that enables the execution of strategic objectives going forward.

## Cash Flow, Cash and Bank Balances

	FY2018 (RM'000)	FY2017 (RM'000)
Net cash from operating activities	161,276	53,496
Net cash (outflow) for investing activities	(66,923)	(27,754)
Net cash inflow/(outflow) for financing activities	34,602	(3,962)
Net increase in cash balance	128,955	21,780
Effect of exchange rate fluctuations on cash held	(5,426)	2,475
Cash and cash equivalents at the beginning of the year	63,866	39,611
Cash and cash equivalents at the end of the year	187,395	63,866

The Group's net cash inflows from operating activities for the year increased by 201.5% or by RM107.78 million, mainly due to increase in cash inflows from the collection of residential and industrial properties as well as increase in trade and other payables compared to last financial year. Investing cash flows posted a net outflow of RM66.92 million mainly due to purchase of property, plant and equipment and placements of deposits with licensed banks with maturity date more than 3 months.

Net cash inflows of RM34.60 million for financing activities comprised mainly the proceeds received from issuance of ESOS shares of RM60.80 million and payments of RM85.20 million for dividends during the financial year. Other major financing cash flows included a net increase in borrowings of RM58.50 million as additional working capital for some of our on-going projects.



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### Landbank

On 4 August 2017 and again on 19 October 2017, Matrix acquired 53.4 hectares and additional 23.1 hectares of land respectively. Both parcels were adjacent to our BSS township. The cumulative sum for acquisition was RM84 million. We also acquired various smaller parcels within the township for RM23 million. All land acquisitions were to facilitate further development of the BSS township.

At present, the Group's landbank stands at approximately 1,800 acres of land (excluding the recently acquired landbank) with a combined GDV of over RM15 billion to be developed over the next 15 years. The Group has set a 2,500-acre landbank target to be achieved by 2020.

### KNOWN TRENDS & EVENTS

Despite the challenging external environment which was mired by issues of unaffordability and oversupply of certain properties, Matrix has delivered an improved financial and operational performance by continuing to leverage on its principle business strategies.

Our efforts over the years to not compromise on quality and to provide innovative lifestyle concepts that meet buyers' aspirations have delivered a positive impact as reflected in our improving financial and operational results.

In FY2018, Matrix provided a varied product portfolio with multiple price points towards meeting real market demand. In doing so, we have seen strong take-up rates for new project phases launched during the financial year. The Group's average take-up rate in FY2018 was 81.8% (excluding Sendayan Tech Valley) (FY2017: 80%) improvement compared to the previous financial year.

Our township developments continued to deliver strong revenue and sales.

In BSS alone, total launches amounted to RM1.0 billion with new sales of RM857.9 million in FY2018 (FY2017: RM764.3 million). Average take-up rate for BSS was 82.8% for ongoing projects with unbilled sales of RM789.7 million as at 31 March 2018.

Certain projects such as Phase 1, Ara Sendayan, which is the first hilltop development in BSS, saw 100% sales within the

first day of launching. Another example is Tiara Sendayan 1, which is priced differently to not just cater to Klang Valley folks, but also to upgraders from surrounding areas. Most of the 404 units of single-storey and double-storey homes were sold within a single day of launching.



Tiara Sendayan Recreation Park

While high-rise properties have experienced slow demand, landed properties continued to see strong interest from buyers. Over the years, there has been a notable shift as owner-occupiers, upgraders and those looking for more space and greenery, have opted to live further away in the suburbs rather than in the city centre. As such landed properties have remained popular provided prices are affordable.

Certainly, we believe that the growing profile of the Matrix brand as a trusted lifestyle developer of quality among homeowners has also helped with our improving business performance. Importantly, we have ensured that a majority of our projects are priced suitably for the mass market of buyers. In FY2018, 55% of our products launched had a price point below RM550,000.

In addressing loan rejection rates, Matrix in FY2018, continued to work closely with both end-financiers as well as customers to reduce the probability of rejection. Our valued added services included pre-screening prospective buyers to advise them on their loan eligibility ratios, assisting them to apply to alternative bankers in the event of rejection as well as other supportive services. Through this approach, the Group has achieved an average loan approval rate of 70% for its projects.

## PROJECT UPDATES – RESIDENTIAL, COMMERCIAL & INVESTMENT PROPERTIES

In FY2018, the Group leveraged on its inherent financial capabilities to launch several projects within the year.

Project Name	Type	Units	GDV (RM Mil)
Suriaman 2	2-storey terrace houses	253	186.3
Hijayu (Resort Homes) (Phase 2)	2-storey terrace houses	129	97.6
Ara Sendayan (Phase 1A, 1B, 2)	2-storey terrace houses	657	443.3
Hijayu (Resort Homes) (Phase 3)	2-storey semi-detached houses	52	82.0
Hijayu (Resort Homes) (Phase 4)	2-storey terrace houses	232	192.0

### BANDAR SRI SENDAYAN, SEREMBAN, NEGERI SEMBILAN

#### ARA SENDAYAN



Set across 78.5 hectares with a GDV of RM900 million, BSS's first hilltop development saw encouraging response for the launch of its first phase. All 269 link homes with a built-up area of 2,398 square feet each were sold within the first day of launching. Phases 1A, 1B and 2 comprise of 657 units with a GDV of RM443.3 million. The overall development is targeted to be fully completed in the next two years.

#### SENDAYAN METROPARK 2B

Sendayan Metropark 2B has thus far seen its take-up rate improve to 78% (FY2017: 25%). Located at the main commercial area of BSS, Sendayan Metropark consists of 71 double storey shop offices spread across 6.7 acres of land. With a GDV of RM79.0 million, Sendayan Metropark is a central catchment area with access to financial institutions, educational centres, specialty stores, retail outlets as well as food establishments.



#### SURIAMAN 2A & 2B

Having reached up to 80% sales in the previous financial year, the popular Suriaman 2A achieved 93% sales during FY2018.

Similarly, Suriaman 2B has also been well received with most of the 232 double-storey homes taken up. The project has a GDV of RM160.2 million – spread across 24.9 acres of land.

Both phases sit amidst seven thematic parks as well as the 26-acre Sendayan Green Park, the green lung of the entire BSS township.



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### SURIAMAN 3

Likewise Suriaman 3 has also seen full take-up within the financial year. Set across 11 acres and with a GDV of RM73 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.



### HIJAYU RESORT HOMES



With Hijayu Phase 2 having already reached a 72% take-up rate, Phase 3 and Phase 4 were launched with overwhelming response in FY2018. Phase 3 and Phase 4 consist of 52 two-storey semi-detached houses and 232 two-storey terrace homes with a combined GDV of RM274 million.

### SENDAYAN TECHVALLEY AND SENDAYAN TECHPARK



During the financial year, Matrix successfully sold RM79.9 million worth of industrial properties, comprising 8 lots totalling 42.5 acres of industrial land in Sendayan Tech Valley.

As of FY2018, Sendayan TechValley has brought in foreign direct investment ("FDI") amounting to RM4 billion across various sectors. These include automotive, aircraft and engineering systems, metal, construction, rubber and medical devices. The Group's net saleable industrial land bank currently stands at 761.9 acres across both Sendayan TechValley and Sendayan TechPark. Of this, 575.0 acres was sold between FY2011-FY2018.

### SENDAYAN MERCHANT SQUARE

Sendayan Merchant Square remains the anchor commercial component of BSS, providing the township with a premier commercial hub to meet the needs of its growing residential population. It comprises mixed-used development of boutique retail outlets, dining facilities, Carnelian Park and more. All the 164 lots for phase 1, have been sold during FY2018 amounting to RM201.7 million.



### BANDAR SERI IMPIAN (“BSI”)

Located near Kluang, Johor, BSI saw strong demand for both existing and newly launched phases. Total launches in FY2018 amounted to RM229.0 million with new sales recorded at RM199.5 million (FY2017: RM154.5 million). Unbilled sales stood at RM162.4 million as at 31 March 2018.

On average, BSI has seen its take-up rate improve to 65% across all phases – Impiana Square (Phase 1), Impiana Indah, Impiana 2, Impiana Damai (2-storey terrace homes), Impiana Casa 3A (2-storey terrace homes) and Impiana Casa 3B (single storey terrace homes). The township is strategically located within close proximity to schools, hospitals and various facilities and amenities.



### RESIDENSI SIGC



Launched in June 2016, this exclusive, gated and guarded project with a GDV of RM161.7 million is set across 24.1 acres of sprawling countryside, next to the Seremban International Golf Club (“SIGC”). It comprises 70 double storey houses, 38 double storey semi-detached houses and 17 double storey bungalows.

Residents enjoy their very own clubhouse residing in a low-density environment enjoying the verdant, lush greenery while gazing upon an 18-hole golf course. To date, over 81 units have been sold with a take-up rate of 69.6%. Total sales achieved stands at RM94.9 million with sales of RM46.8 million alone in FY2018. As of 31 March 2018, unbilled sales stand at RM54.8 million.

### M.CARNEGIE, AUSTRALIA



Over 85% of the units have been taken-up and Matrix is well on track to deliver vacant possession of all 52 boutique apartments by the second quarter of 2018. The entire boutique development is situated on 1,865 square meters of strategic land in the heart of central Melbourne. Buyers have been mostly investors as well as foreign purchasers.

We foresee earnings from M.Carnegie to contribute positively to the Group financials and net tangible assets in FY2019 (based on the Australian accounting policy of recognition upon completion). Unbilled sales, as at 31 March 2018 stands at RM81 million.

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### PROJECT UPDATES – INVESTMENT PROPERTIES

#### MATRIX GLOBAL SCHOOLS (“MGS”)

At present, the bulk of our enrolment consists of Malaysians (750) with the balance comprising foreign students (108).

With our strategic partnership with Shanghai Zhangjiang Specialised College, a reputable college from China, we saw the first batch of 56 students arrive in FY2018. Our agreement with Shanghai Zhangjiang wherein 300 students will be placed in MGS over a four-year period – ultimately boosting our student population to 1,000 in FY2019. With this, the Group expects MGS to turn in a profit by FY2019.

On 18 September 2017, MGS inked a similar agreement with Hengshui Yizhong Education Group Sdn Bhd to bring students from China’s highly regarded Hengshui No.1 High School (“Hengshui”) to continue their studies at MGS.

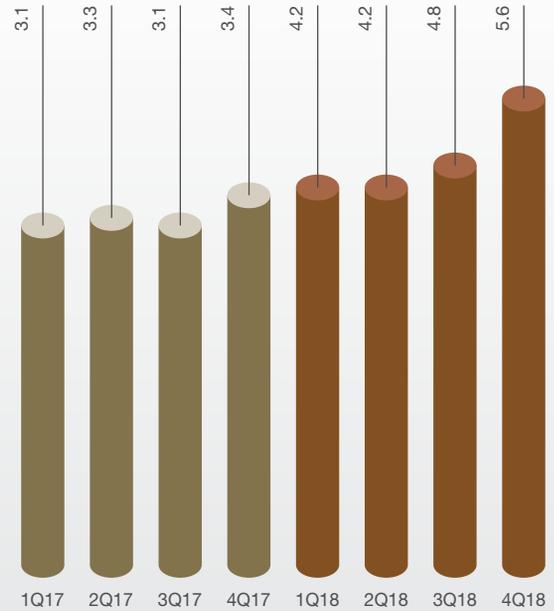
With the students boarding in the Bandar Sri Sendayan, the township is also expected to benefit from increased economic activity. We anticipate the first batch of 200 students to arrive by the second half of FY2019.

Beyond facilitating cross-cultural exchange and learning experiences between Malaysian and Chinese national students, the partnerships with Shanghai Zhangjiang and Hengshui will ultimately boost MGS’ student population pass the one thousand mark. Both will make a material contribution to the financial performance in FY2019 and beyond.

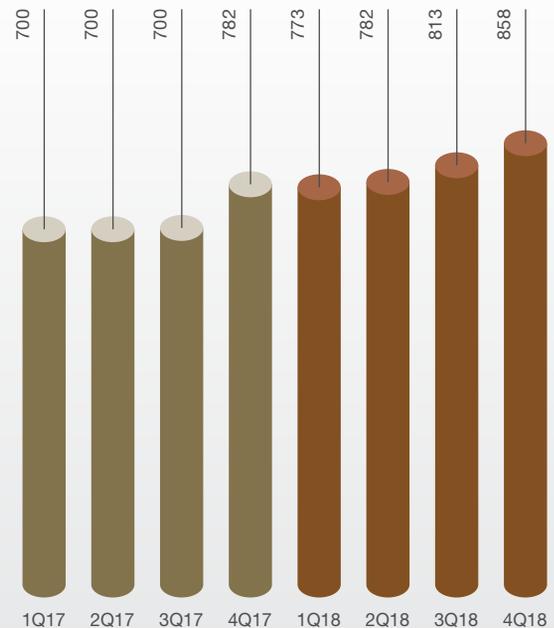
MGS continues to see revenue growth and progressively is expected to deliver profit within the upcoming financial year.



Revenue from Education  
 RM Mil



No. of Students



### D'TEMPAT COUNTRY CLUB



In FY2018, d'Tempat Country Club saw its booking rates for function rooms increase. This is due to the location's growing popularity as a leading venue for social events, recreational and sports activities. d'Tempat Country Club is also a favourite among locals for its food and beverage outlets as well as for its many leisure amenities.

With better function rooms and membership sales coupled with improved patronage of the facilities and the food and beverage outlets, we look forward to d'Tempat Country Club posting an operational profit in FY2019.

### D'SORA BOUTIQUE BUSINESS HOTEL

Since its launch in January 2017, d'Sora Boutique Business Hotel has achieved a 50% occupancy rate. The hotel management continues to promote the venue via aggressive marketing efforts using conventional as well as new media channels. The promotions are centred on creating awareness and appeal among locals for the food and beverage offers, room offers as well as meeting rooms packages targeted at the business community.

With the pick-up in business activity experienced across the surrounding areas, we continue to position d'Sora Boutique Business Hotel as the go-to venue for business guests. We look forward to improve occupancy rates during the upcoming financial year.

### EXTREME PARK



The Extreme Park ("X-Park") has been opened to the public and has received tremendous response thus far. Targeted at youths and children as well as those who prefer more adventurous leisure activities, the X-Park has thus far become an attraction for the Sendayan area. However, we are happy to share that the park receives visitors from all across the area.

Through social media, X-Park has progressively developed a following and besides launching promotional activities, the Group will also focus on ensuring maintenance and upkeep to ensure a fun, safe and attractive location for visitors.



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### PRODUCT QUALITY

Excellent product quality has always been an enduring hallmark of the Matrix brand. It is also a key reason for buyers' confidence in our products.

The Group has adopted an internal quality measurement based on the existing QCLASSIC system, which is Malaysia's *norm de rigour* for assessing the build, design and finish quality of buildings in the country.

The Group has thus far achieved a high score of 75 based on its internally adopted QCLASSIC equivalent / based system.

On a separate note, in further enhancing quality, the Group remains committed to implementing the Industrialised Building System ("IBS") within the next financial year.

Apart from providing greater build consistency which will improve overall quality scores, IBS will deliver reduced construction costs, reduced reliance on manpower and shorten construction time going forward.

However, we are also cognisant that the initial implementation of IBS may see both capital expenditure and operational expenditure increasing. However, the long-term benefits far outweigh the initial financial commitments and we believe that going forward, IBS adoption is in the Group's best interest.

### AWARDS WON

Further testament to Matrix's quality as a builder of excellence and distinction is the continued industry recognition received during the financial year. In FY2018, we are honoured to have received multiple awards, details of which are shown on Page 93.

### ANTICIPATED & KNOWN RISKS

The Group is cognisant of its anticipated and known risks which consist of industry related operational, financial and other forms of business risks. It remains vigilant in identifying and effectively mitigating its risk factors via the adoption of robust risk management strategies and internal controls.

RISK	MITIGATION STRATEGY
<b>Depleting Landbank</b>	Constant landbank replenishment activities nationwide, with a specific focus on acquiring parcels primarily adjacent or in the vicinity of its existing townships. The Group has an active landbank / business development team that continues to search for suitable pieces of land that meets its development criteria.
<b>Heavily dependent on its property development business</b>	<p>Matrix continues to grow its portfolio of investment properties to provide a steadier stream of recurring income and to reduce dependence on one-off development sales. Our existing investment properties, namely MGS, d'Tempat Country Club, d'Sora Boutique Business Hotel and X-Park are expected to contribute positively to the Group's operating cash flow by 2019.</p> <p>Other ventures in developing our portfolio include the establishment of the Matrix Specialist Hospital which is still at the feasibility studies stage.</p>

RISK	MITIGATION STRATEGY
<b>Labour shortage and rising production cost</b>	The Group plans to address rising construction and manpower costs with the introduction of the IBS which is proven to reduce costs, reduce reliance on labour and quicken the build time. While initially capex to implement IBS may be substantial, the benefits over the long-term far outweigh short-term cost considerations.
<b>Continued stringent lending guidelines</b>	With high loan rejection rates continuing to impact consumer's overall ability to purchase homes, Matrix has taken the leadership to work proactively with both banks and customers to improve the chances of approval rates. Among the extra valued added services the Group provides is working in partnership with several banks and conducting strict pre-screening services to help and advise customers on their loan applications. Through this approach, the Group has achieved a success rate of 70% loan approvals for its projects on average.

## DIVIDEND PAYMENTS

Matrix has continued pay out 40% of its net profit to shareholders. This policy has been maintained since our listing in 2013 where interim dividends are paid on a quarterly basis to shareholders. For FY2018, the Group has declared four (4) quarterly dividends of 3.25 sen, 3.25 sen, 3.50 sen and 3.50 sen per share. The total dividend pay-out for the financial year is RM95.93 million. The pay-out is equivalent to 45% of the Group's net profit for FY2018.

## FORWARD LOOKING STATEMENT

In 2018, the Malaysian economy is expected to be moderate but still see healthy GDP growth between 5%-5.5% in 2018. GDP will be driven by domestic demand and continued strength in global trade which is likely to expand by 5.3% year-on-year. With stability in crude oil prices as well as a stronger ringgit, we foresee the Malaysian economy to remain robust in 2018.

While overall sentiment towards the property sector has improved, unaffordability still remains a key issue. Consumers continue to feel the pinch of rising living costs amidst inflation that continues to outpace real wages. In the education segment, market competition remains a key factor, with slow market growth and high penetration rates for the tertiary segment.

Going forward, Matrix will continue to leverage on its inherent strengths and proven market strategies. In the property segment, Matrix will focus on its landed developments as its mainstay development strategy. In FY2019, we aim to further entrench our presence as a leading township developer in the Greater Klang Valley area. We target to launch RM1.565 billion in properties for FY2019.

BSS is set to expand further as Matrix continues to develop its landbank to leverage on the town's existing infrastructure and amenities. This includes new phases in BSS (Hijayu Resorts Homes, Sendayan Metropark 3 and Ara Sendayan Phase 3).

Similarly, new phases will be launched at BSI (Impiana Damai 2A, Impiana Bayu 3A and Impiana Bayu 3B) and Tiara Sendayan phase 1 to 2, given the strong take-up rates experienced in FY2018.

In FY2019, we have launched Chambers Residence, our first high-rise development in the Kuala Lumpur City Centre. The 33-storey Chambers Residence consisting of 513 units of serviced apartments / condominiums on one of the last remaining freehold land parcels in the city centre.

Our venture into this type of development is part of our continued diversification strategy within the property segment.

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*Chambers @ Kuala Lumpur*

The Chambers @ Kuala Lumpur is situated in a highly strategic location – adjacent to the Putra World Trade Centre, Sunway Putra Mall and Hotel. It benefits from excellent accessibility via multiple major roads and highways and is within close proximity to the various LRT, monorail and KTM Komuter rail lines. Given the right pricing, overall lifestyle concept and strategic location, we are confident of encouraging take-up going forward.

In growing our education business, our agreement with Shanghai Zhangjiang will see student enrolment increase pass the 1,000 mark in FY2019. We will also continue to engage in marketing and promotional activities to tap the local student population.

On a separate note, we remain open to the possibility of moving into the healthcare sector via a joint venture with a third party. This is in line with our over-arching strategy of

creating value and further enhancing the eco-system of our townships.

There is also the impact of the Malaysia Vision Valley (“MVV”) project, which is poised to usher a new landscape of socio-economic progress particularly in the Southern area of Greater KL. Infrastructure works have commenced and we foresee the imminent economic activity and its spillover effects to benefit BSS. BSS is strategically located and given its present maturity, is well placed to support the development of MVV and to also benefit from land and capital appreciation, population growth and reap other benefits.

**DATO’ LEE TIAN HOCK**  
**Group Managing Director**

30 June 2018



SUSTAINABILITY

# OUR JOURNEY CONTINUES...



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# ABOUT THIS SUSTAINABILITY STATEMENT



Matrix has embraced the values of sustainability since the early days as spelt out in its tagline of “Nurturing Environments, Enriching Lives”. The Company continued to make progress on many sustainability endeavours. Sustainability practices were reinforced in day-to-day operations while increasing the impact of community development initiatives.

This sustainability statement provides an annual account of Matrix’s economic, environmental and social performance and contains a road map of sustainability objectives and targets. This disclosure highlights how value is delivered to all stakeholders by being a caring community developer.

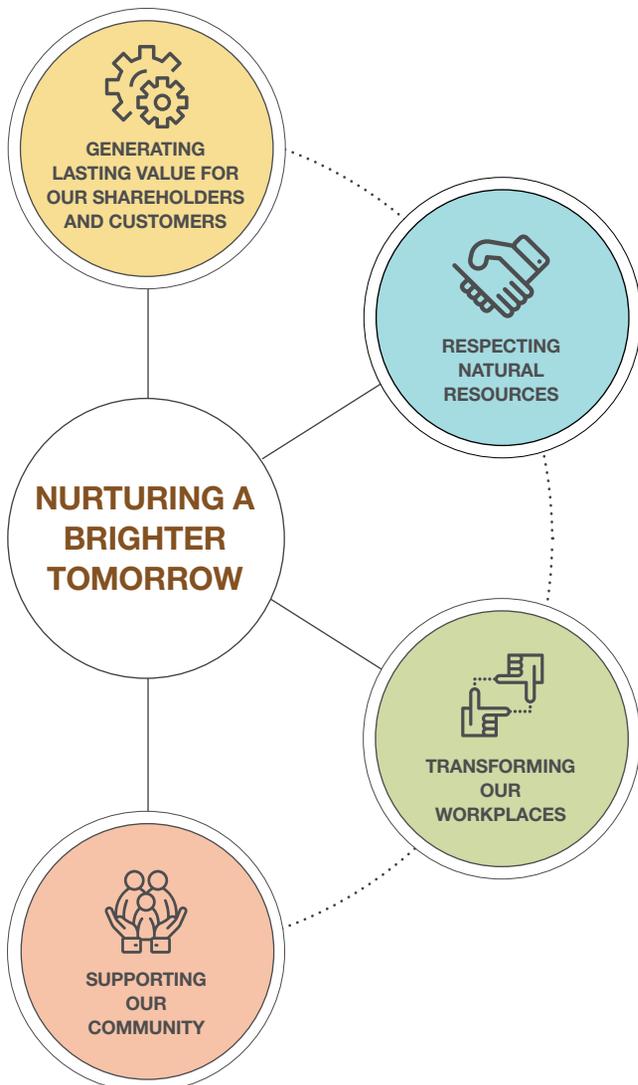
<b>Reporting Scope</b>	Matrix Concepts Holdings Berhad (“Matrix”) and its principal business activities including Property Development, Construction, Education and Hospitality.
<b>Reporting Period</b>	1 April 2017 to 31 March 2018
<b>Reporting Cycle</b>	Annually
<b>Reporting Principles and Framework</b>	<p><b>Principal Framework</b> The Global Reporting Initiative (GRI) Standards</p> <p><b>Other Guidelines Used</b></p> <ul style="list-style-type: none"> <li>• Bursa Malaysia Sustainability Reporting Guide</li> <li>• United Nations Sustainable Development Goals (UNSDG)</li> <li>• Benchmarking against other industry players</li> <li>• Stakeholder interests</li> <li>• Feedback from sustainability reporting awards judges</li> </ul>
<b>Feedback</b>	<p>For further enquiries, please contact:</p> <p>Carmen Loo Kah Boon, Head, Group Corporate Secretarial and Governance, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia.</p>

# SUSTAINABILITY IN ACTION

Our vision is to create a benchmark in nurturing the environment and enriching lives. As a caring community developer, we create spaces, buildings and townships where everyone can thrive.

We focus on what is good for business and a sustainable future by serving our clients, engaging our people, respecting natural resources and building strong community relationships. This progressive approach allows us to make responsible investment decisions with increased value for all of our stakeholders — *Nurturing a Brighter Tomorrow every way we can.*

## Our Sustainability Leadership Agenda



## SUSTAINABILITY GOVERNANCE

The Board established the Sustainability Committee in November 2016. The Committee is responsible for overseeing the implementation of sustainability-related policies, measures and appropriate actions to achieve Matrix’s sustainability milestones and goals. Supported by the Sustainability Task Force Committee, the Sustainability Committee assists in monitoring, managing the policies and taking action, periodically.



### Matrix Sustainability Committee

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

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## SUSTAINABILITY IN ACTION

### SUSTAINABILITY STATEMENT

Each year, Matrix's sustainability statements document its sustainability strategies including targets, action plans and the core components of sustainability goals. These are reviewed biannually and updated annually by the Sustainability Officer and endorsed by the Board.

AREAS REVIEWED IN MATRIX'S SUSTAINABILITY STATEMENT				
 <b>ENVIRONMENTAL ASPECTS, IMPACTS AND ACTIONS</b>	 <b>LEGAL REQUIREMENTS</b>	 <b>OBJECTIVES, TARGETS AND PROGRAMME</b>	 <b>COMMUNICATION</b>	 <b>MONITORING PERFORMANCE</b>

### SUSTAINABILITY POLICY

Our approach to sustainability is to fully integrate the principles into our business operations. Matrix endeavours to embed the principles of sustainability, as far as practicable, into the various stages of our operations life-cycle. Our sustainability policy is communicated to all employees in a meaningful manner.

Our Sustainability Policy

“**To provide solutions which reduce the environmental impact of buildings, and provide better spaces for the people who inhabit them. We will do so while providing safe, comfortable and healthy workplaces for our employees and believe that all employees play a key role in achieving our social and environmental goals.**”

Progress in the following six focus areas are monitored to ensure that we are on track in our journey towards achieving our sustainability goals.

 <h4>PROJECTS 1</h4> <p>Develop and encourage solutions to improve the environmental performance of every project we work on by considering practical ways to reduce greenhouse gas emissions, reduce accidents/hazard occurrence, energy and water consumption, natural resource depletion, waste to landfill and pollution.</p> <p>Develop and encourage solutions that provide better spaces for people through the consideration of daylight, comfort, glare, internal air quality, noise and connectivity to nature.</p>	 <h4>PEOPLE 2</h4> <p>Provide our staff with the skills, knowledge and enthusiasm to deliver practical environmental solutions through a strong commitment to training and knowledge sharing and rewards based on performance.</p>	 <h4>LEADERSHIP 3</h4> <p>Provide environmental leadership to the building industry through an active contribution to research and development, as well as compliance with and key industry bodies and requirements.</p>
 <h4>OUR BUSINESS 4</h4> <p>Reduce the environmental impact of our own operations by managing our energy and water consumption, encouraging cycling and the use of public transport, recycling waste, implementing an eco-friendly purchasing policy and ensuring our new office fit-outs are a practical demonstration of environmental sustainability.</p>	 <h4>MANAGEMENT 5</h4> <p>Implement and maintain an Environmental Management System and seek to continually improve our environmental performance, comply with applicable legal requirement and prevent pollution.</p>	 <h4>REPORT 6</h4> <p>Report transparently on our environmental and social performance and make this available on our websites.</p>

## MAPPING OUR SUSTAINABILITY GOALS AGAINST THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations (UN) has called for governments, the private sector, civil society and the community to be part of the new sustainable development agenda. During the United Nations Sustainable Development Summit in September 2015, it has reaffirmed Malaysia's commitment to supporting and implementing the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. We have aligned our sustainable goals to the SDGs in the spirit of making the right choices in a sustainable way, for future generations.



**CULTURE AND COMMUNITY**  
(SDG1, SDG2, SDG11 and SDG17)



- Contribute positively to communities less fortunate than our own
- Increase financial support for local charities and other organisations in need
- Promote community harmony and unity



**EQUITY AND LOCAL ECONOMY**  
(SDG8, SDG9, SDG11, SDG12 and SDG17)



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



**WORK SATISFACTION/ WELL-BEING**  
(SDG4, SDG5, SDG8, SDG10)



- Promote workplace diversity, employee benefits and adequate remuneration
- Consider flexible working policies for more members of the business whenever applicable
- Reduce workplace hazards and accidents
- Deliver self/career improvement workshops and training programmes
- Provide employees with a conducive working environment



**OUR PEOPLE**  
(SDG8, SDG9, SDG12, SDG17)



- Increase knowledge of sustainability
- Gain industry recognition for our people and business

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## SUSTAINABILITY IN ACTION

### CREATING SUSTAINABLE VALUE

Matrix creates value for its stakeholders by addressing their real estate needs and broader goals. Our ability to realise this value is rooted in our deep understanding of global and local real estate as well as capital markets.

Sustainability Leadership Agenda	Achieved By...
 <p><b>CREATING LASTING VALUE FOR SHAREHOLDERS AND CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>• Embedding sustainable solutions in all project and development services</li> <li>• Incorporating sustainability principles into the significant supply chain we manage</li> </ul>
 <p><b>RESPECTING NATURAL RESOURCES</b></p>	<ul style="list-style-type: none"> <li>• Championing and innovation in sustainable energy and resource use</li> <li>• Practising green development and achieving green building certifications</li> </ul>
 <p><b>SUPPORTING OUR COMMUNITY</b></p>	<ul style="list-style-type: none"> <li>• Making financial contributions to charitable organisations</li> <li>• Meeting local needs, especially through project and infrastructure developments</li> </ul>
 <p><b>TRANSFORMING OUR WORKPLACES</b></p>	<ul style="list-style-type: none"> <li>• Recognising and rewarding individual and team achievements</li> <li>• Embracing diverse background, skills and ideas, and promoting inclusion</li> </ul>



Elymus Resort Homes

# MATERIALITY, STAKEHOLDER ENGAGEMENT AND RISKS

A sustainability strategy touches every aspect of an organisation's management, operations and service offering. We perform an annual comprehensive assessment of our material issues to ensure that our sustainability disclosure focuses on the key impacts of our business and the most significant matters to our stakeholders.

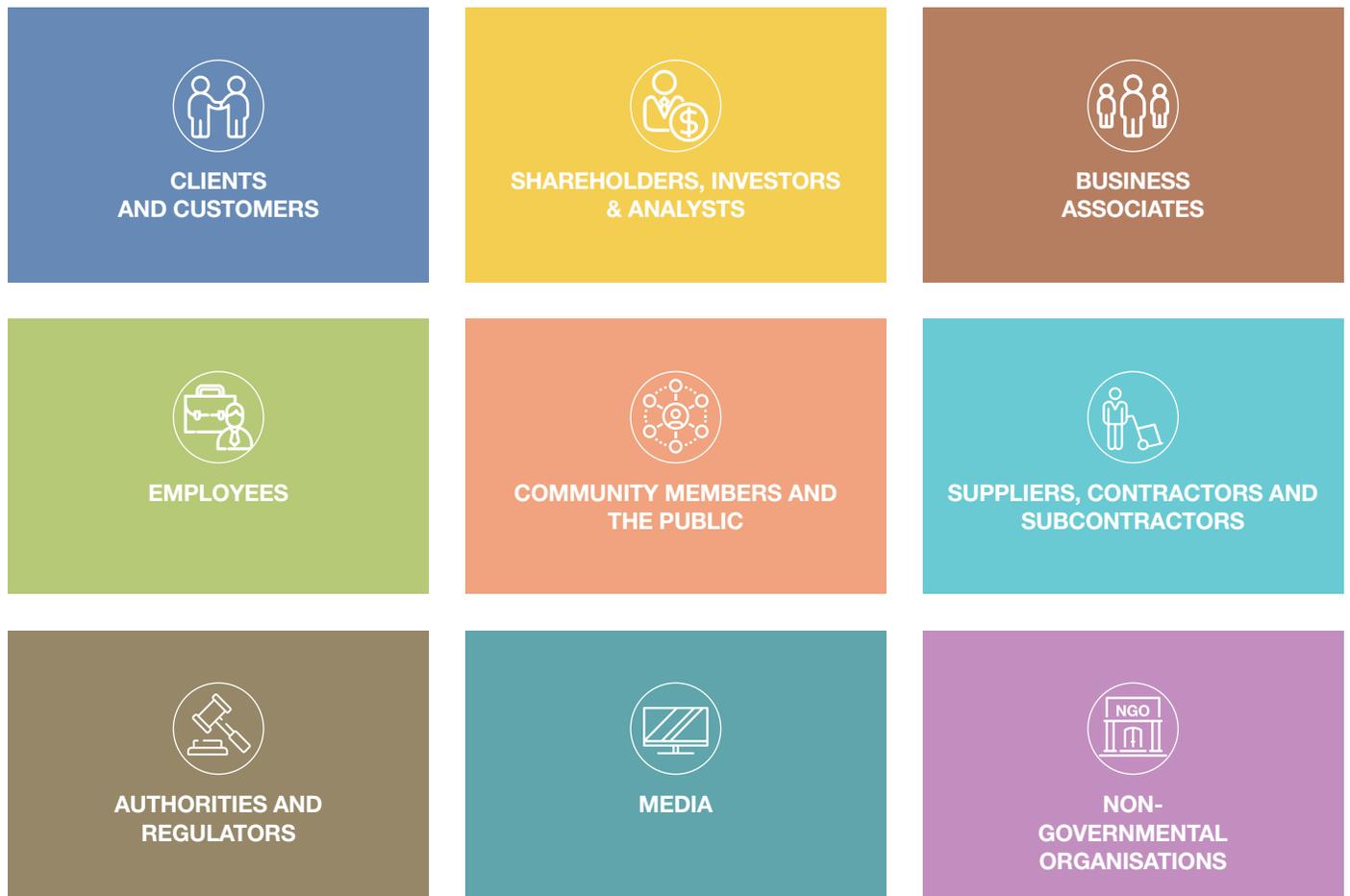
In the fourth quarter of FY2018, we performed a materiality review that forms the basis of our sustainability roadmap. Currently, we are exploring ways to address stakeholder feedback and incorporate it into our future stakeholder engagement plans and our updated sustainable development strategy.

## ENGAGING ON MATERIAL ISSUES

### The Methodology

The Matrix Stakeholders Materiality Survey 2018 was conducted in the last quarter of FY2018. The survey was performed anonymously to ensure impartiality and secure the anonymity of the respondents.

### Stakeholder Groups Consulted During Materiality Study



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# MATERIALITY, STAKEHOLDER ENGAGEMENT AND RISKS

A total of 520 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 During Materiality Study

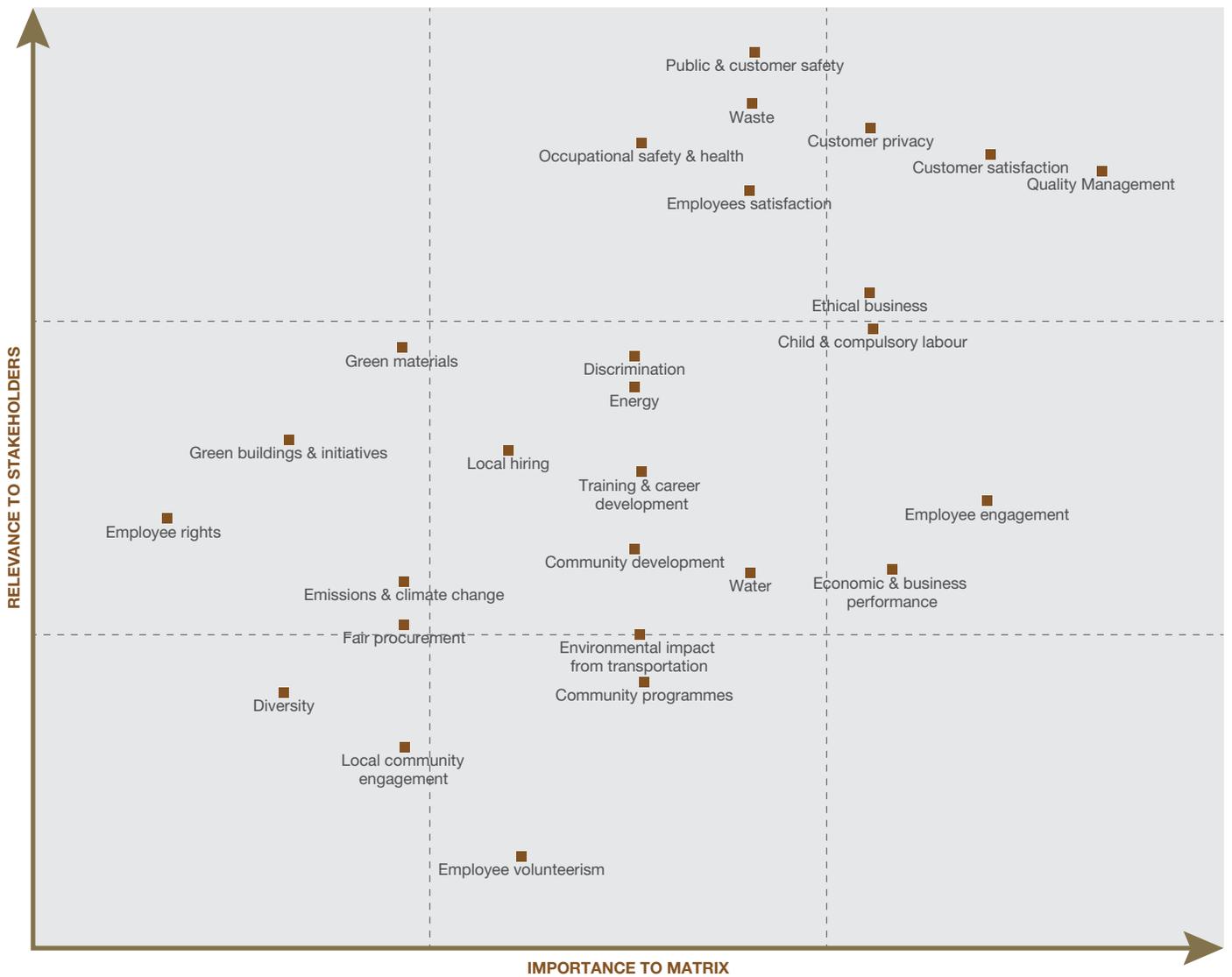
 <p><b>ECONOMIC PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• Economic &amp; business performance</li> <li>• Fair procurement</li> <li>• Local hiring</li> <li>• Community development</li> </ul>	 <p><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• Green materials</li> <li>• Emissions &amp; climate change</li> <li>• Energy</li> <li>• Water</li> <li>• Green buildings &amp; initiatives</li> <li>• Waste</li> <li>• Environmental impact from transportation</li> </ul>	 <p><b>SOCIAL: LABOUR PRACTICES AND DECENT WORK</b></p> <ul style="list-style-type: none"> <li>• Occupational safety &amp; health</li> <li>• Diversity</li> <li>• Training &amp; career development</li> <li>• Employee engagement</li> <li>• Employees satisfaction</li> </ul>	 <p><b>SOCIAL: HUMAN RIGHTS</b></p> <ul style="list-style-type: none"> <li>• Child &amp; compulsory labour</li> <li>• Discrimination</li> <li>• Employee rights</li> </ul>	 <p><b>SOCIAL: SOCIETY</b></p> <ul style="list-style-type: none"> <li>• Local community engagement</li> <li>• Community programmes</li> <li>• Ethical business</li> <li>• Employee volunteerism</li> </ul>	 <p><b>SOCIAL: PRODUCT RESPONSIBILITY</b></p> <ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Customer privacy</li> <li>• Public &amp; customer safety</li> <li>• Quality management</li> </ul>
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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 Media. A separate average score was calculated for each of the 27 areas within each stakeholder group, following which an average from all nine 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.



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## MATERIALITY, STAKEHOLDER ENGAGEMENT AND RISKS

### STAKEHOLDER ENGAGEMENT

We engage with a large number of stakeholders each day, both formally and informally, at every level of the business. Crucially, these interactions allow us to respond effectively to sustainability challenges and opportunities affecting us all.

Our key stakeholder groups and communication channels are presented below. The engagement for each group varies and both formal and informal channels are employed with differing regularity.

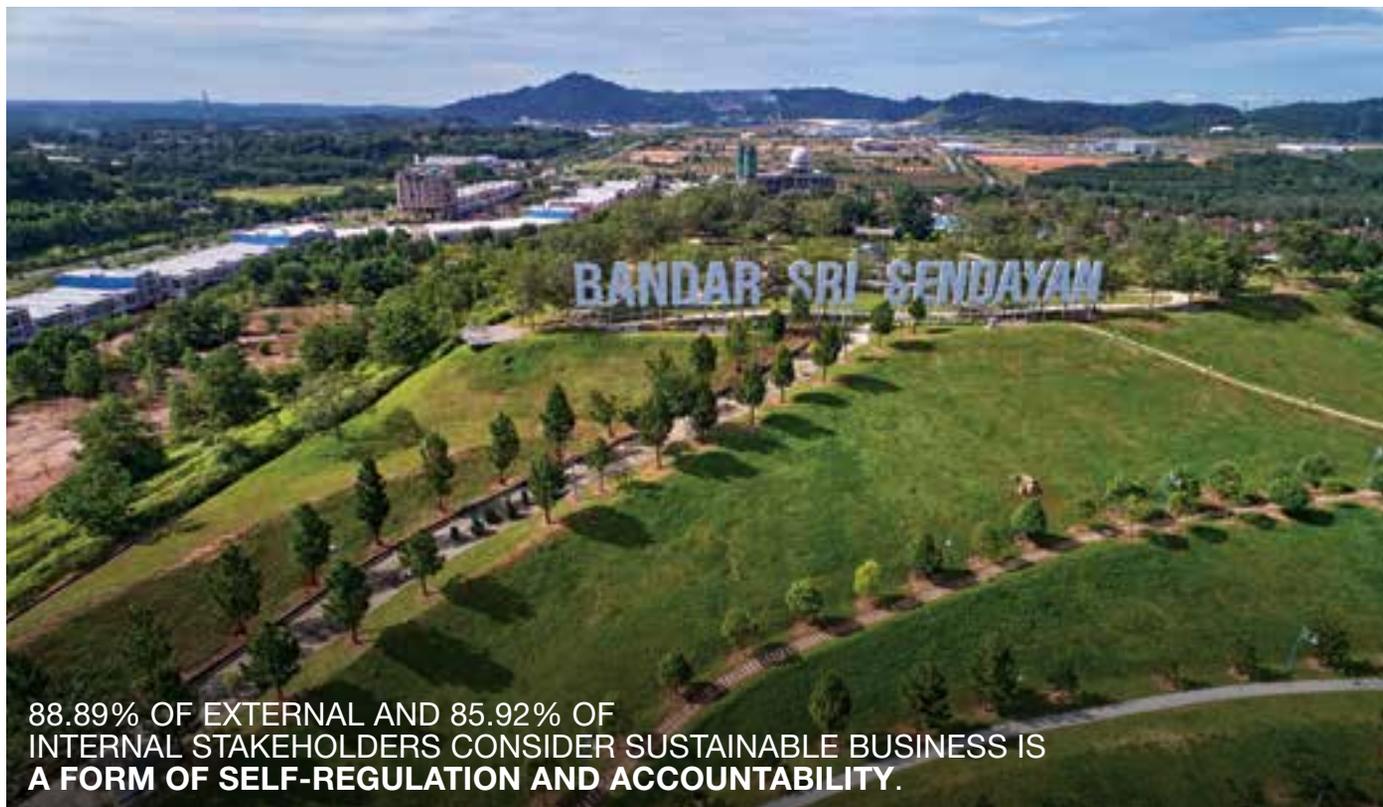
Key Stakeholders	Management Approach	Methods of Engagement	Areas of Interests / Key Topics Raised
<b>CLIENTS AND CUSTOMERS</b> 	Matrix strives to develop and deliver quality products and services of the highest calibre to improve the business efficiency and quality of clients and customers. We aim to secure the satisfaction and trust of all valued customers through effective communication and by providing constructive holistic solutions.	<ul style="list-style-type: none"> <li>• Half-yearly bulletins</li> <li>• Customer charter and complaints handling</li> <li>• Specialised customer care teams</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Project features description and services</li> <li>• Green development</li> <li>• Project quality</li> <li>• Future sustainable developments</li> <li>• Surrounding amenities and facilities</li> <li>• Customer support</li> </ul>
<b>SHAREHOLDERS, INVESTORS AND ANALYSTS</b> 	Matrix endeavours to remain a key revenue-generating company, delivering healthy returns to shareholders and investors.	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Quarterly analyst briefing</li> <li>• Annual report</li> <li>• Bursa Malaysia announcement</li> <li>• Quarterly reports</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Return on Investment</li> <li>• Financial performance</li> <li>• Future outlook</li> </ul>
<b>BUSINESS ASSOCIATES</b> 	Relationships with business associates ensure that we deliver the best value to clients and customers.	<ul style="list-style-type: none"> <li>• Agreement with business partners</li> <li>• Partnership approach to procurement and project work</li> </ul>	<ul style="list-style-type: none"> <li>• The Group's performance</li> <li>• Branding and reputation</li> <li>• Current and future projects</li> </ul>
<b>EMPLOYEES</b> 	Matrix has invested and engaged in a wide range of initiatives to improve employee satisfaction, increase their sense of belonging and raise diversity. We provide personal learning and development so that employees can reach their full potential. This approach helps them cope with different challenges, achieving success in both their personal and professional lives.	<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>• Events such as annual dinners and festive celebrations</li> <li>• Continuous education programme</li> </ul>	<ul style="list-style-type: none"> <li>• Career development opportunities</li> <li>• Benefits and remuneration</li> <li>• Welfare and wellbeing</li> </ul>

Key Stakeholders	Management Approach	Methods of Engagement	Areas of Interests / Key Topics Raised
<b>COMMUNITY MEMBERS AND THE PUBLIC</b> 	<p>As a responsible corporate citizen, we do our utmost to recognise and address local social needs within our developments. Utilising our core competencies helps us create a better society and cultivate a strong, loving and caring “network” that serves the community.</p>	<ul style="list-style-type: none"> <li>• Community programmes</li> <li>• Roadshows</li> <li>• Social media</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Societal contributions</li> <li>• Socio-economic impact from operations</li> </ul>
<b>SUPPLIERS, CONTRACTORS AND SUBCONTRACTORS</b> 	<p>Matrix recognises the importance of promoting sustainability, not only within its own operations but also across the entire supply chain. While the cost factor remains an important consideration, we have developed strong relationships with our suppliers and will try to nurture a green and competitive supply chain that is mutually beneficial for all parties.</p>	<ul style="list-style-type: none"> <li>• Appreciation Day</li> <li>• Suppliers, contractors and subcontractors are also invited to our annual dinner</li> </ul>	<ul style="list-style-type: none"> <li>• Fair supply chain process</li> <li>• Sustainable partnership with Matrix</li> </ul>
<b>AUTHORITIES AND REGULATORS</b> 	<p>Compliance with all applicable laws and regulations is a minimum requirement for our licence to operate. We support the Government’s agenda by constructing affordable homes and building the nation through infrastructure development.</p>	<ul style="list-style-type: none"> <li>• Compliance reports</li> <li>• Site visits</li> <li>• Constant consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Supporting Government and local authorities’ initiatives</li> </ul>
<b>MEDIA</b> 	<p>Media engagement is vital for presenting our message to a variety of key stakeholders.</p>	<ul style="list-style-type: none"> <li>• Press conferences</li> <li>• Media appreciation night</li> <li>• Festive celebrations</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing and future projects</li> <li>• Business outlook</li> </ul>
<b>NON-GOVERNMENTAL ORGANISATIONS</b> 	<p>We engage with NGOs and charities with similar interests or that may affect our business. We encourage them to work openly and collaboratively with us to ensure we can deliver mutual benefit.</p>	<ul style="list-style-type: none"> <li>• Community programme partnerships</li> <li>• Discussions and consultations on social events</li> <li>• Charity events</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership with Matrix</li> <li>• Positive impact on the society</li> </ul>

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# SUSTAINABILITY AND RISK MANAGEMENT



**88.89% OF EXTERNAL AND 85.92% OF INTERNAL STAKEHOLDERS CONSIDER SUSTAINABLE BUSINESS IS A FORM OF SELF-REGULATION AND ACCOUNTABILITY.**

Sustainability has been a part of Matrix's enterprise risk management programme since its early years. The programme is coordinated with our Internal Audit function. Each quarter, the Audit Committee discusses processes followed in the establishment of an enterprise risk management report. This report documents:

- The most significant enterprise risks that we believe Matrix is currently facing;
- Efforts that are being undertaken to mitigate the identified risks; and
- Proposed business functions that align their activities with the identified risks.

## Unlocking Growth by Integrating Sustainability into Our Enterprise Risk Management

Sustainability allows us to examine risk in much broader terms than the traditional Enterprise Risk Management (ERM) framework. We can look beyond economic, strategic and operational factors to include social and environmental considerations. This approach allows us to consider emerging risk areas and seek opportunities presented by risks that are overlooked by other analytical approaches.

Sustainability requires us to accept responsibility for the impact on a diverse group of stakeholders and relationships with them in our pursuit of financial success. We aim to create long-term value, embrace opportunities and manage risks, not only from an economic perspective but also considering ethical, social and environmental aspects. High customer loyalty and employee commitment are prerequisites for our continued success.

**Key Sustainability-related Aspects Identified in Matrix's Risk Profile**

Function	Key Risks	Risk Ratings
<b>Group corporate communication, investor relations and public relations</b>	Inability to maintain good relationships with authorities, the media and community	Low
<b>Information Communication Technology</b>	Loss of information	Significant
<b>Group governance, secretarial and development</b>	Non-compliance with reporting disclosure requirements and Bursa Malaysia's Listing Rules	Low
<b>Finance</b>	Non-compliance with the rules and regulations imposed by the relevant authorities such as Bursa Malaysia, accounting standards, ISO and JKKP	Low
<b>Human Resources and Administration</b>	Succession plan for key personnel is not being properly developed	Low
	Recruitment of incompetent employees that do not meet the company's expectations	Significant
	Unauthorised access to employees' confidential information and documents	Low
<b>Legal</b>	Non-compliance with government rules, legislation and regulations	Low

- Low- Rare or low chance of occurrence
- Significant – May occur or possibly happen
- High – Likely to occur or high chance of happening

Matrix's key risk profiles are driven by the changing business environment in particular. Our executive management and risk owners are vigilant in the identification and management of risks facing the Group. Significant risks are monitored by adopting a more stringent control on employee recruitment to reduce the related risks, Matrix has embarked on a policy to tighten control to prevent data loss. Periodic reviews ensure that risks are up-to-date with the developments of the Group's business and operating environment.

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# ECONOMIC RESPONSIBILITY: LEADING BY EXAMPLE

We remain resilient and focused on delivering growth and long-term shareholder value. Appropriate action is taken to drive performance and our business has emerged stronger despite the challenges faced during the financial year. Matrix was able to buck the trend and experienced a robust growth momentum across the board for FY2018 despite the overall slow property market as we build a strong foundation for our future sustainable growth.

## DEVELOPER OF CHOICE

Matrix's resilience presents a strong case for long-term investment. Matrix aligned its strategies to adapt its product mix despite a challenging business environment. A healthy balance mix of quality, mid range and high-end homes caters to differing palates in the market. This flexibility can be afforded due to the Group's large land bank and a keen knowledge of target buyers' appetites.

Matrix has a solid base in building quality homes which are "value-for-money" that cater to the masses' needs. A comprehensive and conducive lifestyle is provided by our purpose-built townships as we pursue excellence in recreation, education and hospitality. Our brand as a developer of choice is reinforced by enhancing the vibrancy of our projects through investments that improve living quality within its township.

## MOVING UP THE VALUE CHAIN

Our brand is commonly associated with building quality houses which offer value-for-money products in terms of

spacious design and quality finishes in Bandar Sri Sendayan, a bustling community with a current population of over 25,000 in Seremban, Negeri Sembilan. Matrix has also been developing townships in Johor as part of its diversification strategy.

Matrix continues to rise up the value-chain to diversify its products into the higher-end residential segment while maintaining its core strengths in "value-for-money" housing to cater for the masses' demand. Residensi SIGC is our maiden launch in Paroi Jaya. Overlooking the Seremban International Golf Club (SIGC), this development showcases our on-going venture into high-end properties.

During the year, we have also tapped into the growth potential of Johor's southern corridor with our Impiana Square development, also known as Kluang Southgate. The 62-acre freehold commercial development carries a gross development value (GDV) of RM434 million. It is located in the 900-acre Bandar Seri Impian township in Kluang.

Impiana Square is the new commercial hub within the Kluang district that directly connects to the Gemas-Segamat-Kluang-Pasir Gudang Highway. As road connectivity improves, we anticipate growing demand for homes in Bandar Seri Impian for buyers outside Kluang as the township offers quality landed homes amidst a tranquil living environment away from the bustling town centre. In addition, the situation of the newly completed "Lake Park" forms part of the area's recreational park to provide the community a place to hang out and attend to their communal activities during their leisure time in serene green spaces.





**LOCATION IS KEY**

Location is key when making property decisions. Accessibility is a major factor in the rising interest in investing and residing in Seremban. Over the last two decades, more people have chosen to stay in Seremban and travel to Kuala Lumpur to work or conduct business. Commuting between these two cities is increasingly worthwhile because of the lower living costs in Seremban. Improved accessibility between Negeri Sembilan has shortened travelling time which encouraged population growth in Seremban.

**Conveniently Located Bandar Sri Sendayan**

<p><b>1</b> </p> <p><b>EASILY ACCESSIBLE</b> via <b>ROAD</b> and the <b>KTM TRAIN</b></p>	<p><b>2</b> </p> <p><b>ONE HOUR'S DRIVE</b> via the <b>NORTH-SOUTH HIGHWAY</b></p>
<p><b>3</b> </p> <p><b>ACCESSIBLE</b> by <b>SEREMBAN-PORT DICKSON HIGHWAY</b></p>	<p><b>4</b> </p> <p><b>KLIA</b> will be accessible by <b>KLIA LINKAGE</b> that is currently under construction</p>
<p><b>5</b> </p> <p>On the <b>ROUTE OF THE PROPOSED PAROI-SENAWANG-KLIA EXPRESSWAY</b></p>	<p><b>6</b> </p> <p>Close to <b>THREE TRAIN STATIONS: LABU (KB11), TIROI (KB12) and SEREMBAN (KB13)</b></p>

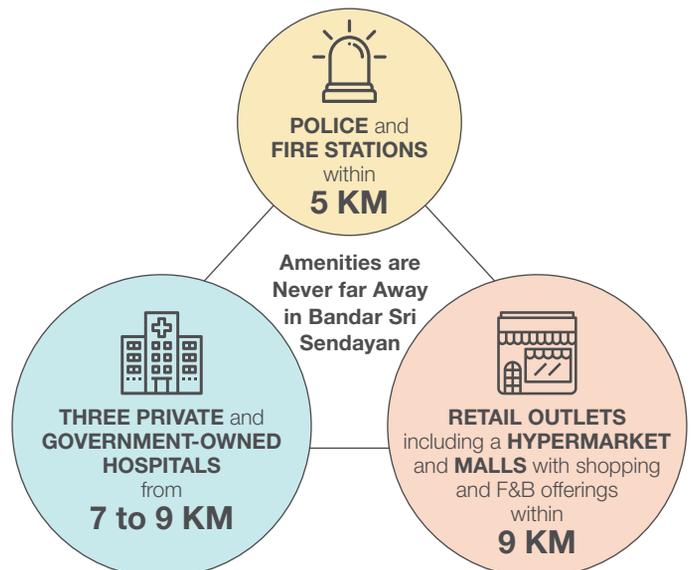


**INTEGRATED TOWNSHIP: A SYMBOL OF SUSTAINABILITY, A COMMUNITY HUB AND AN INVITING RETAIL DESTINATION**

Located in 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 5,344-acre freehold development is poised to enjoy comparable success and live up to its reputation of being the Damansara of Seremban.

Matrix developed Bandar Sri Sendayan with one concept

*“ a perfect home with comfortable living in mind ”*



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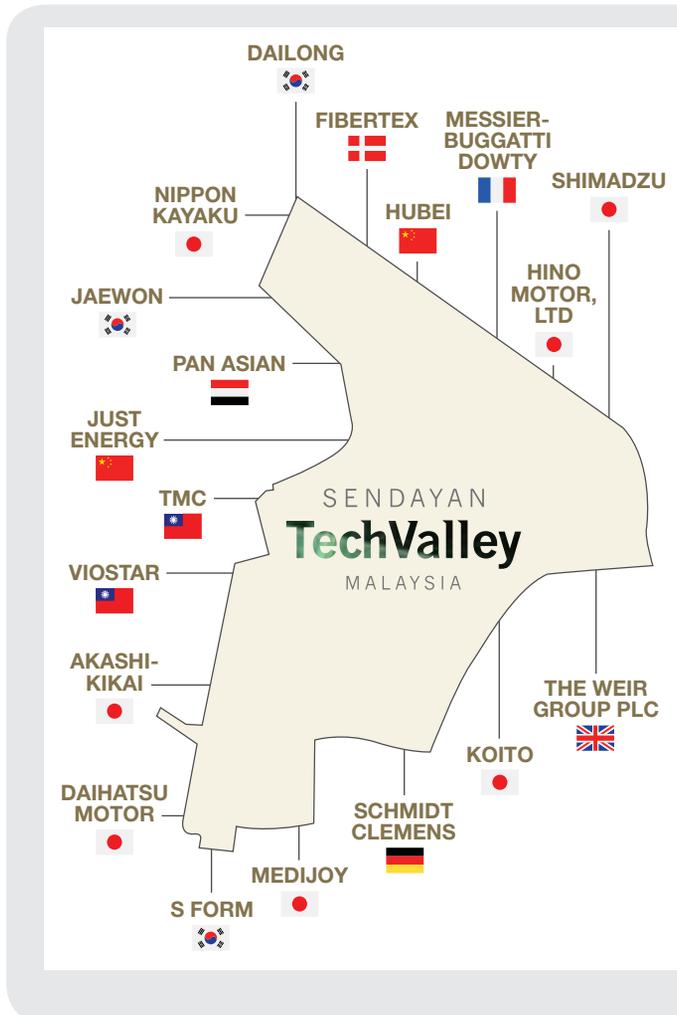
# ECONOMIC RESPONSIBILITY: LEADING BY EXAMPLE

Matrix continues to deliver its mission of bringing the best in quality living for all generations. In 2016, 'X-Park' was opened in Bandar Sri Sendayan. The 34-acre site, larger than the earlier-planned 25 acres, features a multitude of family-friendly and exhilarating activities such as a golf driving range, go-karting, archery, flying fox, petting zoo and BMX trail. This is part of our overarching goal of fostering and nurturing relationships within the community.



**THE WILD SIDE OF LIVING**

Envisioned to be the largest extreme park in Negeri Sembilan, the X-Park spans 34 acres. It offers up to 18 different games and sports, suiting the whole family. X-Park is now one of the largest in Malaysia with 80 driving range bays.



## OPERATING ON A WORLD CLASS INFRASTRUCTURE NETWORK

### SENDAYAN TECHVALLEY (STV) CONTINUES TO FEATURE PROMINENTLY ON THE RADAR OF FOREIGN INVESTORS.

In 2017, two international manufacturers from Korea and Denmark at STV producing aluminium form for construction use and non woven fabric product, have started their factory operations. There were constantly new foreign investors acquiring lands for their factories set up in STV. This is a testament to the significant strategic advantages and value that STV can offer to the aspiring industrialists.

STV is home to several local and global companies including automotive and industrial brands. Operating on a world-class infrastructure network, the technology park boasts nearby amenities such as hotels, schools and retail shops.

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 mall in the making.

These developments are crucial milestones in cementing our vision for BSS as an integrated township extolling the benefits of living, working and playing in a single location.

## WHAT IS COMING UP?

### CENTRAL BUSINESS DISTRICT OF NEGERI SEMBILAN (CBD)

Matrix is planning a new town centre in Bandar Sri Sendayan, to be the Central Business District (CBD) of Negeri Sembilan. The 116-acre town centre is modelled on Bandar Damansara in Klang Valley and will contain a hospital, hotel, shopping mall, convention centre, commercial units, offices and condominiums.

The CBD, will be the focal point of Negeri Sembilan. This CBD is scheduled to commence development in the near future. Its strategic location will make it the centre point for transportation networks. Our goal is for CBD to be what people think of a bustling city when they think of its downtown area.



### ROYAL MALAYSIAN FORCE ACADEMIA

The Royal Malaysian Air Force Academia is scheduled for completion in the fourth quarter of 2018. Potentially, the sprawling facility could attract more than 20,000 additional residents over the next few years. This will significantly boost BSS's population from the current 30,000 people. With this population expansion, we plan to introduce more commercial properties in the near future to cater to the rising demand for new commercial offerings which will generate economic development.



### BRINGING QSR BRANDS TO SRI SENDAYAN TOWNSHIP

On 15 November 2017, Matrix and QSR Brands (M) Holdings Berhad signed an agreement to open the 700<sup>th</sup> KFC restaurant in Malaysia and the first in Bandar Sri Sendayan.

QSR Brands is the only fully-integrated food operator in Malaysia with both upstream and downstream supply chains. Malaysians have complete peace of mind throughout this halal-compliant nostalgic dining experience.

The restaurant is located along the main road in Bandar Sri Sendayan between d'Sora Boutique Business Hotel and the commercial units of Sendayan Metropark. It serves as a rendezvous point for the township's residents and visitors. The arrival of KFC in Bandar Sri Sendayan acts as a catalyst for welcoming more renowned brand names to the township in line with Matrix's aspiration to be a self-contained, sustainable and vibrant township.

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## ECONOMIC RESPONSIBILITY: LEADING BY EXAMPLE



### MATRIX BENEFITS FROM THE MALAYSIA VISION VALLEY (MVV)

The MVV is Negeri Sembilan government's effort to complement the rapid development in the Klang Valley, particularly in Kuala Lumpur and Putrajaya. It aims to develop Seremban and Port Dickson as growth hubs while facilitating a living environment around the area. MVV 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 the west of Negeri Sembilan, the MVV encompasses Nilai, Seremban and Port Dickson and will provide an economic boost to Bandar Sri Sendayan.

### WELCOMING THE INDUSTRIALISED BUILDING SYSTEM (IBS) MANUFACTURING PLANT

On 13 April 2017, Matrix entered into a joint venture, shareholders' agreement and subscription agreement with Nissin Ex.Co. Ltd (NECL) and Nihon House Corporation (NHC). The agreement concerns the establishment of a manufacturing plant in Sendayan TechValley, Bandar Sri Sendayan. The plant will manufacture prefabricated building materials for implementation in the Industrialised Building System (IBS). Construction works are ongoing and operations are scheduled to commence in early 2019.

Matrix's implementation of IBS in its housing development projects will lead to a shorter construction period and improved quality control with reduced dependence on skilled and foreign labour. The first phase of the new manufacturing plant is targeted for completion within two years, fulfilling the Group's in-house requirements. The plant capacity could then be expanded to cater to our growing scale of developments and other housing developers in Negeri Sembilan, Klang Valley and Johor.

Fast-tracking the adoption of IBS in our projects is also aligned with the recommendations of the Construction Industry Transformation Plan 2016-2020 to boost the sector's productivity.





## EDUCATION EVOLUTION AND LEARNING

Matrix Global Schools (MGS) reached another milestone in 2017. Matrix International School collaborated with a top International School Group in China, Hengshui No.1 High School with its main campus in Hebei China.

Hengshui No.1 High School is highly sought after in China. The school prepares students for their pre-university entrance examinations with students entering the prestigious Beijing University and Qinghua University. This collaboration cemented MGS' predominant educational philosophy of **"East meets West, West meets East."** The ceremony also added China to our current International students' reach, bringing the total number of countries to 15. Our first intake of students from China will commence in September 2018.

“**International education is not only a core component of Malaysia's economy; it contributes profoundly to future trade, business links and cultural diversity. The increasing number of international students in MGS has contributed positively to the local economy, job opportunities and the overall township development.**”

Education in MGS is truly international as students are able to learn from one another and immerse themselves in a rich cross-cultural background. Students' are prepared for the borderless world that awaits them.



## MATRIX GLOBAL SCHOOLS

**804**  
LOCAL STUDENTS

**79**  
FOREIGN STUDENTS

FROM  
**15**  
COUNTRIES



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## ECONOMIC RESPONSIBILITY: LEADING BY EXAMPLE



### MGS Guinness World Records Day- Largest South East Asian Contributor

MGS organised the Guinness World Records Day - Cup Stacking on 9<sup>th</sup> November 2017. Students from various schools in Negeri Sembilan participated in the world record event that is held worldwide with 1,792 participants taking part. MGS was the largest South East Asian contributor. All the students received a Certificate of Participation in appreciation of their attendance and it was heart warming to witness the students' excitement in being able to participate in the event.



## BENEFITS OF SPORT STACKING



Develops important physical skills such as hand-eye coordination, quickness and focus



Promotes self-confidence, teamwork and good sportsmanship while providing a positive experience



Helps students develop bilateral proficiency with equal performance on both sides of the body whereby they developed a greater percentage of the right side of the brain, focusing on awareness, creativity and rhythm



Helps train the brain for sports and other activities where the use of both hands is important, such as playing a musical instrument or using the computer



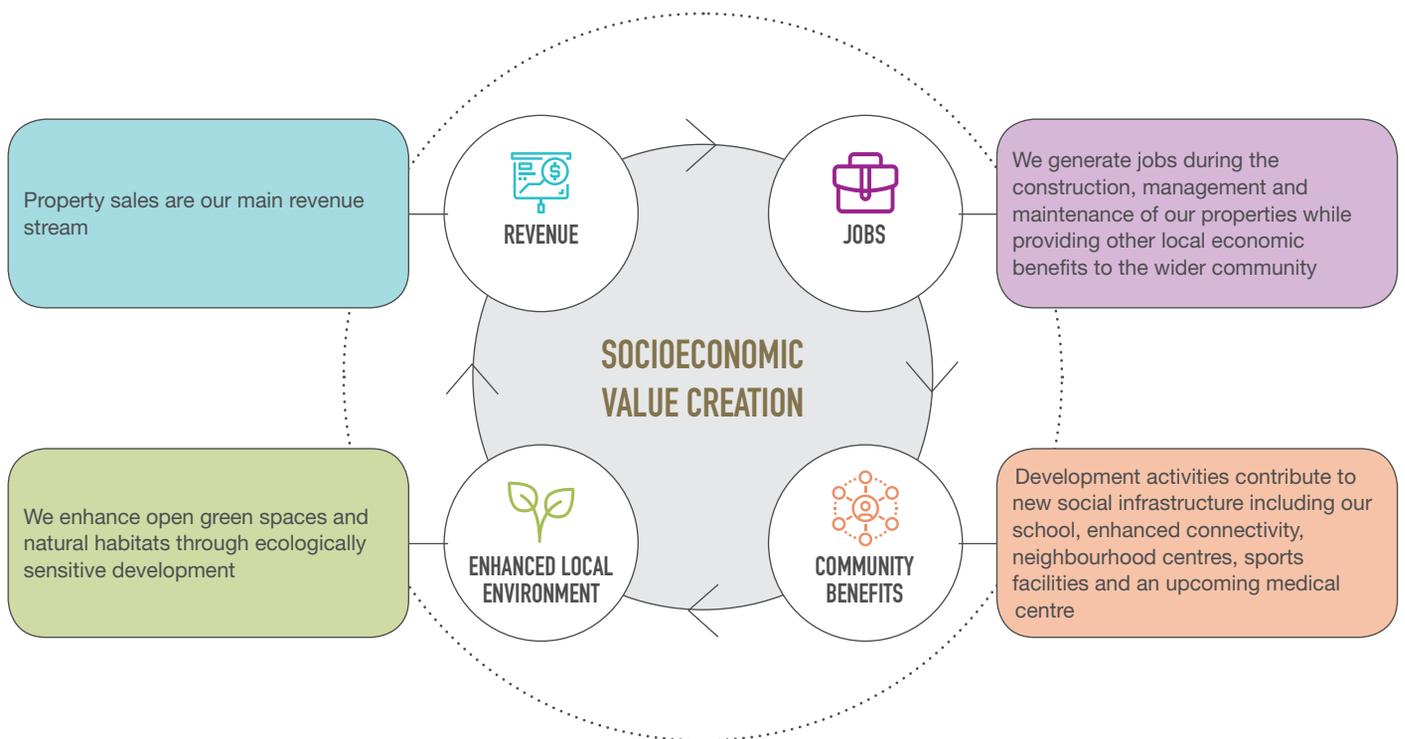
Contains elements of sequencing and patterning, which can help with reading and mathematics



### SOCIOECONOMIC IMPACT

The development of Bandar Sri Sendayan creates construction jobs. Direct and indirect jobs are also created after construction is completed. This helps to improve the rate of unemployment among Malaysians.

Matrix always prioritises local workers in its hiring practices. Likewise, our contractors must try to employ Malaysian citizens whenever possible.



### GOOD CORPORATE CITIZEN FOR THE NATION

Matrix supports the Government's and local authorities' agenda in building the nation through investing our core competencies in infrastructure development for the benefit of the society.

In 2017, we injected RM7 million into Persiaran Sendayan Mambau road upgrading works, transforming the previous single carriageway into a dual carriageway, which is currently in progress. The length of the road was approximately 2km. This project shall benefit the public by improving traffic flow from the existing development.

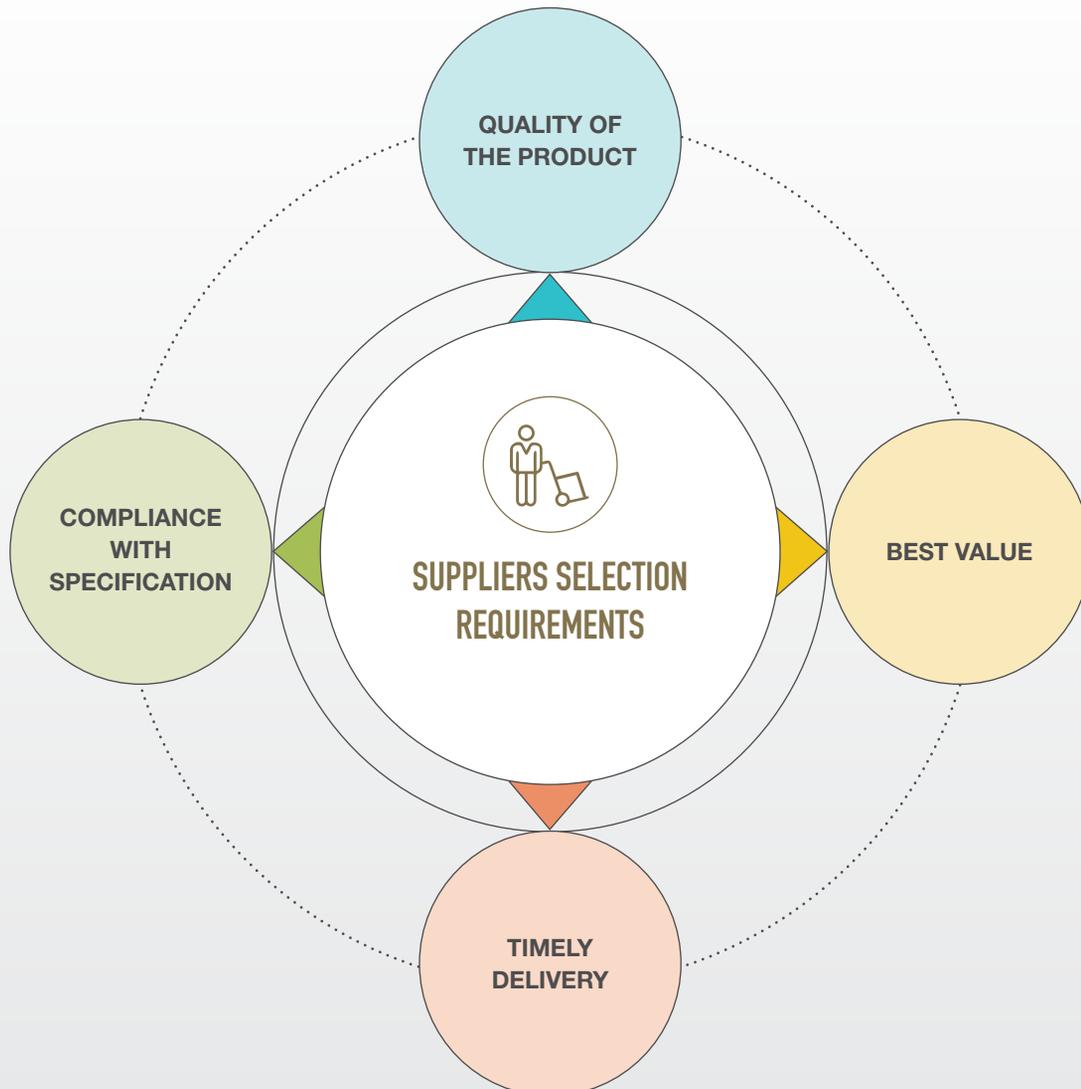


Persiaran Sendayan Mambau road upgrading works in progress

## ECONOMIC RESPONSIBILITY: LEADING BY EXAMPLE

### SUSTAINABLE SUPPLY CHAIN

Matrix acknowledges that each procurement decision it makes has an impact on the environment and society. We practise a transparent procurement process that is fair for both parties. Although we do not have a formal policy on the hiring of local suppliers for the time being, it is our common practice to source locally whenever possible without compromising quality. More than 90% of our suppliers are local. Other factors are considered when selecting suppliers as highlighted in the chart below.



### Incorporating Socio-environmental Factors into our Supply Chain Standard

Matrix incorporates aspects of safety, health and environment into its procurement processes. Contractors must submit a Project Safety, Health & Environmental Compliance Plan (PSHECP) and Emergency Response Procedures (ERP). These documents outline training, monitoring, reporting procedures, compliance with statutory regulations, standards and Code of Practices to be implemented throughout the contract period. Socio-environmental factors are also included in the screening of new suppliers and supply chain partners. Examples of these are summarised in the table below.

Aspect of Sustainability	Responsibility of Contractor
<b>Security, Safety and Health Requirements</b>	Contractors must comply with all statutory requirements and clauses under the: <ul style="list-style-type: none"> <li>• Occupational Safety and Health Act and Regulations 1994 (OSHA).</li> <li>• Factory and Machinery Act 1967 (FMA).</li> <li>• CIDB Guidelines on First-Aid Facilities in the Workplace.</li> <li>• Matrix Site Security, Safety and Health Regulations for Sub-Contractors and workers.</li> </ul>
<b>Cleanliness and Noise Control</b>	Contractors must: <ul style="list-style-type: none"> <li>• Take the necessary precautions to overcome any nuisance and noise pollution resulting from their works on site.</li> <li>• Regularly maintain the cleanliness of work areas, storage areas and site offices.</li> <li>• Carry out daily site housekeeping and clear all construction debris resulting from their work. Surplus materials must be removed from the premises and disposed of properly.</li> </ul>

Our procurement guidelines also include environmental protection. The Contractor is solely responsible for the sufficiency of precautions taken to protect the environment. The following requirements imposed by the relevant authorities must be complied with, in particular:

- **Environmental Quality Act 1974**

The Contractor must comply with all aspects of the Environmental Quality Act 1974 that are relevant to the design, construction, equipping and commissioning of the project.

- **Environmental Impact Assessment**

The contractor must follow the Environmental Impact Assessment (EIA) approval and incorporate all abatement and mitigation measures for environmental protection and environmental monitoring into the works as required by the Department of Environment (DOE).

- **Social obligations**

Workers must be given fair remuneration which at least covers their living wage, valid permit to work in accordance with Malaysian immigration and labour laws, and must not be exposed to hazards or risks. Contractors must not hire any underage workers or child labour as well as forced or compulsory labour.

We are pleased to report that there was no case of negative socio-economic impact recorded in our supply chain process during the year.

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# ENVIRONMENTAL RESPONSIBILITY



At Matrix, environmental sustainability concerns conserving the environment by actively minimising our environmental impact through resource use optimisation. This requires the participation of all stakeholders including our employees, suppliers, contractors, customers and most importantly – *Matrix as a Company*.

We minimise our environmental impact by reducing energy use, waste, carbon emissions from transportation and raw materials handling. We also act as green advisors to help contractors, tenants and residents reduce their environmental footprint through day-to-day activities.

## Environmental Management Systems (EMS)

Matrix’s EMS captures targets and actions relevant to sustainability strategies. It is reviewed and updated annually before being endorsed by the Board.

 <p><b>ENVIRONMENTAL ASPECTS, IMPACTS AND ACTIONS</b></p> <p>Identifies our direct and indirect environmental impacts and sets out the steps we will take to reduce them</p>	 <p><b>LEGAL REQUIREMENTS</b></p> <p>Identify and access the applicable legal requirements related to our environmental aspects</p>	 <p><b>OBJECTIVES, TARGETS AND PROGRAMME</b></p> <p>Establishes measurable targets consistent with our sustainability policy and describes our plan to achieve them</p>	 <p><b>RESPONSIBILITY</b></p> <p>Describes who we establish, implement, maintain and improve the sustainability goals</p>	 <p><b>COMMUNICATION</b></p> <p>Describes how we will communicate our performance of sustainability goals with stakeholders and interested parties</p>	 <p><b>MONITORING PERFORMANCE</b></p> <p>Defines how we measure and report our sustainability performance</p>
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**Environmental Goals to be Achieved over time**



**ZERO CARBON**

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



**SUSTAINABLE MATERIALS**

- Procuring and selling sustainable products that have low embodied energy



**ZERO WASTE**

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



**SUSTAINABLE TRANSPORT**

- Encourage low carbon modes of transport to reduce emissions

**ENVIRONMENTAL POLICY**

Matrix Group will undertake the proposed project in accordance to regulatory and environment requirements. Matrix is aware of the needs to maintain a high standard of the environmental quality in performing their task and is committed to ensure 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.

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## ENVIRONMENTAL RESPONSIBILITY

### INDUSTRIALISED BUILDING SYSTEM (IBS) CONSTRUCTION FOR A 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)**

We structurally 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.

Integrating IBS in construction can potentially contribute to different aspects of sustainable development and construction.

#### SUSTAINABLE BENEFITS OF IBS



##### 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.



##### 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.



##### IBS AND BUILDING MATERIALS

IBS implements proper process control and planning that are crucial in managing prefabricated technologies such as Structural Insulated Panels (SIPS) that have great potential in fabricating energy-efficient buildings.



##### IBS AND LOGISTICS

IBS allows larger quantities of materials and components to be ordered which reduces the number of deliveries.



##### 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.



##### IBS AND DELIVERY TIME

The IBS system increases construction speed and delivers a minimum of six months ahead of time.

### GREEN BUILDING, ECOLOGICAL CONSTRUCTION

Our definition of green building goes beyond certification; it refers to a clean building, using natural materials. Eco-construction, also referred to as sustainable construction, introduces various possibilities of reducing the environmental impact of buildings. Rather than adopting a specific construction methodology across all projects, we bring together a set of techniques, materials and technologies. When properly integrated into a construction project, these methods can improve our environmental performance.

Matrix 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.

 <p>Optimise energy efficiency</p>	 <p>Limit water consumption</p>
 <p>Maximise use of recycled, recyclable and non-toxic materials</p>	 <p>Generate as little waste as possible during the construction process and subsequent occupation</p>

Our green buildings are constructed while respecting the environment and offering maximum comfort to occupants.

### Recognition for Our Green Buildings



**D'TEMPAT COUNTRY CLUB** achieved a Gold Standard certification by the Green Building Index (GBI).



**CHAMBERS @ KUALA LUMPUR** has gone through the GBI Assessment during the fourth quarter of FY2018.



**BANDAR SRI SENDAYAN** was awarded Best Sustainable Township Development 2017 by Property Insight Prestigious Developer Awards.

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## ENVIRONMENTAL RESPONSIBILITY



### ENERGY MANAGEMENT

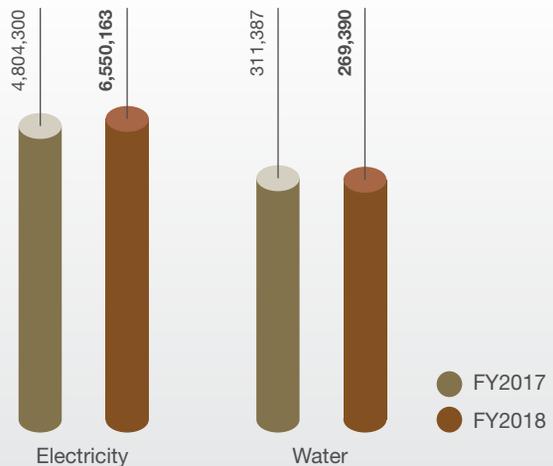
Greenhouse Gas (GHG) emissions resulting from operating our offices and business travel make up Matrix’s most substantial environmental impacts. As we are committed to minimising the effect our operations have on the planet whenever possible, energy reduction and GHG emission targets have been set.

In 2017, we continued implementing energy-saving initiatives across our operations including:

- Installing energy-efficient LED and T5 fluorescent lamps with timer controls and occupancy or daylight sensors, and
- Replacing old chillers with more efficient alternatives.

Energy use is monitored and recorded in each of the offices. In FY2018, electricity consumption increased mainly due to additional employees being recruited for the opening of our new branch office, hotel as well as increase in students intake in MGS. The usage of water reported a slight reduction due to better water conservation and management initiatives undertaken, particularly MGS.

Electricity (kWh) and Water (m<sup>3</sup>) Use



Notwithstanding, Matrix has also upgraded its efforts in the energy conservation processes as summarised below.

#### ENERGY-SAVING HABITS AT MATRIX GROUP



**Switching off all electronics** at the end of the day and during weekends and holidays



**Purchasing energy-saving equipment** with lower running costs



**Replacing light bulbs with energy-efficient LED** equivalents



Investing in **timers, movement detectors** and **light level sensors** for MGS



**Establishing a ‘switch off’ campaign** to encourage employees to turn off lights and equipment that are not in use

**Matrix Global Schools' Energy Conservation Efforts**

 <p>Except for our MGS boarding houses, the entire campus has a building management system that controls the timing and temperature of the air-conditioning.</p>	 <p>A minimal wastage policy is practised to reduce all excess bulbs by installing special LED lighting to conserve energy.</p>	 <p>A collaboration with a third party company aims to reduce energy usage by installing their recommended lights and devices. Is currently in progress.</p>	 <p>An automated shut-off has been installed for lights and air-conditioning that are not in use.</p>	 <p>Solar energy powers the hot water systems at the boarding house.</p>	 <p>A key card system has been introduced to minimise electricity wastage.</p>
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**OTHER PLANNED ENERGY-SAVING INITIATIVES BY MGS**

**ENISCOPE Energy Monitoring System**

Acknowledged by SIEMENS as the most cost-effective EMS employing British Technology with European and International Certification will be installed.

**LED Lighting**

High-efficiency LED replacements will reduce power consumption from 42w to 14w per light source in classrooms. Energy consumption for lighting classrooms has reduced by 61%, yet still meets International Standards for educational ambience.

**INVERTEKS Drives**

This British technology, which is installed on all water pumps and motors, is estimated to deliver electricity savings of 25%.

**Air Conditioning Energy Saver (ACES)**

ACES are to be installed on all air-conditioning units of 10,000 Btu or more on the premises. An estimated 75 units at MGS and 10 in gathering halls will deliver 20% savings.

**VRF Solutions**

MGS will study its existing system to determine its operational characteristics. Once areas for improvement and solutions have been identified, a minimum of 40% energy savings is targeted.



**Renewable Energy**

d'Tempat Country Club is fitted with a solar power system that requires little maintenance. The electricity generated is free and the system should last for over 20 years.

Solar water heaters also produce the hot water at d'Tempat Country Club and MGS' boarding houses. As both methods harness energy from the sun, no greenhouse gas emissions are produced.

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## ENVIRONMENTAL RESPONSIBILITY

### WASTE MANAGEMENT

We are committed to reducing waste in our daily operations across our portfolio from the design and construction to the daily management of our buildings. Appropriate waste and recycling facilities are provided to help us manage waste effectively. We engage with our contractors, tenants and customers in organising recycling and reuse campaigns.

We plan to develop a database that records and monitors waste generated at each project site as well as our corporate offices.

#### HOW MATRIX REDUCES WASTE



#### Solid Waste

Municipal solid waste is disposed of in legal dumpsites approved by the Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam Negeri Sembilan (PPSPANS).

#### TYPES OF SOLID WASTE PRODUCED BY MATRIX

 <b>CONCRETE</b>	 <b>ROCKS</b>	 <b>METAL</b>	 <b>WOOD</b>
 <b>GLASS</b>	 <b>SAND</b>	 <b>DUST</b>	 <b>RUBBISH FROM WORKERS' QUARTERS</b>

Matrix forbids open burning to prevent soot and dust from affecting the air quality of the surrounding areas. A recycling centre is established at each project site for the recovery of reusable municipal waste such as glass, aluminium and plastic. Recycling waste helps minimise the volume of waste generated which reduces the burden on the local landfill.

#### 4Rs (REDUCE, REUSE, RECYCLE AND RECREATE RESPONSIBLY)



#### WASTE RECYCLING INITIATIVES



Old timber is transformed into invaluable wood chippings



Old tiles and bricks are repurposed as building materials and road paving underlay



Excess or waste plasterboard is reused



All rubble is used as hardcore for concrete or screed flooring

We ensure that all timber and other natural materials are traceable and from sustainable sources. All relevant construction industry guidelines are adhered to with respect to the sourcing, utilisation and disposal of a wide range of building materials.



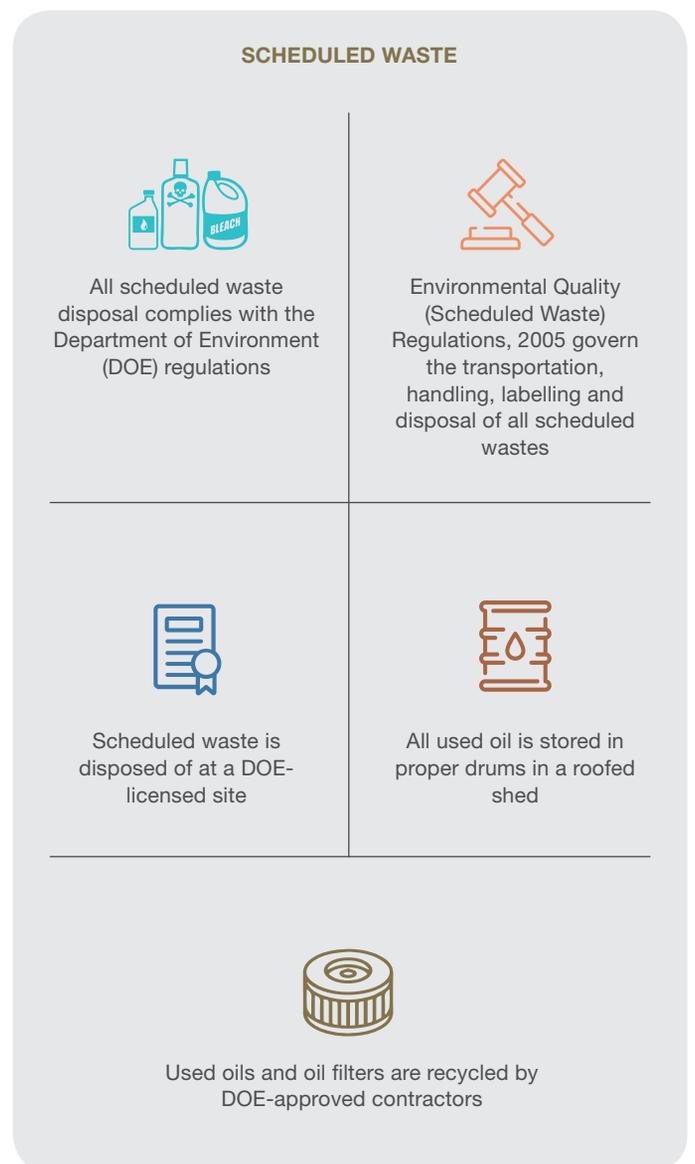
## OPEN BURNING IS STRICTLY PROHIBITED ON ALL MATRIX CONSTRUCTION SITES.

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



Used cooking oil is a major contaminant in sewage today; it is insoluble in water and its residue makes wastewater purification expensive. It can also clog kitchen pipes and produces unpleasant odours if not disposed of properly.

d'Tempat Country Club and d'Sora Boutique Business Hotel collaborated with a third-party organisation to alleviate this problem and reduce oil waste. This third-party collects the used oil and transforms it into soap using a saponification process, which is a neutralisation reaction with sodium hydroxide.



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# ENVIRONMENTAL RESPONSIBILITY



Rocks crushing



Boulders retention wall



Pond decoration

## WATER CONSERVATION THROUGH RAIN WATER HARVESTING

Rainwater harvesting is capturing and storing rain that falls on site. This can be a valuable way of reducing a building's use of municipal potable water without requiring the occupants to limit their water use.

Rainwater harvesting systems have been installed at a number of our developments including the Elymus, our Semi-detached Resort Homes, the Matrix Global Schools and d'Tempat Country Club. Rainwater falling on the terrace is collected through pipelines or drains. It is stored in tanks before being used for landscaping and flushing toilets.

Our efforts to minimise water use are not confined to offices and sites. We continue to promote water saving initiatives to our people. In 2017, push taps were installed at Matrix Global Schools' toilets to minimise water wastage.

## ENVIRONMENTAL NOISE AND VIBRATION

Environmental noise is a major concern for the planning authorities, local residents and Matrix. Noise generated by construction equipment and moving vehicles during construction is troublesome with blasting work being a particular cause for concern. We adopt careful mitigation measures to deliver workable solutions from the master planning stage.

Matrix minimises its noise and vibrations affecting the surrounding environment by controlling the blasting impact according to DOE guidelines. We adhere to the authority specification on permissible noise and dust to minimise nuisance to neighbouring residents. Environmental protection measures undertaken prior and during blasting works include:

- Crushing rocks for use as road base foundation
- Stacking at slope area as retaining wall to prevent soil erosion
- Decorating the pond area inlet and outlet structure with boulders as part of landscape beautification works

### NOISE MINIMISATION STRATEGIES EMPLOYED BY MATRIX



Landscaping



Screens



Slope management



Careful arrangement of the site



Machinery and heavy vehicles are maintained properly to keep noise within equipment manufacturers' specifications



Hoardings are installed along the site boundary and other noise-generating works are performed during the day



Construction activities, especially blasting works, are limited to between 10.00 a.m. and 5.00 p.m

Monitoring reports for noise and vibration levels are submitted to DOE Negeri Sembilan on a quarterly basis. We also notify the surrounding community before conducting any blasting work that might inconvenience them.

**SOIL MANAGEMENT AND EROSION CONTROL**

A well-structured soil has many stable aggregates of different sizes and many pores both within and between those aggregates. Maintaining a correct balance of air and water in the soil also allows seedlings and plants to grow easily. Poorly structured soil either does not have aggregates of many different sizes or the aggregates are packed tightly together with few pores.

**Measure to Prevent Erosion on Site**

**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.

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**SEDIMENT FENCES**

Sediment fences prevent mud/silt from entering the waterway.

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**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.

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**CHECK DAMS**

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

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**WASH TROUGHS**

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

**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.

Most of our construction sites have water retention ponds to treat and store storm water runoff. The water level of the retention ponds is controlled by a riser and orifice to retain a permanent pool of water and prevent flooding. Eventually, the water retained flows to a receiving water body.

**CLIMATE CHANGE AND GREENHOUSE GAS (GHG) EMISSIONS**

A greenhouse gas is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere.

Greenhouse gases are responsible for the greenhouse effect, which ultimately leads to global warming. Matrix is committed to monitoring its greenhouse gas emissions and doing everything possible to reduce them.

This is the first year that we have calculated our carbon emissions. We are reporting on available data gathered from various sites under the Group.

Matrix emissions accounting is based on the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI). Emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

Scope	Category	Indicators Measured
<b>SCOPE 1</b>	Direct GHG emissions	Diesel gensets
<b>SCOPE 2</b>	Indirect GHG emissions	Electricity
<b>SCOPE 3</b>	Other indirect GHG emissions	Air Travel

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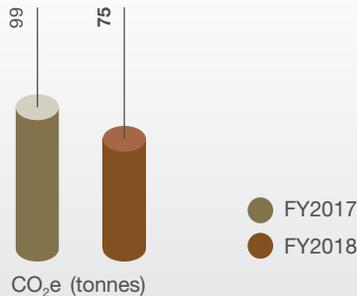
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## ENVIRONMENTAL RESPONSIBILITY

### Scope 1

Fuel purchases are monitored and recorded to calculate GHG emissions from diesel used by our generators. CO<sub>2</sub> emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

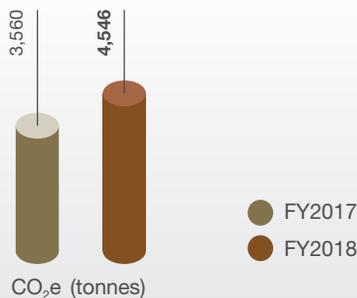
**CO<sub>2</sub> Emissions (tonnes) From Diesel Usage**



### Scope 2

Matrix calculated emissions resulting from electricity consumption at various buildings and sites owned by the Group. The volume of CO<sub>2</sub> emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid. The increase in the electricity consumption in FY2018 was due to the greater number of employees and students along with the opening of new branch offices and a hotel. Nevertheless, we take all possible steps to keep electricity usage to a minimum whenever possible.

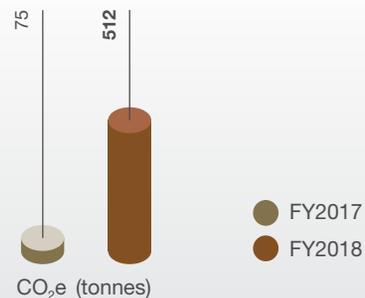
**CO<sub>2</sub> Emissions (tonnes) From Electricity Usage**



### Scope 3

GHG emissions resulting from air travel were measured from point-to-point including the number of employees on board, distance and flight class. All short and long-haul flights were included in the GHG calculations. Online tools derived from the World Resource Institute (WRI) Greenhouse Gas Protocol have been used to estimate the CO<sub>2</sub> emissions from air travel. In FY2018, there was higher air travel incurred due to incentive overseas trips for all employees and directors of Matrix Group. The incentive overseas trips are given every alternate year as part of our employees' benefits.

**CO<sub>2</sub> Emissions (tonnes) From Air Travel**



### ENVIRONMENTAL AWARENESS

Matrix conducts regular environmental training for its contractors and subcontractors during the development of each project. We familiarise them with our minimum environmental requirements including relevant legislation and best management practices.

**TOPICS TYPICALLY COVERED FOR CONTRACTOR AND SUBCONTRACTOR TRAINING**



Chemical handling and waste management



Emergency Response Training



Construction material management and wastage control



Environmental management techniques

## ENVIRONMENTAL IMPACT FROM TRANSPORTATION

Matrix understands that transporting raw materials and large structures can impede traffic flow and hinder road users. Typically, transportation is outsourced for financial reasons and to reduce greenhouse gas emissions. Transportation to and from construction sites is normally scheduled to avoid peak hours. Construction vehicles must adhere to the recommended speed limit of 40 km/hr on site.

REDUCING DUST POLLUTION					
Earth is compacted and covered with a tarpaulin before being transported from project sites to reduce spillages.	Spillage boxes are installed in suppliers' concrete trucks to prevent spillages on the road.	Work tracks are cleaned with water bowsers to reduce dust.	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.	Water is sprayed on roads to prevent dust pollution.

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.

## ENVIRONMENTAL PROGRAMMES

### Plant a Tree Programme

Matrix sponsored the 'Make a Pledge, Plant a Tree' programme organised by the Nilai Municipal Council. Held on 18 November 2017, the event was in collaboration with the Malaysian Institute of Planners (MIP) to promote a greener environment. A total of 250 tree saplings were planted that had been donated by 22 developers, consultants and individuals. The event was attended by approximately 300 people.

Organisations, communities and individuals joined together to green an urban park. More trees provided better shading and comfort while reducing carbon emissions.



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## ENVIRONMENTAL RESPONSIBILITY

### “My Earth, My Home” Charity Walk

The 11<sup>th</sup> “My Earth, My Home” Charity Walk was held in collaboration with the Malaysia Fo Guang Buddhist Association Seremban Branch. This annual charity walk promotes and raises awareness of environmental protection and preserving the earth.

Approximately 1,000 participants joined our employees for this charity walk at the d’Tempat Country Club, Bandar Sri Sendayan. The event commenced with a Zumba session at 6.30 AM on 18 June 2017, followed by a tree planting session. The 3-km walk was flagged off with the marching sound of 18 drums.



### Malaysia National Environment Day 2017



Environmental preservation and conservation are in line with our tagline – Nurturing Environments, Enriching Lives. Matrix was the venue sponsor for the National Environment Day 2017 which was celebrated on 21 October 2017. With the theme “**Environment – Our Shared Responsibility**”, the ceremony was organised by the Department of Environment in collaboration with the Negeri Sembilan State Government and the Ministry of Natural Resources and Environment (NRE). The National Environment Day 2017 was celebrated in every state. The programme included the Environ Run and official mantra of “Collect e-Waste from Home”.

### 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



70.09% OF EXTERNAL AND 84.51% OF INTERNAL STAKEHOLDERS BELIEVE THAT **MATRIX GIVES BACK TO SOCIETY AND HELPS PEOPLE AT LARGE.**

As an active member of the community in Seremban, Matrix provides employment and other economic benefits. Matrix also builds relationships on trust such as social initiatives and other contributions for the benefit of the local community. Communities are part of the team and we work hard to make a difference through charitable donations and employee volunteerism.



**A TOTAL OF  
RM586,286 WAS  
DISBURSED IN FY2018 FOR  
VARIOUS SPONSORSHIPS  
AND CORPORATE  
RESPONSIBILITY CAUSES.**

## MATRIX CONCEPTS FOUNDATION

Matrix Concepts Foundation (MCF) was incorporated on 3 December 2013 as a non-profit corporation or a charitable trust. The main objective of the Foundation is to promote earth conservation, the advancement of education for needy students and relieve poverty within underprivileged communities irrespective of race, creed and religion. The trust fund is led by Dato' Logendran A/L K Narayanasamy, the Chairman of the MCF Committee.

## PHILANTHROPY AND SOCIETY CARE

### Refurbishment of Religious Centres

Matrix refurbished two suraus namely Surau An Nusrah and Surau Al-Ansar as well as Masjid Sheikh Haji Ahmad in 2017. This is part of our commitment to delivering a better community living environment for people living at and surrounding our developments.

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**SOCIAL: SOCIETY****Providing Educational Support to Sekolah Kebangsaan (SK) Rendah Sendayan**

Matrix sponsored 200 desks and chairs for Standards 1 and 2 in SK Rendah Sendayan. This furniture promoted a good learning experience as a lack of infrastructure can hinder a school's ability to provide a learning environment for its students. Matrix continues to support educational institutions in their delivery of a conducive teaching and learning environment for teachers and students.

**Celebrating Deepavali with the Less Fortunate**

**DONATED**  
**RM35,000** to **THE DIVINE LIFE SOCIETY SENAWANG** to fund Deepavali celebrations at ten kindergartens

**DONATED**  
**RM30,000** to **SHELTER HOME** for Abused Women and Children Seremban

**Chinese New Year Cheer for Persatuan Kebajikan Orang-Orang Kurang Upaya Negeri Johor**

Matrix shared the joy of Chinese New Year with residents of Persatuan Kebajikan Orang-Orang Kurang Upaya Negeri Johor. Matrix distributed *angpow* to the residents and centre caretakers. We also provided the centre with financial support, a washing machine and other items.

Persatuan Kebajikan Orang-Orang Kurang Upaya Negeri Johor is an association that houses the physically challenged. Approximately 10 carers look after 40 residents of different cultures.



### NS Matrix 69<sup>th</sup> Agong Cup National Basketball Championships

Matrix continued its support of the local basketball team as sports is one of its CSR focus areas. NS Matrix Men's Basketball team won the champion's title twice in a row for two seasons in the 59<sup>th</sup> MABA/MATRIX Agong Cup National Basketball Championships at Gem-In Mall, Cyberjaya. Despite being 27-35 down after the first quarter against Melaka, they defended their title with a 78-64 win.

The team was invited to d'Tempat Country Club for an appreciation dinner on 8 January 2018. The men's team players were rewarded with RM100,000 each and a trip to Australia. The Team Leader and Coach were each rewarded with RM120,000.



RM5,000 was also given to each player from Seremban's non-Chinese basketball team that won the men's category of the 23<sup>rd</sup> MABA Cup. Players from the state women's team and the men's Pahang Matrix both emerged as 1<sup>st</sup> runners-up in their respective categories in Division 2. Each player was rewarded with RM5,000 and a trip to Bali, Indonesia.

### Matrix Aids Pertubuhan Hospice for the 3<sup>rd</sup> Year



Matrix once again gave an annual grant to Pertubuhan Hospice Negeri Sembilan. The grant helped this non-profit organisation sustain its daily expenses in conjunction with the World Hospice and Palliative Care celebration.

A total of RM30,000 was handed over during their fundraising dinner at Seremban City Kingdom Ballroom. This contribution demonstrates our dedication to accelerating the standards and quality in the community and humanity.

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**SOCIAL: SOCIETY****Matrix Participates in The Edge Kuala Lumpur Rat Race 2017**

Matrix is a developer with a strong commitment to community enhancement. Once again, we participated in the Edge KL Rat Race 2017 as the Platinum sponsor. The race took place on 25 July 2017 at Padang Merbok, Kuala Lumpur.

Education is vital for our economic growth and this event allowed us to channel all funds raised to The Edge Education Foundation. A total of RM1.1 million was raised by 45 participating companies. This money will be used to fund education and skills development programmes.

Matrix was represented by five teams for the Open, Mixed and Senior categories. After the Race, Dato' (Ir.) Batumalai, our Independent Non-Executive Director, was rewarded for being the most senior runner at an age of 70 years.

**Resource Learning Hub in Bandar Sri Sendayan**

Garden in a library was the hallmark and concept of the new resource hub situated at SJK(T) Ladang Bkt Bertam, Bandar Sri Sendayan. Matrix's new resource hub is a learning space. Books, digital repositories and six computers converge to create meeting places for students' discussion and intellectual reflection. Hopefully, this resource hub will help students adapt to a modernised learning environment and improve their educational outcome.



### A Day with Darul Asnaf Seri Tanjung in Ramadhan

Ramadhan is a time for giving and introspection. Matrix hosted Majlis Berbuka Puasa with 41 orphans from Darul Asnaf Seri Tanjung Kuala Pilah at d'Tempat Country Club, Bandar Sri Sendayan on 20 June 2017. This programme is part of Matrix's CSR initiative to celebrate underprivileged orphans and give back to the community by reaching out to those in need during the holy month of Ramadhan.

Hari Raya goody bags and *duit raya* were given to the children and teachers from Darul Asnaf Seri Tanjung.



### Diva Aidilfitri Celebration With the Less Fortunate

The Diva Aidilfitri Celebration was held on 14 June 2017 at d'Tempat Country Club in collaboration with Radio Televisyen Malaysia (RTM). 40 less fortunate children and caregivers from Rumah Sentuhan Buda, Kuala Lumpur were invited to the celebration. Children were entertained with performances while enjoying a sumptuous meal at the Tarbus Food Promotion by the poolside. Each child was presented with a gift and *duit raya*.

### Welcoming Ramadhan: *Bubur Lambuk* Give Away

On 26 May 2017, d'Tempat Country Club distributed 1,000 packs of *bubur lambuk* to the public at Masjid Hussain in Seremban 2 and Masjid Negeri after Friday Prayer.

d'Tempat Country Club chefs followed a special recipe that included various herbs and spices such as cinnamon, cloves, star anise and black pepper. Its delicious taste was infused with fresh coconut milk with generous pieces of chicken and dried shrimps.

Staff later distributed packs of the tasty porridge to those people who had surrounded the distribution, eagerly awaiting their share.



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**SOCIAL: SOCIETY****Pledge to Soo Ewe Jin (SEJ) Scholarship**

Matrix pledged RM50,000 to the scholarship in memory of Star Columnist, Soo Ewe Jin. As a leading property and community developer, Matrix has always supported enriching the community in the field of education. The SEJ scholarship funds one graduate in pursuing a Bachelor in Communications (Journalism) degree at Universiti Sains Malaysia (USM) every year.

Scholarships play an important role in making college or university more accessible and affordable. They pave the way for students to be successful in their higher education. Hopefully, journalism students can use their degrees for the betterment of our greater society and economy.

The late Soo Ewe Jin continues to give back to society. The SEJ Scholarship was established on 8 April 2017 and the funds are under the STAR Education Fund and Yayasan Universiti Sains Malaysia (USM).

**Matrix's SJK Tamil Bandar Sri Sendayan is now Fully Operational**

In 2009, it was announced that SJK(T) Ladang Bukit Bertam situated in an oil palm plantation was closing due to a single-digit enrolment. Matrix took the initiatives to build a new school in Bandar Sri Sendayan which was completed last year. This 90-year old school was then relocated from Rantau to this new school build with excellent facilities, which include auditorium and indoor garden in the library. It is now fully operational with 186 students enrolled for the 2017 academic year.

The overall expenses of this new 6-acre Tamil school were approximately RM10 million: comprising RM5 million for the land and RM5 million for construction.

## ETHICAL BUSINESS CONDUCT



We are committed to integrity and ethics and business must be conducted transparently. Our commitment to sound legal and ethical business practices is reiterated in our business conduct policy statement. Honesty and integrity promote a positive work environment that increases the confidence of all stakeholders.

### Anti-Bribery and Corruption

Our anti-bribery and corruption policy ensures that business is conducted fairly, ethically and legally throughout operations. The policy reflects the importance of individual accountability, oversight, integrity leadership and transparency. Every employee is made aware of this policy through various training programmes. Clauses on anti-bribery and corruption are also included in the Employee Handbook as well as in the Code of Conduct for Employees and Directors.

Corruption in any form is forbidden including bribery, whether direct or indirect, regardless of the amount. Employees must follow the highest standards of integrity in all business dealings. The Board of Directors oversees our compliance with anti-corruption policies and compliance. Every employee is responsible for preventing and reporting instances of bribery, suspicious activity or wrongdoing which may lead to bribery using our whistleblowing channels.

A keen understanding of corruption risk exposure is the cornerstone of an effective anti-corruption compliance programme. Corruption risks, including bribery, are an important element in Matrix' risk register. This helps the Company to properly design mitigation strategies and strategically deploy resources to combat potential instances of bribery, corruption and fraud. This is especially important for operations deemed to be of 'high risk'.

We are pleased to report that, no incidence of corruption were reported during the year.

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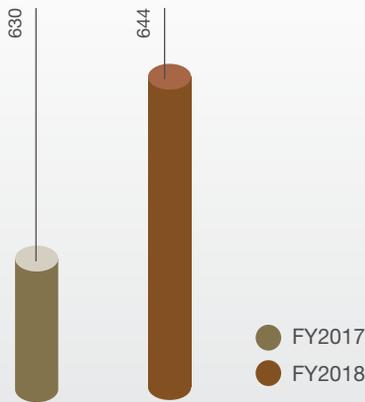
# SOCIAL: LABOUR PRACTICES AND DECENT WORK

## A WORKFORCE THAT REFLECTS OUR DIVERSE SOCIETY

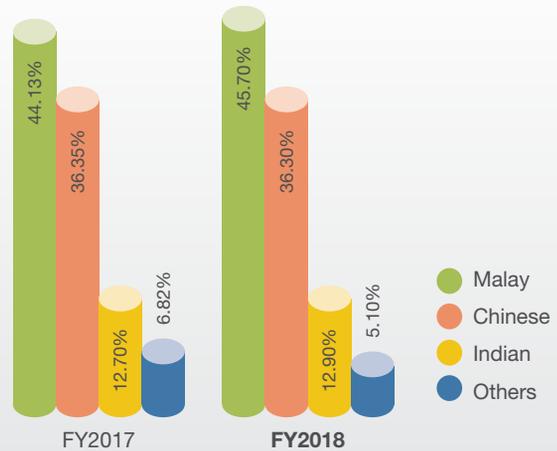
Matrix fosters a diverse and dynamic workforce at all levels of the organisation. The diversity of our employees continues to be essential to our success. The Group had 644 employees as at the end of the FY2018. We remain committed to providing our employees with a workplace that fosters a culture of inclusion, equity and respect for all.

We have taken note that the turnover rate has increased from 2.6% to 3.2% on a year-on-year comparison. The higher turnover rate mainly affect the lower ranking employees such as. site and sales staff which are more volatile in nature. Moving forward, Matrix intends to adopt a more stringent recruitment control to screen workers. Upon recruitment, training programmers will be conducted to better equip them with the right skills and attitude to face the steep challenges.

**Total Workforce Strength**



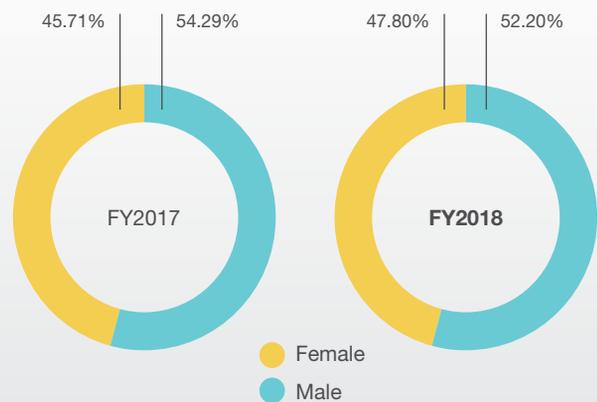
**Workforce Breakdown by Ethnicity**



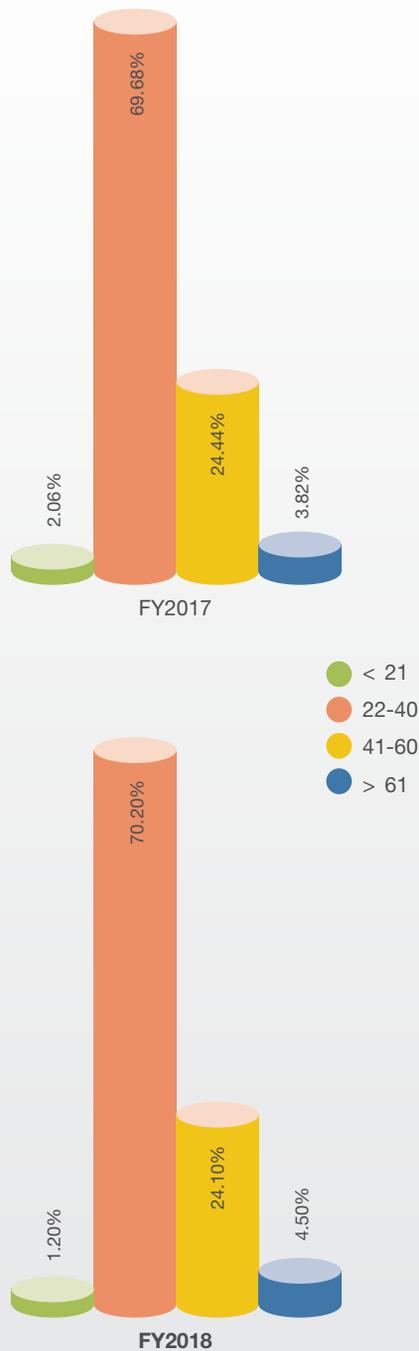
**Workforce Breakdown by Employment Category**



**Workforce Breakdown by Gender**



**Workforce Breakdown by Age Group**



**BENEFITS AND REWARDS**

As a family, we believe that those who contribute to our success should share in the rewards. Rewards are both monetary and non-monetary. Our fair remuneration system ensures an equal ratio of 1:1 between male and female employee.



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, which exceeds the market rate.

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## SOCIAL: LABOUR PRACTICES AND DECENT WORK

### TYPICAL COMPONENT OF OUR BENEFITS PACKAGE

TYPICAL COMPONENT OF OUR BENEFITS PACKAGE		
		
<p><b>LEAVE:</b></p> <ul style="list-style-type: none"> <li>• Annual</li> <li>• Medical</li> <li>• Prolonged illness</li> <li>• Study</li> <li>• Maternity</li> <li>• Marriage</li> <li>• Paternity</li> <li>• Compassionate</li> <li>• Calamity</li> </ul>	<p><b>ALLOWANCES &amp; REIMBURSEMENT:</b></p> <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 allowance</li> </ul>	<p><b>GENERAL BENEFITS:</b></p> <ul style="list-style-type: none"> <li>• Medical and personal accident insurance</li> <li>• Medical and dental benefits</li> <li>• Retrenchment benefits</li> <li>• Staff housing loan and study loan</li> <li>• Club membership at d'Tempat Country Club</li> <li>• School fee waiver at Matrix Global Schools</li> <li>• Employee Share Option Scheme (ESOS)</li> <li>• Overseas incentive trips</li> </ul>

### TRAINING AND DEVELOPMENT

By investing in our employees, we not only build careers, we drive progress. When one person grows, we all grow. Matrix invested more than RM141,329 in employee development in FY2018. On average, each employee attended 5.32 hours of training per year as compared with the previous year of 4.0 hours.

	FY2017	FY2018
<b>Average hours of training per year per employee</b>	4.0	<b>5.32</b>
<b>Total invested in training (RM)</b>	114,693.40	<b>141,329.69</b>

### CIDB Green Card

Workplace safety is of primary concern in our construction sites. Occupational Safety and Health (OSH) training is vital to reduce workplace accidents.

The CIDB Green Card is an integrated programme involving the registration and accreditation of construction personnel. It raises safety levels on construction sites by improving workers' safety knowledge and awareness in the workplace. Green Card Training is mandatory safety training for our construction workers.

**Geosynthetics – Innovative Solutions in Green Engineering**

Matrix invited ACE Geosynthetics from Taiwan to present a seminar on sustainable geosynthetics and green technology. The seminar consisted of a presentation and dialogue sessions. The seminar was held at MIS Auditorium, Matrix Global Schools, Bandar Sri Sendayan on 9 September 2017.

Geosynthetics are materials which facilitate cost effective building, environmental, transportation and other construction projects. ACE Geosynthetics is a world-class manufacturer of a wide range of geosynthetics and provides various aspects of eco-friendly engineering solutions.

Topics benefiting the Company in terms of sustainability and operational management included:

- Land recovery possibilities by using slopes stabilisation and vegetation on the steep slopes;
- Geosynthetics and solutions to build ponds and water features;
- Geosynthetics treatment for soft ground in roadworks to save costs; and
- Coastal protection using geosynthetics for long-term sustainability.

**HEALTH AND SAFETY**

Our Health and Safety Policy guides our Health and Safety team in the protection of employees, tenants, contractors and communities on our premises. We oversee and monitor health and safety performance across our supply chain. We have made provisions, planned and reviewed all health and safety precautions that are required by law.

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

The hospitality wing, d’Tempat Country Club and d’Sora Boutique Business Hotel, also operates in accordance with the Occupational Safety and Health 1994, Act 514.

Matrix operates in a diverse nature of business. The risks and 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. However, safety induction training is compulsory for all new employees.

SAFETY TOPICS BRIEFED TO ALL NEW SITE EMPLOYEES		
 <p>Occupational Safety and Health Act and other safety &amp; health legislation</p>	 <p>Company safety policies, rules and procedures</p>	 <p>Potential hazards</p>
 <p>Project safety plan</p>	 <p>Fire provisions</p>	 <p>Welfare provisions</p>
 <p>Emergency procedures</p>	 <p>Personal Protective Equipment (PPE)</p>	 <p>General responsibilities of employees in keeping the workplace safe</p>
 <p>Housekeeping</p>	 <p>Accident reporting procedure</p>	

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## SOCIAL: LABOUR PRACTICES AND DECENT WORK

Visitors to our properties must wear appropriate PPE according to each site's guidelines.

### HEALTH & SAFETY INITIATIVES HELD



Fire drills



Larva siding



Site safety inspection  
and safety campaigns



Safety toolbox meetings



Fogging



Safety induction



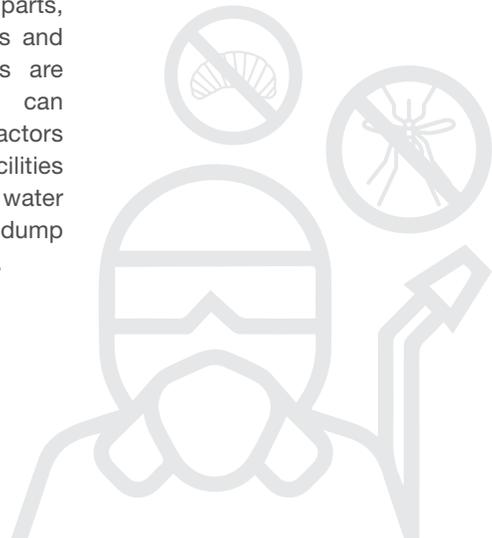
*Gotong-royong* to clean the compound surrounding  
the company, machinery and equipment inspection

## VECTOR CONTROL

All contractors are required to prevent construction sites from becoming breeding grounds for mosquitos. Potential aedes hotspots are monitored daily at construction sites and workers quarters. Immediate action is taken to destroy any breeding grounds found.

Larviciding and fogging are conducted regularly and more frequently during outbreaks of dengue fever. Contractors with insufficient manpower must engage reliable and experienced Pest Control Operators.

Any unused machinery parts, formwork, steel bars, used tyres and other water-bearing receptacles are discarded before mosquitos can breed. Matrix ensures its contractors establish proper sanitary facilities for their workers to prevent water pollution. Wastes at temporary dump areas must be removed regularly.



## Our Safety Performance

Indicator	FY2016	FY2017	FY2018
Fatality Cases	0	0	0
Lost Workday Cases (LWC)	0	1	0
Restricted Workday Cases (RWC)	0	0	1
First Aid Cases (FAC)	0	0	1
Near Miss Cases	0	0	0
Dangerous Occurrence Cases	0	0	0
Fire Cases	0	0	0
Total Safe Man-hours Worked	1,953,878	3,867,558	3,908,100

## Matrix Safety and Health Governance

Each operations site has its own safety committee with balanced employer and employee representatives.



There is a Safety and Health Committee at every site of our operations. The Committee meets quarterly as required by law. Each Committee has a chairman, two secretaries, as well as employer and employee representatives.

Site	Chairman	Secretary	Employer Representatives	Employee Representatives
Residensi SIGC	1	2	2	3
Ara Precinct 1	1	2	3	3
SD2A Resort Homes	1	2	2	2
SL1 Resort Homes	1	2	3	3
Sek. Ren. Kebangsaan	1	2	2	2
Nusari Mosque	1	2	2	3
Ara Precinct 1B	1	2	3	3
Suriaman 2A	1	2	2	3
Suriaman Biz	1	2	2	3
Suriaman 2	1	2	2	3
Tiara Sendayan Precinct 9 & Tiara Biz	1	2	3	4
SMP2B	1	2	2	2
Sendayan Tech Park	1	2	2	2

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## SOCIAL: LABOUR PRACTICES AND DECENT WORK

### EMPLOYEE ENGAGEMENT

An engaged workforce is a productive workforce. When a company commands the loyalty and trust of employees, this can cascade down to customers, which is crucial in a customer-facing business such as Matrix.

Employee engagement is beyond satisfaction; it is the emotional commitment our employees have to the Company and its goals. A wide range of events is organised to create a culture of belonging. These events encourage employees to become involved in our journey and feel like they are a part of the Company.

#### Annual Dinner 2018

Matrix Annual Dinner 2018 was held on 11 February 2018 to celebrate the Company's 21<sup>st</sup> anniversary. The event was held at d'Tempat Country Club, Bandar Sri Sendayan. A total of 1,245 participants were present including VIPs, employees, subcontractors, suppliers and other invited guests.



#### Toastmasters Meetings



Toastmasters meetings are held on every first and third Tuesday of the month at d'Tempat Country Club, Bandar Sri Sendayan. These meetings empower individuals to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

#### NOTICE PERIOD

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 month's notice for any operational changes that affect their working arrangements.

# SOCIAL: HUMAN RIGHTS



**61.27% OF INTERNAL STAKEHOLDERS BELIEVE THAT EMPLOYEES ARE EQUALLY TREATED AT MATRIX.**

As a responsible company, Matrix has the responsibility and commitment to respect human rights. This commitment applies throughout the Group and across all operations. A strong emphasis is placed on how we interact with communities, employees' rights and supply chain conditions.

Matrix is committed to respecting human rights as set out in the Universal Declaration of Human Rights and the International Labour Organisation core conventions. Human Rights within Matrix focus on four key areas. All employees are well aware of their rights and are constantly trained on how to exercise their rights in the workplace.

We assess the potential environmental, health and community impacts of our operations. Our established community feedback procedures allow people living close to our operations to raise concerns about the impact of our activities and rectify any issues.

## COMMUNITIES



We aim to keep our employees, contractors and sites safe while respecting the rights of local communities with regards to safety and security.

## SAFETY AND SECURITY



## HUMAN RIGHTS FOCUS AREAS



## EMPLOYEES RIGHTS

We respect the rights of our employees, indigenous people surrounding our projects, contractors and supply chain workers including freedom of association, non-discrimination, equal opportunity, conditions of work, attractive remuneration as well as forced and child labour.



## SUPPLY CHAIN

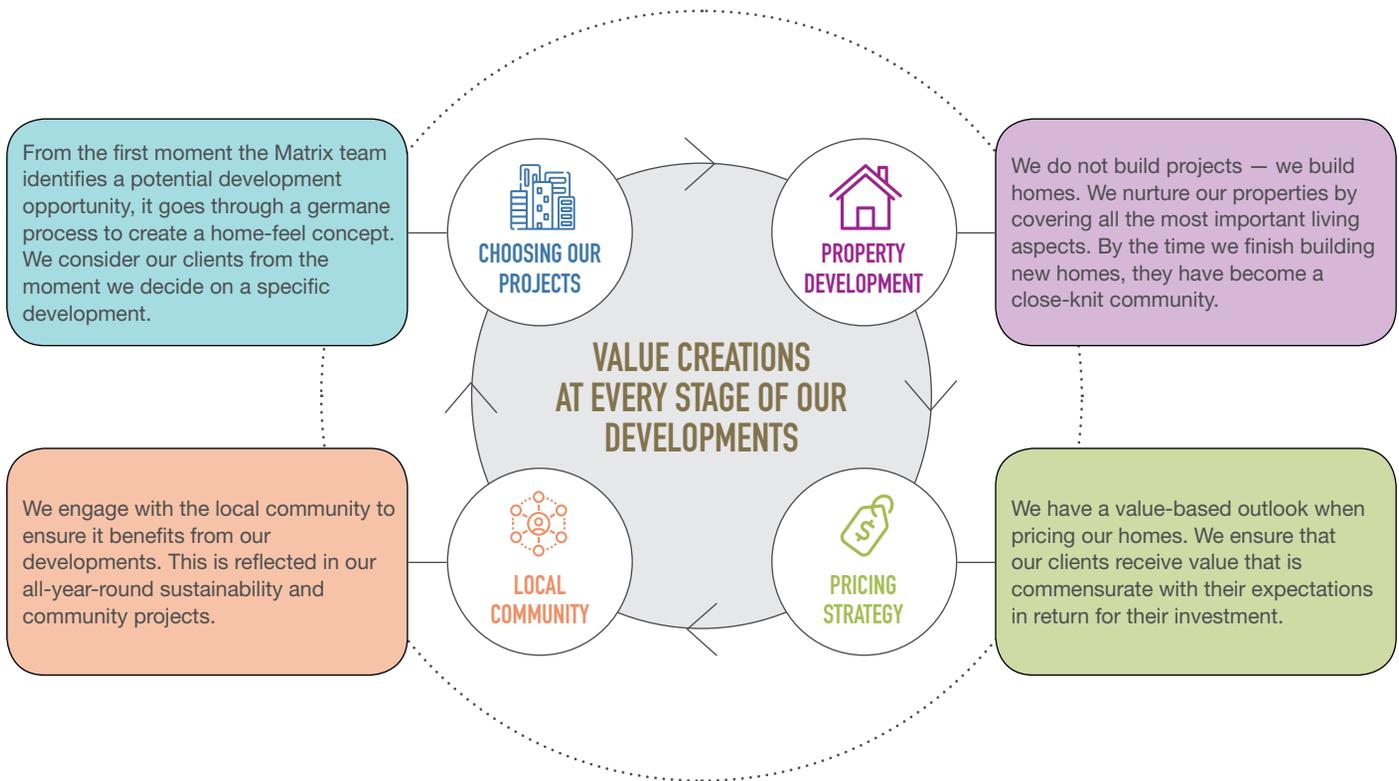
We seek to work with suppliers and contractors who contribute to sustainable development and are economically, environmentally and socially responsible.

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# SOCIAL: PRODUCT RESPONSIBILITY

Matrix and its subsidiaries are committed to providing the highest quality for project management and construction of property development works to its customers. We comply with all applicable requirements and aim for the continual improvement of our process and quality management system.



## PRIORITISING QUALITY

Matrix prioritises quality workmanship to deliver quality lifestyle homes within a community-centric environment at affordable prices. We work with the best contractors who share our vision of construction excellence by only engaging those who are ISO 9001 certified.

With a reputation for quality and excellence, we do not just build houses, we create homes – beautiful, comfortable properties designed with our customers in mind. This is achieved by taking great care to build new communities that are sensitive to the local area and ideally suited to the needs of the local market. We believe that the best solutions are local solutions.

We volunteer to undergo stringent evaluations to raise our own standards including the Quality Assessment System in Construction (QLASSIC) and the Construction Industry Development Board (CIDB) evaluation methods.

Project	Qlassic Assessment Scores
Hijayu 3	71.3%
Suriaman 3	68.0%



### BANDAR SRI SENDAYAN – A SAFE CITY

A Safe City roundtable discussion was held on 19 February 2017. Matrix and the Malaysia Crime Prevention Foundation (MCPF) recommended safety precautions to prevent crime to residents of Bandar Sri Sendayan (BSS).

The conference discussed improving safety in the BSS residential area. Matrix will continue to work with the Polis DiRaja Malaysia (PDRM) on improving safety in the township.

### CUSTOMERS FIRST

Matrix strives to deliver an exceptional experience to all homebuyers, tenants and residents. We will continue in this endeavour by:

- Delivering excellent customer service
- Creating strong, happy and successful communities
- Providing the types of homes people want

Providing the best service, assistance and solutions possible to property buyers while balancing the company's best interests is a Key Performance Indicator (KPI) of all employees.

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



**An appreciation dinner was hosted by Matrix on 19 May 2017 at d'Tempat Country Club to thank and appreciate loyal customers for their continuous support and trust. Dinner invitations were extended to all customers, their families and friends.**

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## SOCIAL: PRODUCT RESPONSIBILITY

### EXCELLENT CUSTOMER MARKETING

Matrix conducts socially responsible marketing and communication, either at the corporate level or at each project entry. We consider what is in the best interest of the relevant stakeholders, namely the current and potential customers, the community and society as a whole. The marketing paraphernalia is clear, accurate and informative. Our projects are showcased at Matrix Galleria which is located at d'Tempat Country Club and other precincts in Bandar Sri Sendayan. The respective Matrix Galleria at the various precincts allow us to promote our projects and act as an information centre catering for current and prospective customers and investors. Our sales personnel are customer-centric and are trained to attend to any queries pertaining to our projects and developments.

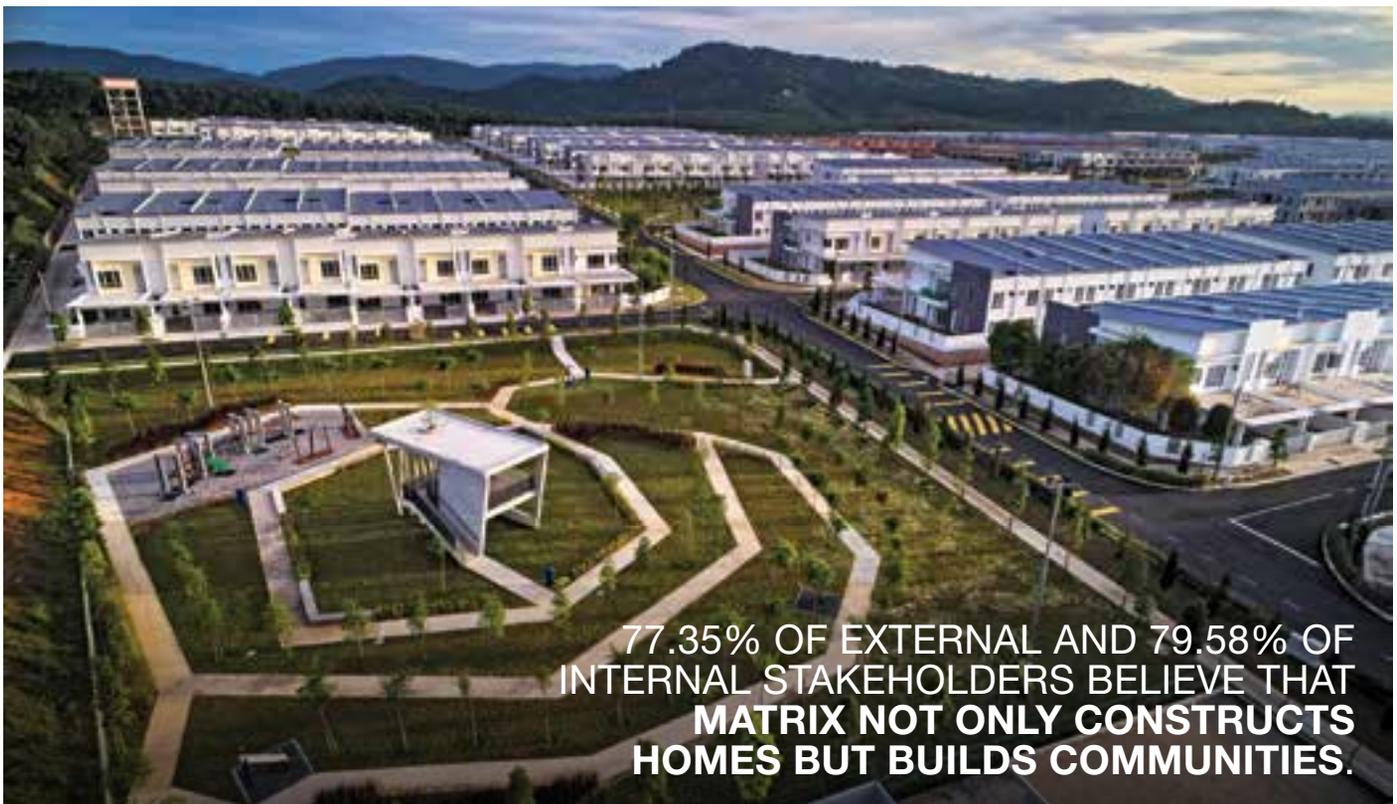
There has been no incidence of non-compliance with regards to our marketing practices and provision of information to our customers.

### CUSTOMER PRIVACY

Pursuant to the requirements of the Personal Data Protection Act 2010 (PDPA 2010), a Notice on Personal Data Protection was released to Matrix's existing and potential customers. It requested the right to use, collect, process, record, hold, store, share and disclose their personal data in accordance with the Act. In the notice, it is mentioned that Matrix will keep and process customers' data in a secure manner. Matrix provides appropriate administrative security safeguards to ensure personal data is not misused. Its systems also prevent any unauthorised processing of customers' personal data. There was no confidentiality and privacy breach cases reported during the year.

### BUILDING HOMES BEYOND BRICKS AND MORTAR

Beyond building brick walls, Matrix also earnestly promotes Seremban township's community engagement activities, which began in the early days of the development.



77.35% OF EXTERNAL AND 79.58% OF  
INTERNAL STAKEHOLDERS BELIEVE THAT  
**MATRIX NOT ONLY CONSTRUCTS  
HOMES BUT BUILDS COMMUNITIES.**

### Sports Day with IPD Seremban

A sports day with Seremban District Police Headquarters (IPD Seremban) was held on 16 April 2017 at d'Tempat Country Club. Hari Sukan Dua Penjuru IPD Seremban & Matrix 2017 was in celebration of the 210<sup>th</sup> Royal Malaysian Police Day. This event is an initiative that strengthens the bond between IPD Seremban and Matrix. We were happy to celebrate the many great years of working together in maintaining a safe and harmonious township in Bandar Sri Sendayan.



### Lite it Up for Malaysia



Matrix hosted an illuminating event featuring LED displays in the spirit of Malaysia's 60<sup>th</sup> National Independence Day. The event was held from 6:00 pm to 10:00 pm daily from 26 August 2017 to 10 September 2017 at Residensi SIGC, Seremban. Interesting and fun activities included special guest appearances from Harith Iskander, winner of 2016 Laugh Factory's Funniest Person in the World Asia's Best Stand-up Comedian and Chef Wan, a famous local celebrity chef.

The public was invited to experience the magical event and enjoy the deliciously well-known Hj Samuri Satay Kajang at SIGC Pavilion every Saturday.



### Matrix Celebrates 60<sup>th</sup> Independence Day

Like every year, Matrix took part in the Independence Day Marching Event at Seremban City Council to commemorate Malaysia's independence on 31 August 2017. 68 candidates from Matrix headquarters, d'Tempat Country Club and Matrix Global Schools represented the Company. The event was attended by 110 contingents comprising public servants, uniformed bodies, school and university students, non-governmental organisations and private sector companies.

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## SOCIAL: PRODUCT RESPONSIBILITY

### Club Open Day

d'Tempat Country Club opened its doors and welcomed everyone to a fiesta of fun-filled activities on 26 November 2017. The inaugural Club Open Day invited everyone to experience a multitude of activities that had been planned for the day. Pool activities such as a giant bubble float, floats for rent and a huge bouncy castle were enjoyed by adults and children.



The Sports and Recreation team also filled the day with exciting activities such as zumba, cardio and a sports championship. Other attractions included a Backyard Sale by the poolside, performances by local artistes and a flash mob.



### Celebrating Raya

Matrix shared the joy of Aidilfitri by hosting a special Hari Raya celebration. Guests were surprised with a special appearance by Siti Nordiana, a popular local celebrity, born and bred in Sendayan. The celebration was held on 9 July 2017 at d'Tempat Country Club.

Fun and exciting activities were lined up for the guests including a wayang kulit gallery and performance, cultural dance, gasing painting and *ketupat* weaving.



### Mid-Autumn Celebration



d'Tempat Country Club hosted a Mid-Autumn Celebration on 30 September 2017. Residents and community members within Sendayan vicinity and the larger Seremban City were invited to this joyous occasion. Highlights of the evening included a special appearance by the Moon Goddess and Jade Rabbit. Fun fair games were carried out by the Club's Sports and Recreation team. All visitors were also treated to a food fair of various local favourites.

### Seremban Half Marathon 2017

More than 10,000 marathon runners took part in Seremban's 30<sup>th</sup> half marathon. Held in Negeri Sembilan, this is the country's oldest half marathon. As a main sponsor of the race, Matrix was represented by 10 runners from Matrix Global Schools, d'Tempat Country Club and Matrix headquarters. The runners took part in the 21km and 10km races in both the male and female categories.

Our contributions were channelled to charitable organisations including Yayasan Tunku Naquiyuddin and Yayasan Tunku Nurul Hayati which houses 40 underprivileged children.



### Christmas Merryland with Kidzania @ Bandar Sri Sendayan



Matrix collaborated with Kidzania to bring the famous KIDZANIA GO. Children experienced role-playing professions together with stunning decorations paired with exciting performances and activities.

Adorned with lights and beautiful decorations, Matrix hosted fun-filled activities and attractions for residents and the public such as Christmas tree performances, Butterfly Ballet, LED Ballerina, creative workshops and DIY souvenirs.

### Welcoming the New Year with Matrix

d'Tempat Country Club hosted a New Year's Eve Gala Celebration and Countdown Party on 31 December 2017 with a fireworks display. We are dedicated to continue creating unforgettable experiences at Bandar Sri Sendayan and believe every year should be memorable for all residents and the community.



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EDUCATION

# GUIDED KNOWLEDGE



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# AWARDS AND RECOGNITIONS FOR FINANCIAL YEAR 2018

# 2018



**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
TOP 10 DEVELOPER**  
Matrix Concepts Holdings Berhad

**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
BEST FAMILY RESORT HOMES DEVELOPMENT**  
Lunaria 3 @ Resort Homes  
Bandar Sri Sendayan

**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
BEST INSPIRED LANDED DEVELOPMENT**  
Elynix @ Impiana Damai  
Bandar Seri Impian

**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
BEST GREENERY HARMONIOUS DEVELOPMENT**  
Elminia @ Impiana Casa  
Bandar Seri Impian

**THE STAR PROPERTY MALAYSIA AWARD  
THE ALL-STAR AWARD  
TOP RANKED DEVELOPERS OF THE YEAR**  
Matrix Concepts Holdings Berhad

**THE STAR PROPERTY MALAYSIA AWARD  
THE CORNERSTONE AWARD  
BEST LANDED DEVELOPMENT**  
Adira @ Ara Sendayan

**THE STAR PROPERTY MALAYSIA AWARD  
THE SAFE AND SOUND AWARD  
THE BEST SAFETY FEATURE DEVELOPMENT**  
Allysum @ Resort Homes



# 2017

**THE STAR PROPERTY MALAYSIA AWARD  
THE CORNERSTONE AWARD  
BEST LANDED DEVELOPMENT**  
Elymus @ Resort Homes

**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
BEST SUSTAINABLE TOWNSHIP DEVELOPMENT**  
Bandar Sri Sendayan

**PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARD  
BEST FAMILY LIVING DEVELOPMENT**  
Residensi SIGC, Negeri Sembilan

**THE EDGE BILLION RINGGIT CLUB  
HIGHEST RETURN ON EQUITY OVER 3 YEARS (GOLD)**  
Matrix Concepts Holdings Berhad

**THE EDGE BILLION RINGGIT CLUB  
HIGHEST RETURNS TO SHAREHOLDERS OVER 3 YEARS (SILVER)**  
Matrix Concepts Holdings Berhad

**THE EDGE MALAYSIA  
OUTSTANDING PROPERTY ENTREPRENEUR**  
Dato' Lee Tian Hock

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# DIVIDEND HIGHLIGHTS

## DIVIDEND PAYMENT PER ORDINARY SHARE FOR THE LAST 4 QUARTERS

OCT 2017

3.25  
SEN

JAN 2018

3.25  
SEN

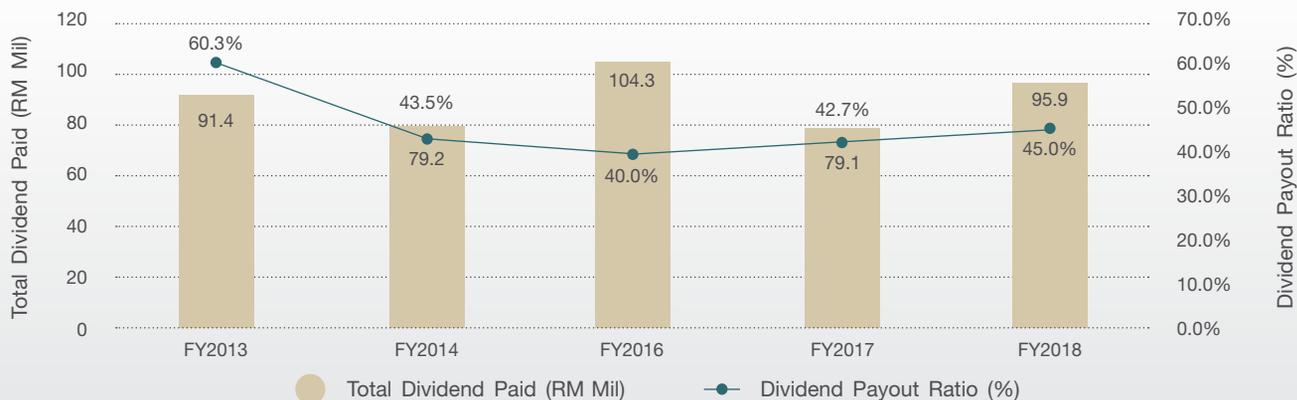
APR 2018

3.50  
SEN

JULY 2018

3.50  
SEN

## SUMMARY OF DIVIDEND PAYOUT FOR FY2013 TO FY2018



Financial Year	Financial Period	Date of Payment	Type of Dividend	Net Dividend (sen)	Dividend Paid (RM Mil)	Total Dividend Paid (RM Mil)	Dividend Payout (%)
2018	4Q18	11-Jul-18	Interim Dividend	3.50	26.3	95.9	45.0%
	3Q18	11-Apr-18	Interim Dividend	3.50	26.3		
	2Q18	10-Jan-18	Interim Dividend	3.25	24.1		
	1Q18	11-Oct-17	Interim Dividend	3.25	19.2		
2017	4Q17	20-Jun-17	Interim Dividend	3.75	21.8	79.1	42.7%
	3Q17	12-Apr-17	Interim Dividend	3.50	20.1		
	2Q17	12-Jan-17	Interim Dividend	3.25	18.6		
	1Q17	6-Oct-16	Interim Dividend	3.25	18.6		
2016 (15 Months)	5Q16	1-Jul-16	Interim Dividend	4.40	24.9	104.3	40.0%
	4Q16	8-Apr-16	Interim Dividend	3.75	21.1		
	3Q16	8-Jan-16	Interim Dividend	3.50	19.3		
	2Q16	9-Oct-15	Interim Dividend	3.50	19.3		
2014	1Q16	9-Jul-15	Interim Dividend	4.25	19.7	79.2	43.5%
	4Q14	9-Apr-15	Special Dividend	1.25	5.7		
	3Q14	15-Jan-15	Interim Dividend	5.25	24.0		
	2Q14	16-Oct-14	Interim Dividend	3.75	17.2		
2013	1Q14	10-Jul-14	Interim Dividend	3.75	17.1	91.4	60.3%
	4Q13	11-Apr-14	Interim Dividend	5.00	15.2		
	3Q13	13-Jan-14	Interim Dividend	5.00	15.1		
	2Q13	10-Oct-13	Interim Dividend	5.00	15.1		
	1Q13	8-Jul-13	Interim Dividend	7.00	15.8		
			Special Dividend	5.00	15.0		
			Interim Dividend	13.50	30.4		

# SHARE PRICE MOVEMENT

## SHARE PRICE MOVEMENT COMPARISON FOR FY2018 (INDEXING METHOD)



### Summary of benchmark index movement

	Share Price 1 April 2017 - 30 June 2018 (RM)	Share Price 1 April 2016 - 30 June 2017 (RM)	Variance	KLSE Composite Index	KLSE Property Index
Opening	2.02	2.00	1.0%	1,745.49	1,305.92
Closing	1.99	2.19	-9.1%	1,691.50	1,019.93
<b>Movement</b>	<b>-0.03</b>	<b>0.19</b>			
Lowest	1.91	1.90		1,665.68	1,007.18
Highest	2.28	2.28		1,895.18	1,328.23
Range	1.91-2.28	1.90-2.28		1,665.68-1,895.18	1,007.18-1,328.23
<b>Median</b>	<b>2.17</b>	<b>2.01</b>	<b>8.0%</b>	<b>1,772.39</b>	<b>1,231.11</b>
	Share Volume 1 April 2017 - 30 June 2018	Share Volume 1 April 2016 - 30 June 2017	Variance	KLSE Composite Index	KLSE Property Index
Average volume	739,059	581,683	27.1%	136,637,486	107,274,060
Volume median	464,500	364,625	27.4%	123,876,000	87,849,700

#### Notes:

Movement	Difference of value between opening and closing
Average	Average value for the whole period (Total/no.of days)
Range	The gap between lowest and highest value
Median	Middle value for the period

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# MEDIA HIGHLIGHTS



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# PROFILE OF BOARD OF DIRECTORS



## DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

Non-Independent Non-Executive  
Chairman

Malaysian, Age 65, Male

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### Date of Appointment

2 April 2012

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### Board Committees Membership(s)

Sustainability Committee (Chairman)

### Academic/Professional Qualification(s)

Diploma in Banking from the Institute of Bankers, London, United Kingdom

### Present Directorship(s)

Listed entity: Nil

Other public company: Nil

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### Experiences

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

## PROFILE OF BOARD OF DIRECTORS



### DATO' LEE TIAN HOCK (KEY SENIOR MANAGEMENT)

Founder, Group Managing Director  
 Malaysian, Age 60, Male

#### Date of Appointment

4 March 1997

#### Board Committees Membership(s)

Sustainability Committee (Member)

#### Academic/Professional Qualification(s)

Degree in Housing, Building and Planning from Universiti Sains Malaysia

#### Present Directorship(s)

Listed entity: Nil  
 Other public company: NSCMH Medical Centre

#### Experiences

Dato' Lee Tian Hock has more than 30 years of experience in the property development industry where he had held various executive positions throughout his career. In 1992, he was the General Manager with N.S. Industrial Development Corporation Sdn Bhd and was seconded to NS Township Development Sdn Bhd where he was involved in the general management of the development of the Bandar Baru Nilai Township (now known as Putra Nilai) which covers an area of approximately 6,000 acres 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 1996 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. Currently, Dato' Lee is also the Chairman of NSCMH Medical Centre, Seremban.

**HO KONG SOON** (KEY SENIOR MANAGEMENT)

Group Deputy Managing Director  
 Malaysian, Age 51, Male

**Date of Appointment**

30 December 2002

**Board Committees Membership(s)**

- Risk Management Committee (Member)
- Sustainability Committee (Member)
- ESOS Committee (Member)

**Academic/Professional Qualification(s)**

Bachelor of Engineering Degree from  
 University of Malaya

**Present Directorship(s)**

Listed entity: Nil  
 Other public company: Nil

**Experiences**

Mr Ho Kong Soon 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.



## PROFILE OF BOARD OF DIRECTORS

### REZAL ZAIN BIN ABDUL RASHID

Senior Independent Non-Executive Director  
 Malaysian, Age 50, Male



#### Date of Appointment

8 August 2012

#### Board Committees Membership(s)

- Audit Committee (Chairman)
- Risk Management Committee (Chairman)
- Remuneration Committee (Member)

#### Academic/Professional Qualification(s)

- Bachelor of Arts (Accounting) Degree from the University of Canberra, Australia
- Member of the Malaysian Institute of Accountants and a CPA Australian

#### Present Directorship(s)

Listed entity: Fima Corporation Berhad  
 Other public company: Nil

#### Experiences

Encik Rezal Zain 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, he 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.

## DATO' FIRDAUS MUHAMMAD ROM BIN HARUN

Independent Non-Executive Director

Malaysian, Age 68, Male

### Date of Appointment

2 April 2012

### Board Committees Membership(s)

- Nomination Committee (Chairman)
- Audit Committee (Member)
- Risk Management Committee (Member)

### Academic/Professional Qualification(s)

- Certificate in Public Relations from the Institute of Public Relations, London
- Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom

### Present Directorship(s)

Listed entity: Nil

Other public company: Nil

### Experiences

Dato' Firdaus Muhammad Rom 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 Pemodalan Nasional 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 became a Member of the Negeri Sembilan State Legislative Assembly for Chembong for two (2) terms from 1995 to 2004. 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.



## PROFILE OF BOARD OF DIRECTORS

### DATO' (IR.) BATUMALAI A/L RAMASAMY

Independent Non-Executive Director

Malaysian, Age 70, Male



#### Date of Appointment

28 December 2012

#### Board Committees Membership(s)

- ESOS Committee (Chairman)
- Audit Committee (Member)
- Nomination Committee (Member)

#### Academic/Professional Qualification(s)

- Diploma in Civil Engineering from Universiti Teknologi Malaysia
- Bachelor of Science in Civil Engineering from the University of Aberdeen, Aberdeen, Scotland
- Fellow Member of the Institute of Engineers, Malaysia
- Registered Professional Engineer with the Board of Engineers, Malaysia

#### Present Directorship(s)

Listed entity: Nil

Other public company: Nil

#### Experiences

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

## DATO' HON CHOON KIM

Independent Non-Executive Director  
Malaysian, Age 69, Male

### Date of Appointment

19 Jun 2015

### Board Committees Membership(s)

- Remuneration Committee (Chairman)
- Audit Committee (Member)
- Nomination Committee (Member)

### Academic/Professional Qualification(s)

- Bachelor of Social Sciences (Econ)  
from Universiti Sains Malaysia

### Present Directorship(s)

Listed entity: Peterlabs Holdings Berhad  
Other public company: Nil

### Experiences

Dato' Hon Choon Kim 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.



## PROFILE OF BOARD OF DIRECTORS

### DATO' HAJAH KALSOM BINTI KHALID

Independent Non-Executive Director  
 Malaysian, Age 62, Female

#### Date of Appointment

15 March 2016

#### Board Committees Membership(s)

- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Member)
- Risk Management Committee (Member)

#### Academic/Professional Qualification(s)

- Bachelor of Arts in Geography from University of Malaya

#### Present Directorship(s)

Listed entity: Nil  
 Other public company: Nil

#### Experiences

Dato' Hajah Kalsom 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' LOGENDRAN A/L K NARAYANASAMY

Non-Independent Non-Executive Director  
Malaysian, Age 56, Male

### Date of Appointment

15 November 2016

### Board Committees Membership(s)

- Risk Management Committee (Member)
- Sustainability Committee (Member)
- ESOS Committee (Member)

### Academic/Professional Qualification(s)

- Diploma in Architectural

### Present Directorship(s)

Listed entity: Nil

Other public company:

- Matrix Concepts Foundation
- NSCMH Medical Centre

### Experiences

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 Centre, Seremban.



### Notes:

Save and except for what was disclosed in this Annual Report, all the Directors of Matrix:-

- have no family relationship with any Director and/or major shareholder of Matrix;
- have no conflict of interest with Matrix; and
- have no public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

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# MANAGEMENT TEAM



LEFT TO RIGHT

**PAK HENG CHEONG**

Deputy Head, Business Development and Project Planning (Negeri Sembilan and Johor)

**LEONG JEE VAN**

Chief Executive Officer, Property Development

**TAN SZE CHEE**

Chief Project Development Officer

LEFT TO RIGHT

**TEE KAM MEE**

Deputy Chief Financial Officer

**LOUIS TAN SAY KUAN**

Chief Financial Officer

**CARMEN LOO  
 KAH BOON**

Head, Group Corporate Secretarial and Governance





LEFT TO RIGHT

**HOW GIOK WAH**

Group Sales Advisor

**DATO' LIM KIU HOCK**

Group Business Advisor

**LIM SWEE LEONG**

Senior General Manager,  
Central Region



LEFT TO RIGHT

**BRYAN LEE THIAN LONG**

Deputy Head, Group Sales and  
Marketing

**LIM KOK YEE**

Chief Sales and Marketing Officer

**GAN GUAN CHYE**

Acting Project Director

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## MANAGEMENT TEAM

LEFT TO RIGHT

### TEH CHEE SENG

Deputy Head, Group Contract and Procurement and M&E

### TN. HJ. MOHAMAD NOR BIN ABAS

Head, Group Human Resource and Administration

### TN. HJ. MUSTAZA BIN MUSA

Head, Authority cum Community Liaison



LEFT TO RIGHT

### LAURA TAN

General Manager,  
d'Tempat Country Club

### ROSALIND JOSEPHINE LIM POH CHOO

Head, Legal and Sales Administration

### DAMON LAU CHEE WEN

General Manager, Southern Region





HOSPITALITY

# COMFORT AND DELIGHT



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# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**THE BOARD OF DIRECTORS (“THE BOARD”) IS COMMITTED TO MAINTAIN A HIGH STANDARD OF CORPORATE GOVERNANCE IN MATRIX CONCEPTS HOLDINGS BERHAD (“MATRIX” OR “THE GROUP”). THE BOARD IS OF THE VIEW THAT GOOD CORPORATE GOVERNANCE IS ESSENTIAL TOWARDS MATRIX’S LONG-TERM BUSINESS SUSTAINABILITY AS WELL AS SAFEGUARDING THE BEST INTERESTS OF STAKEHOLDERS AND ENSURING CONTINUED VALUE CREATION FOR SHAREHOLDERS.**

In aligning our disclosure to the Malaysian Code on Corporate Governance (“MCCG”) 2017, Matrix’s disclosure on corporate governance is set out in this Corporate Governance Overview (“CG Overview”) Statement as well as in its Corporate Governance Report (“CG Report”).

While the CG Overview Statement provides a general view of how Matrix has applied the MCCG 2017, the CG Report provides comprehensive disclosure based on the individual practices mentioned herein which has been disclosed to the Exchange in a prescribed format and published at the same time as Matrix’s Financial Year 2018 (“FY2018”) Annual Report is published.

The CG Report can be accessed via [www.mchb.com.my](http://www.mchb.com.my).

Essentially, our CG Overview Statement discloses how Matrix has reflected the following principles of corporate governance:

- Principle A : Board leadership and effectiveness;
- Principle B : Effective audit and risk management; and
- Principle C : Integrity in corporate reporting and meaningful relationship with stakeholders

Throughout the financial year, in light of the MCCG 2017, the Group has actively sought to enhance its approach to corporate governance practices, which includes strengthening its governance framework, improving processes and internal control systems and establishing policies to drive the practice of corporate governance as well as cultivating a culture of greater accountability, transparency and disclosure.

Moving forward, the Board will continue to pursue excellence in corporate governance as defined within the MCCG 2017.

## **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

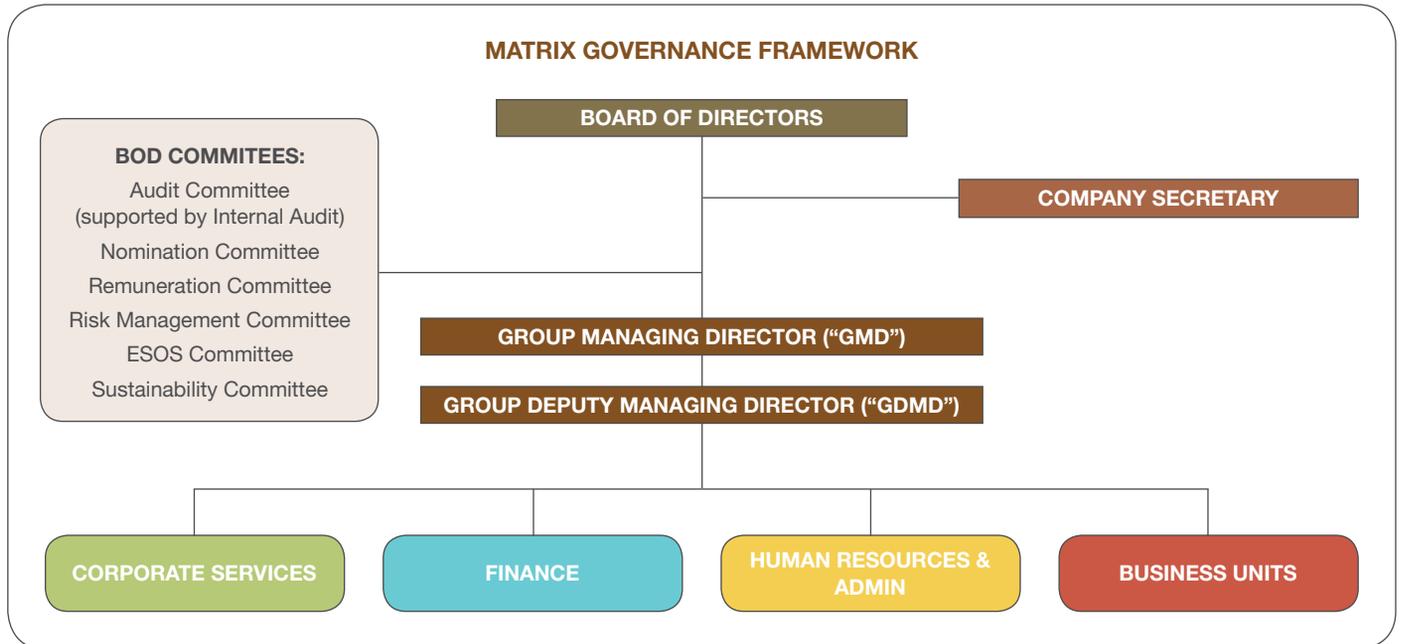
### **BOARD RESPONSIBILITIES**

The Board is responsible for the overall conduct of the Group’s business.

It is responsible for establishing the Group’s 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.

In discharging its fiduciary duties, the Board is guided by its Board Charter which clearly defines its roles and responsibilities as well as that of its Board Committees, its limits of authority as well as other pertinent matters that are reserved for the Board.

The Board is also supported by a comprehensive organisational framework that enables it to not just execute its duties, but to also ensure that the Group is able to operate effectively towards the realisation of set business strategies and objectives.



The framework is regularly reviewed and if needed, updated in tandem with new requirements and external developments.

In addition to the Board Charter and governance framework, the Group has established the following policies and practices that empower the Board and enable the practice and cultivation of good corporate governance:

- Code of Ethics for Directors and Employees
- Whistle Blowing Policy
- Sustainable Policy
- Environmental Policy

#### FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

Through the Board Charter, Matrix's Board has specific roles and responsibilities as detailed below:

- 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 calibre 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 behaviour, including the Code of Ethics for Directors.

#### SEPARATION OF THE ROLES OF CHAIRMAN AND THE GROUP MANAGING DIRECTOR

There is a clear division of responsibilities and power between the Chairman and Group Managing Director ("GMD") to ensure that a proper system of check and balance exists within the Group. This is also to avoid over centralisation of power and authority.

The Chairman helms the Board and is responsible for ensuring that both the Board and individual Directors perform their duties effectively and make active contributions to the Board's affairs. With the assistance of the Company Secretary, the Chairman also ensures that good corporate governance practices and procedures are established and implemented throughout the Group.

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The GMD drives the strategic day-to-day management of the Group. He is responsible for implementing the strategies and policies established by the Board, and leading the Management to fulfil the objectives set by the Board.

The Board has entrusted the GMD with the authority to operate the business and he is accountable to, and reports to the Board on the performance of the business. The GMD is supported by the Group Deputy Managing Director (“GDMD”) and the senior management team.

### ACCESS TO INFORMATION AND ADVICE

At all times, the Board is given access to relevant information towards enabling the smooth execution of their duties. Board papers and related information is provided well in advance – five (5) to seven (7) days prior to meetings to ensure Directors have sufficient time to review and consider matters tabled at meetings, and if necessary seek clarification from senior management or other parties.

The Board at its discretion, can invite senior management, external auditors, group internal audit or any other party it deems required to attend Board meetings to provide further clarification, views, advice and explanations on specific items pertaining to the matters put forward to the Board. These include relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for informed decision making and effective discharge of the Board’s responsibilities.

If required, the Board members may choose to seek external evaluation from independent advisers at the Company’s expense if necessary in the furtherance of their duties. Directors may consult the Chairman or other Board members prior to seeking any independent professional advice.

### QUALIFIED AND COMPETENT COMPANY SECRETARY

All Directors have access to the services of Matrix’s Company Secretary who is responsible on advising the Board and its members on related policies and procedures, matters pertaining to Company Law and the Company’s Constitution and other matters. Essentially, Directors may consult the Company Secretary on matters regarding their fiduciary duties, responsibilities and authority.

### BOARD ACTIVITIES AND TASKS IN FY2018

Following is a summary of matters addressed by the Board either directly or via its respective Board Committees or management committees. The respective Committees are the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Employee Share Option Scheme Committee, Sustainability Committee and Executive Management Committee.

Focus Area	Activities & Accomplishments
<b>Financial and Operations</b>	<ul style="list-style-type: none"> <li>Review of quarterly and year-end financial results as well as audit related matters</li> <li>Review of financial and operational performance against budget, cash flow and proposed dividends</li> <li>Review of recurrent related party transactions as recommended by the Audit Committee</li> <li>Review of performance bonus and annual salary increment for FY2018</li> <li>Dividend approvals</li> </ul>
<b>Strategic Plans and Investments</b>	<ul style="list-style-type: none"> <li>Review and approval of landbank acquisitions</li> <li>Review and approval of project launches</li> <li>Review and approval of all corporate proposal including strategic alliances, MoUs and business partnerships</li> <li>Review of overall business strategy and setting and adjustment of broad goals and overall strategic direction</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Ensuring good practice in line with the MCGG 2017 and Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)</li> <li>Continuing to stay abreast of current developments in corporate governance practices</li> <li>Ensuring continued progress and improvement across the Group in terms of creating a corporate governance oriented mind-set and culture</li> <li>Board Diversity, evaluation and effectiveness</li> </ul>

Focus Area	Activities & Accomplishments
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Matching business goals and objectives with relevant Economic, Environment and Social, perspectives to ensure the Group's profitability and growth is consistent with sustainability principles and creates positive impact and creates value for all stakeholders</li> <li>• Review of material sustainability matters</li> </ul>

## BOARD COMMITTEES

In effectively discharging its duties, the Board has established relevant Board Committees with each guided by its specific Terms of Reference ("TOR"). All Committees report to the respective Chairman of each Committee. The Chairman of each Committee in turn report to the Board.

The composition of the Board Committees is given on page 7 of this Annual Report. Minutes of Committee meetings are tabled at the Board level to keep Board members apprised of matters being discussed at the Committee level.

Committee	Responsibilities
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• Reviews issues of accounting policy and presentation for external financial reporting</li> <li>• Monitors the work of the internal audit function</li> <li>• Ensures an objective and professional relationship is maintained with external auditors</li> </ul>
<b>Nomination Committee</b>	<ul style="list-style-type: none"> <li>• Proposing new nominees to the Board and Board Committees</li> <li>• Assessing on an annual basis, the contribution of each individual Director and the overall effectiveness of the Board</li> </ul>
<b>Remuneration Committee</b>	<ul style="list-style-type: none"> <li>• 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 industrial practice</li> <li>• Recommends the key Executive Directors' remuneration and benefits based on their individual performances and that of the Group</li> </ul>

Committee	Responsibilities
	<ul style="list-style-type: none"> <li>• Reviews the remuneration packages, reward structure and fringe benefits applicable to the GMD, GDMD and top key management annually</li> <li>• Reviews the overall performance of the Company and the specific KPIs of the GMD</li> </ul>
<b>Risk Management Committee</b>	<ul style="list-style-type: none"> <li>• Advise the Board on the Company's overall risk appetite, tolerance and strategy</li> <li>• Review the Company's capability to identify and manage new risk</li> <li>• Review reports on any material breaches of risk limits and the adequacy of proposed action and all reports on the Company from the risk officer</li> <li>• Review the effectiveness of the Company's internal financial controls, internal controls and risk management systems</li> <li>• Review and monitor management's responsiveness to the findings and recommendations of the risk officer</li> </ul>
<b>Employee Share Option Scheme ("ESOS") Committee</b>	<ul style="list-style-type: none"> <li>• Determine basis of allocation of share options to all Eligible Persons and to make the Offer to Eligible Persons upon such terms and conditions as it deems fit in accordance with the provisions of the Bylaws</li> <li>• Vary, amend, waive or modify any of the terms and conditions of offer at any time and from time to time as it deems necessary and appropriate</li> <li>• Accept or reject any application for the exercise of share options as it deems fit in accordance with the provisions of the Bylaws</li> </ul>
<b>Sustainability Committee</b>	<ul style="list-style-type: none"> <li>• Overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

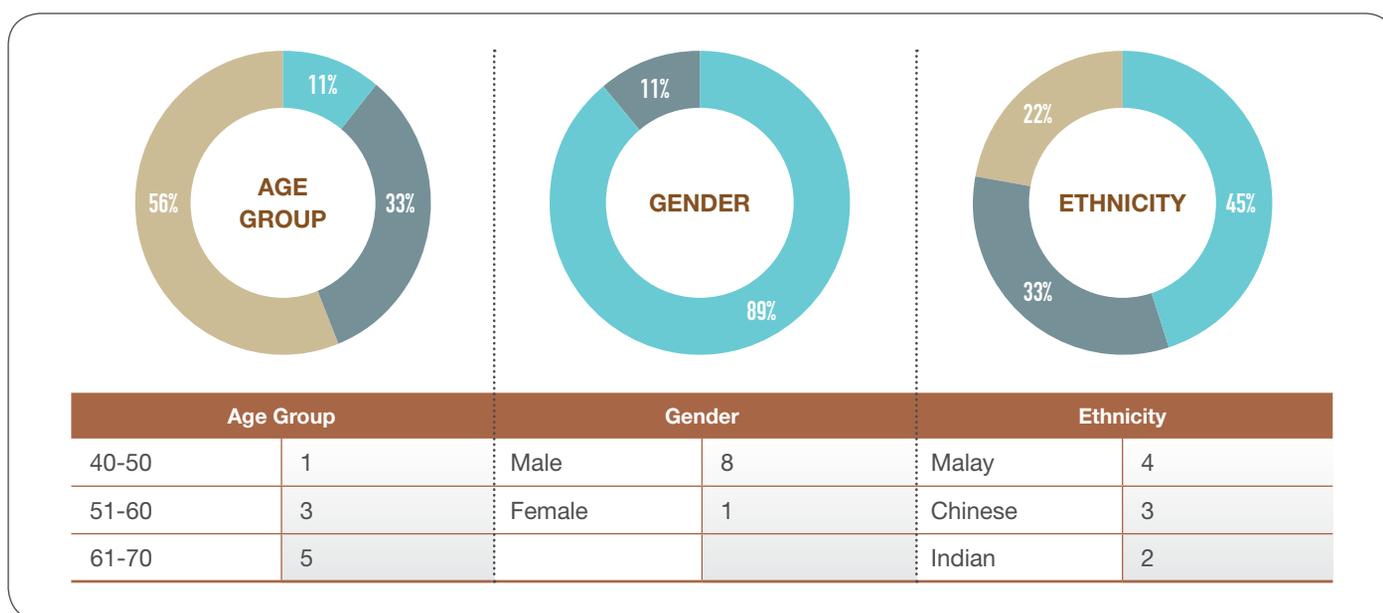
### BOARD COMPOSITION

The Board currently has nine (9) members, comprising two (2) Non-Independent Non-Executive Directors, two (2) Executive Directors and five (5) Independent Non-Executive Directors. Five (5) of the Directors are Independent Directors.

The composition exceeds the MMLR requirements and is in line with Practice 4.1 of the MCCG 2017 which stipulates that at least half of the Board of Directors should be Independent Directors and this number should be a majority for large companies.

No alternate Directors have been appointed in respect of any of the Directors. The Board is satisfied with its present composition in providing Matrix with the required skills, competencies and stewardship in the execution of its business plans.

In ensuring varied views and perspectives, the Board looks to foster diversity within its composition while ensuring relevant competencies. Following is the Board's present composition and its skills matrix:



### COLLECTIVE SKILLS & COMPETENCE OF THE BOARD

Skill / Competence	Description
<b>Leadership</b>	Overall stewardship of the Group, strategy formulation, strong and established business networks, related corporate or public listed company experience.
<b>Entrepreneurial acumen</b>	Business development, assessment of existing and emerging opportunities.
<b>Technical or professional qualifications</b>	Engineering, architectural, real estate and property development, construction, and other related skills.

Skill / Competence	Description
<b>Sustainability and stakeholder management</b>	Governmental relations, community and investor relations, corporate governance and sustainability, environment and industrial relations.
<b>Finance and corporate services</b>	Accounting, company secretarial, audit, legal, financial literacy, human resources and business administration.

## INDEPENDENCE OF DIRECTORS

The Board continues to uphold the independence of its Directors as being necessary to ensure continued objective assessment and judgments in the best interest of the Group.

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 an Independent Director should not be an employee of the Company and should not be engaged in any type of business dealings with the Company.

Hitherto, none of the Independent Directors are engaged 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, via its Nomination Committee, 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 Malaysia.

Based on the assessment carried out during the financial year ended 31 March 2018, 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.

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

## BOARD APPOINTMENTS

The Board believes in the continuous refreshing of Directors to ensure an injection of fresh ideas and perspectives.

In this regard, in accordance with the MMLR of Bursa Malaysia and the Company's Constitution, 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 retire at the Annual General Meeting ("AGM"). The retiring Directors shall be eligible for re-election subject to shareholders' approval at the AGM.

At the forthcoming AGM, Dato' Haji Mohamad Haslah Bin Mohamad Amin, Dato' Hon Choon Kim and Dato' Hajah Kalsom Binti Khalid will be retiring and eligible for re-election. The Board has reviewed the performance of the said Directors and has given its recommendation for their reappointment.

## TIME COMMITMENT

Directors are expected to make a sufficient time commitment in fulfilling their duties to the Company. 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.

In addition, the calendar of meetings and events for the Board is provided one (1) year in advance in enabling Directors to plan their schedules in advance.

Paragraph 15.06 of the MMLR allows a Director to sit on the boards of five (5) listed issuers at a given time. At present, no Directors have more than five (5) directorships at any one time.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD AND COMMITTEES ATTENDANCE

Following is the attendance of Board Members for Board meetings and Board Committee meetings held during the year:

Directors	Number of Meetings Held						
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	Esos Committee	Sustainability Committee
<b>Dato' Haji Mohamad Haslah Bin Mohamad Amin</b> Non-Independent and Non-Executive Chairman	5/5	–	–	–	–	–	2/2
<b>Dato' Lee Tian Hock</b> Group Managing Director	5/5	–	1/1 <sup>#</sup>	–	–	–	2/2
<b>Ho Kong Soon</b> Group Deputy Managing Director	5/5	–	–	–	2/2	1/1	2/2
<b>Rezal Zain Bin Abdul Rashid</b> Independent and Non-Executive	5/5	5/5	2/2	–	2/2	–	–
<b>Dato' Firdaus Muhammad Rom Bin Harun</b> Independent and Non-Executive	5/5	5/5	–	1/1	2/2	–	–
<b>Dato' (Ir.) Batumalai A/L Ramasamy</b> Independent and Non-Executive	5/5	5/5	–	1/1	–	1/1	–
<b>Dato' Hon Choon Kim</b> Independent and Non-Executive	5/5	5/5	2/2	1/1	–	–	–
<b>Dato' Hajah Kalsom Binti Khalid</b> Independent and Non-Executive	5/5	5/5	2/2	1/1	2/2	–	–
<b>Dato' Logendran A/L K Narayanasamy</b> Non-Independent and Non-Executive	5/5	–	–	–	2/2	*	2/2
<b>Total number of meetings held during the Financial Year</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>

<sup>#</sup> Ceased membership w.e.f. 15/1/2018

\* Medical leave

All Directors have recorded full attendance thereby exceeding the minimum 50% attendance requirement in respect of Board meetings as stipulated in the MMLR. The Board is satisfied with the level of time commitment afforded by its Directors towards fulfilling their roles and responsibilities as Directors of the Group.

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

## DIRECTOR'S TRAINING

The Company provides training and professional development opportunities for its Directors towards ensuring the Board has the required skillsets to discharge its duties effectively. Continuous training is regarded as essential for Directors to stay abreast with changes in the industry as well as regulatory updates.

Following is a list of conferences, seminars and training programmes attended by Directors in FY2018:

Name of Director	Topics of Training Attended
<b>Dato' Haji Mohamad Haslah Bin Mohamad Amin</b>	<ul style="list-style-type: none"> <li>Forbes Global CEO Conference</li> </ul>
<b>Dato' Lee Tian Hock</b>	<ul style="list-style-type: none"> <li>Forbes Global CEO Conference</li> <li>Sustainable Geosynthetics and Green Technology</li> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Ho Kong Soon</b>	<ul style="list-style-type: none"> <li>Sustainable Geosynthetics and Green Technology</li> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Rezal Zain Bin Abdul Rashid</b>	<ul style="list-style-type: none"> <li>Corporate Board Symposium 2017</li> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> <li>Audit Committee Conference 2017 – Making an Impact</li> </ul>
<b>Dato' Firdaus Muhammad Rom Bin Harun</b>	<ul style="list-style-type: none"> <li>SDG Business Summit 2017</li> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Dato' (Ir.) Batumalai A/L Ramasamy</b>	<ul style="list-style-type: none"> <li>Key Highlights Of The Latest Amendments To the Listing Requirements</li> <li>Sustainability Reporting in Malaysia : Putting Public Listed Issuers in the Know</li> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Dato' Hon Choon Kim</b>	<ul style="list-style-type: none"> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Dato' Hajah Kalsom Binti Khalid</b>	<ul style="list-style-type: none"> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>
<b>Dato' Logendran A/L K Narayanasamy</b>	<ul style="list-style-type: none"> <li>Companies Act 2016 and Understanding Financial Statements for Company Directors</li> </ul>

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge to discharge their duties effectively.

## CONFLICTS OF INTEREST

In the event of conflict of interest, the Board has established processes for declaring and monitoring actual and potential conflicts. The Code of Ethics of the Group allows the non-conflicted members of the Board to authorise a conflict or potential conflict situation.

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### NOMINATION COMMITTEE

The Board has established a Nomination Committee (“NC”) comprising entirely Non-Executive Independent directors and chaired by an Independent Director. The NC 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 terms of reference of the NC are available for viewing in the Company’s website, [www.mchb.com.my](http://www.mchb.com.my).

### CRITERIA FOR RECRUITMENT

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

In evaluating the suitability of candidates, the NC 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’ independency must be established. This is consistent with the Group’s practice 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 Chairman of the NC is supported by the Company Secretary to conduct a Board Effectiveness Evaluation (“BEE”) exercise to independently assess the performance of every member of the Board. Directors were assessed based on effectiveness with key focus areas being Board Committees’ compositions, roles and responsibilities, time commitment and contribution of Directors during Board and Board Committees’ meetings.

The following assessment were undertaken by the NC during the year under review:-

- Directors’ evaluation form (self and peer assessment);
- Board and Board Committee evaluation form;
- Mix of skills and experience of Board Matrix;
- Declaration of Independence;
- Time commitment;
- Reviewed the performance of the GMD/GDMD; and
- Board’s adequacy in terms of its mix of skills, gender diversity and the core competencies.

The BEE is a continuous, annual exercise. The Board is satisfied with the outcome of the BEE. Areas requiring improvements were identified and action plans were recommended to the Board for approval for implementation. The evaluation process also involved evaluating the performance of Senior Management including the GMD and GDMD based on individual KPIs set for senior management and the Company’s performance as a whole.

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 NC 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 Director is assessed based on his/her competence, capability, commitment, objectivity, participation in Board’s 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 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, gender diversity, 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 which are reviewed by the NC, are also provided to the Board for their information.

### REMUNERATION COMMITTEE

The Remuneration Committee (“RC”) oversees the remuneration of Directors. The remuneration for Directors is in line with the Board’s aim to retain, attract and reward talent based on industry benchmarks.

The remuneration package for Executive Directors are reviewed by the RC and recommended to the Board for approval. It is then decided by the Board without the respective Executive Directors’ participation in determining their remuneration.

Bonuses payable to Executive Directors are performance based and relate to individual and Group’s achievement of specific goals. The Non-Executive Directors do not receive any performance related remuneration.

In accordance with the Companies Act 2016 (“the Act”), payment of Directors’ fees and benefits shall be approved at a general meeting. The Board shall seek shareholders’ approval at the upcoming AGM for the payment of Directors’ fees and benefits for the Directors of the Group for FY2018.

Following is the Remuneration for the Board of Directors in FY2018:

	Company					Subsidiaries					
	Fees RM'000	Salaries & Bonus RM'000	Other Benefits RM'000	Others RM'000	Total RM'000	Fees RM'000	Salaries & Bonus RM'000	Other Benefits RM'000	Benefits- in-kind RM'000	Others RM'000	Total RM'000
<b>EXECUTIVE DIRECTORS</b>											
Dato' Lee Tian Hock	-	-	-	-	-	-	7,018,000.00	54,659.00	66,200.00	1,052,700.00	8,191,559.00
Ho Kong Soon	-	-	-	-	-	-	6,600,000.00	125,400.00	35,200.00	990,852.30	7,751,452.30
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,618,000.00</b>	<b>180,059.00</b>	<b>101,400.00</b>	<b>2,043,552.30</b>	<b>15,943,011.30</b>
<b>NON-EXECUTIVE DIRECTORS</b>											
Dato' Haji Mohamad Haslah Bin Mohamad Amin	-	-	-	-	-	1,210,000.00	-	10,648.50	29,800.00	-	1,250,448.50
Rezal Zain Bin Abdul Rashid	130,000.00	-	848.00	15,000.00	145,848.00	-	-	-	-	-	-
Dato' Firdaus Muhammad Rom Bin Harun	56,000.00	-	72,046.70	13,000.00	141,046.70	-	-	-	-	-	-
Dato' (Ir.) Batumalai A/L Ramasamy	56,000.00	-	104,446.70	12,000.00	172,446.70	-	-	-	-	-	-
Dato' Hon Choon Kim	56,000.00	-	71,198.70	12,000.00	139,198.70	-	-	-	-	-	-
Dato' Hajah Kalsom Binti Khalid	56,000.00	-	71,198.70	16,000.00	143,198.70	110,000.00	-	-	-	-	110,000.00
Dato' Logendran A/L K Narayanasamy	-	-	-	-	-	390,000.00	-	29,308.00	-	-	419,308.00
<b>Total</b>	<b>354,000.00</b>	<b>-</b>	<b>319,738.80</b>	<b>68,000.00</b>	<b>741,738.80</b>	<b>1,710,000.00</b>	<b>-</b>	<b>39,956.50</b>	<b>29,800.00</b>	<b>-</b>	<b>1,779,756.50</b>

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While the Board is cognisant on the importance of transparency, given the competitive search for talent within the industry, as well as other considerations, the Board believes that individual disclosure on a named basis for senior management is not in the best interest of Matrix. Further, such disclosure does not prejudice shareholders' interest. Revealing the identities of senior management personnel (apart from executive directors) may open Matrix to talent poaching by other companies, whether within the industry or externally.

Given the strong financial and operational performance of Matrix in FY2018, the top five (5) senior management personnel have clearly demonstrated that their compensation packages are well deserved and commensurate with their professional contributions to the Group. The remuneration of the top five (5) Senior Management personnel (excluding executive directors) is provided for in bands of RM50,000 as follows:-

Bands of RM50,000 (RM)	Senior Management Personnel	
	Group	Company
600,000 - 650,000	1	–
1,150,000 - 1,200,000	1	–
1,200,001 - 1,250,000	1	–
1,250,001 - 1,300,000	1	–
1,650,000 - 1,700,000	1	–
<b>Total</b>	<b>5</b>	<b>–</b>

\*Note : the remuneration of GMD and GDMD who are Executive Directors are provided in the Directors' Remuneration table.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") comprising exclusively of Independent Directors. The AC Chairman is a member of the Malaysian Institute of Accountants.

The AC has full access to both the Internal and External Auditors who in turn, have access at all times to the Chairman of the AC. The AC is tasked to ensure Group and Company financial statements are made out in line with the provisions of the Act and according to applicable accounting standards that results in a balanced and fair view of the financial state and performance of the Company, which includes results and cash flows. The said financial statements comprise of quarterly financial reports announced to Bursa Malaysia and the annual statutory financial statements.

The full role and responsibilities of the AC and the number 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.

The Board of Directors has reviewed the conduct and performance of the AC during the financial year and is satisfied with its discharge of duties. Further, the Board is satisfied that in preparing the financial statements of the Company and of the Group for FY2018, the Group has applied the appropriate accounting standards and policies with consistency in the preparation of these financial statements.

The Statement of Directors' Responsibility is enclosed in page 134 of the Annual Report.

#### EXTERNAL AUDITORS

The Board has appointed Messrs. Crowe Malaysia (formerly known as Crowe Horwath) as Matrix's External Auditors. The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the Malaysian Institute of Accountants.

During the financial year, the External Auditors met with the Board on one occasion without the presence of senior management to provide an update on related accounting and audit matters.

The Board via its AC has assessed the external auditing function based on the following criteria:

- The quality and scope of the planning of the audit in assessing risks and how the External Auditors maintain or update the audit plan to respond to changing risks and circumstances;
- The quality and timeliness of reports provided to the AC;
- The level of understanding demonstrated of the Group's business; and
- Communication to the AC about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements.

The AC is satisfied that the External Auditors continue to possess the competency, independence and experience required to fulfil their duties effectively. The AC has recommended their re-appointment to the Board, subject to shareholders' approval at the 21<sup>st</sup> AGM.

Following are the fees paid/payable to the External Auditors and affiliates:

Fees	FY2017	FY2018
Audit Fees	559,000	<b>534,000</b>
Non-Audit Fees	199,300	<b>239,900</b>

## INTERNAL AUDIT FUNCTION

Matrix's internal audit function is its Group Internal Audit, which is supported by an external party, Wensen Asia Consulting (M) Sdn Bhd. Independent of the external audit function, the Internal Auditors report directly to the AC in respect of the internal audit function and work in line with the annually approved audit plan. The audit plan's scope and activities is mutually agreed to by Group Internal Audit as well as the AC.

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.

## COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board accepts responsibility that the annual audited financial statements and interim financial results have been prepared to comply with the Act and applicable financial reporting standards

in Malaysia. This includes adopting all necessary measures to ensure all applicable accounting policies have been applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates.

## RELATED PARTY TRANSACTIONS

The Directors recognise 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 transactions are reviewed as part of the annual internal audit plan, and the AC 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.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Company has established a general framework under its Risk Management Committee ("RMC") to provide oversight on the identification, prioritisation and mitigation of business risks which includes operational, financial, strategic and other forms of risk.

Details of the Group's Risk Management framework and internal systems and controls are given in the Statement on Risk Management and Internal Control of this Annual Report.

The Board oversees risk via its RMC. The RMC 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 RMC reports to the Board at least twice a year and briefs the Board on its findings.

The Board is of the view that the present system of internal controls and the risk management framework is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

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### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### STAKEHOLDER RELATIONSHIP & COMMUNICATION

The Board continues to prioritise its relationships with stakeholders and towards this end, continues to actively engage shareholders with the view of providing timely, accurate and relevant disclosure. The Board also looks to cultivate a two-way relationship whereby stakeholders have the opportunity to contact the Company to request for more information or to share feedback.

In reaching out to stakeholders, the communication strategy entails leveraging on a wide range of channels including social and new media, where relevant. Both formal and informal communication channels are maintained and utilised as required.

In compliance to regulations, the Company provides relevant disclosure on corporate announcements, circulars to shareholders and financial results. This includes the Annual Report which provides a detailed account of Matrix's performance for the financial year as well as its business plans and strategies going forward.

The Annual Report is provided 28 days prior to the AGM with the hope that shareholders would be able to better review the report and attend the AGM with improved capability to engage the Board and senior management on the resolutions put forward for approval at the meeting.

We continue to encourage shareholders to attend the AGM and convey their expectations and possible concerns on proposed resolutions and matters relating to the Group operations before putting each resolution to a vote.

In FY2018, several briefings with investors and analysts were held. The Group also saw plenty of media exposure via media relations activities. The Group also provides additional disclosures of information on a voluntary basis.

Through its website [www.mchb.com.my](http://www.mchb.com.my) and its announcements on Bursa Malaysia's website, the Group shares mandatory public announcements as well as publishes its quarterly and

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

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

The website also has a dedicated investor relations section providing related information to shareholders. This includes latest financial results, the Annual Report, the Board Charter, the respective TORs of its Board Committees and more. Stakeholders may also contact the Company via the direct investor relations contact:

Carmen Loo  
 Email: [carmen@mchb.com.my](mailto:carmen@mchb.com.my)

#### CONDUCT OF GENERAL MEETINGS

The Company values its AGM as a key forum to directly engage with shareholders and towards that end, strives to ensure the best possible attendance by shareholders. This includes:

- Holding the AGM in a strategic, comfortable and accessible location
- Providing up to 28 days' notice of the AGM to shareholders
- Beyond the proposed resolutions, providing a comprehensive review of the Group's performance for shareholders
- Ensuring that all Directors and relevant senior management are able to attend to address queries or matters brought up by the floor

At the last AGM, Matrix conducted electronic poll voting for all resolutions to foster greater shareholder participation in the voting process. The process was validated by an independent scrutineer. All resolutions proposed were duly passed. The outcome of the AGM was announced to Bursa Malaysia on the same meeting day. The Company shall continue with this practice for all future general meetings.

# 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 “AC”) OF THE BOARD FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (“FY2018”).**

## OBJECTIVE

The AC 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 AC consists of five (5) following members, who each satisfy the “independence” requirements contained in the MMLR of Bursa Malaysia:-

- Rezal Zain Bin Abdul Rashid - *Chairman*  
*Senior 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 AC operates under a written Audit Committee’s Terms of Reference containing provisions that address requirements imposed by Bursa Malaysia. The 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 AC’s oversight of financial compliance matters in addition to a number of other responsibilities that the AC 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; and
- 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 AC

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

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

## AUDIT COMMITTEE REPORT

The salient matters that the AC considered during the FY2018 are as described below:-

### 1. Financial statements and reporting

The AC monitored the financial reporting processes for the Group, which included reviewing reports from, and discussing these with, management and the External Auditors, Messrs. Crowe Malaysia (formerly known as Crowe Horwath) (“the External Auditors”). The AC has reviewed the unaudited quarterly financial results and audited financial statements of the Group before recommending them for Board’s approval.

The AC had also reviewed the External Auditors’ report on other internal controls, 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 AC and the Board reviewed the going concern basis for preparing the Group’s consolidated financial statements, including the underlying assumptions, the going concern statement and the period of assessment. The AC’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

The 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 AC, and the AC reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during FY2018. The AC also reviewed the adequacy of the scope, functions, competency and resources of the internal audit function during the year.

The Group Internal Audit Department 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 AC reviewed the audit reports presented by Group Internal Audit Department 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 FY2018 was RM523,132 (FY2017: RM455,502).

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

The AC 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 AC 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 AC 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 AC met with the External Auditors without management presence, to discuss their audit plan and any issues arising from the audit. The AC had met privately one (1) time with the External Auditors without the management presence on 22 May 2018.

## 5. Other matters reviewed by the AC

The AC also reviewed the following matters:-

- (i) the Group's compliance with the relevant provision set out under the Malaysian Code on Corporate Governance 2017 for the purpose of preparing Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the MMLR 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 the management in relation to the declaration of dividends.

### Overall summary of work done by the AC

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

1. Reviewed with the 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 work and its findings at every quarter, and to highlight to the Board on any material findings.
  - (iv) the regular management reports 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 AC 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 the implementation of major accounting policy.
  - (ii) significant and unusual events.
  - (iii) compliance with accounting standards and other legal requirements.
  - (iv) Solvency Assessment by management in relation to the declaration of 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 MMLR of Bursa Malaysia, 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 shareholders.
6. Reviewed the Employee Share Option Scheme's record quarterly.

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## 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:-

#### Corporate Services

- 1) Information Technology Management

#### Group Finance

- 1) Financial Statement Close Processing Management
- 2) Petty Cash Handling

#### Property Development

- 1) Contract Management
- 2) Sales Administration Management

#### Construction

- 1) Project Management (Johor)
- 2) Safety Management

#### Education

- 1) Billing, Revenue and Collection Management
- 2) Human Resources and Payroll Management
- 3) Facilities and Emergency Management

#### Hospitality

- 1) d'Tempat Country Club
  - Outlet Revenue and Collection Management
  - Food and Beverage Inventory Management
- 2) d'Sora Boutique Business Hotel
  - Safety and Security

The findings arising from the above reviews have been reported to the 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 FY2018. The attendance record of each member is as tabulated below:-

Members	Total Number of Meetings	Number of Meetings Attended
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 AC reviewed and amended its Terms of Reference during FY2018 due to the changes in the MMLR of Bursa Malaysia. Also, as required by its Terms of Reference, the AC conducted their annual performance evaluation in an effort to continuously improve its processes.

The AC's responsibility is to monitor and review the processes performed by the management and the External Auditors. It is not the AC's duty or responsibility to conduct auditing or accounting reviews or procedures. The AC members are not employees of the Company. Therefore, the AC 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.

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

**(i) Auditors' effectiveness**

The AC met with 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 AC concluded that the performance of the External Auditors remained effective.

**(ii) Independence and objectivity**

The AC reviews the work undertaken by the External Auditors 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 AC 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 Auditors on its own internal quality procedures.

The audit engagement partner is required to rotate at least every three (3) years as per the Company's policy. The current audit engagement partner has held the position for three (3) years. The External Auditors reported to the AC that it had considered its independence in relation to the audit and confirmed to the AC that it complies with professional requirements and that its objective is not compromised.

The AC 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 require the prior approval of the AC, 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 of audit fees and non-audit fees paid/payable to the External Auditors during the FY2018 is set out in the Note 30 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 AC is satisfied that the quantum of the non-audit fees relative to the audit fees (being 45% of the total audit fees on a group basis payable to the External Auditors and affiliates) and the AC concluded that the auditors' independence for the Group was not compromised.

**(iv) External Audit fees**

The AC was satisfied that the level of audit fees paid/payable in respect of the external audit services provided (FY2018: RM534,000) [FY2017: RM559,000] was appropriate. The existing authority for the Directors (including the AC) to determine the current remuneration of the External Auditors is derived from the shareholders' approval granted at the Company's Annual General Meeting ("AGM") held in August 2017.

**G RECOMMENDATION FOR APPOINTMENT**

Following the annual assessment and performance review on the External Auditors, the AC has recommended to the Board, the re-appointment of Messrs. Crowe Malaysia (formerly known as 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 AGM.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), 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 of 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:-

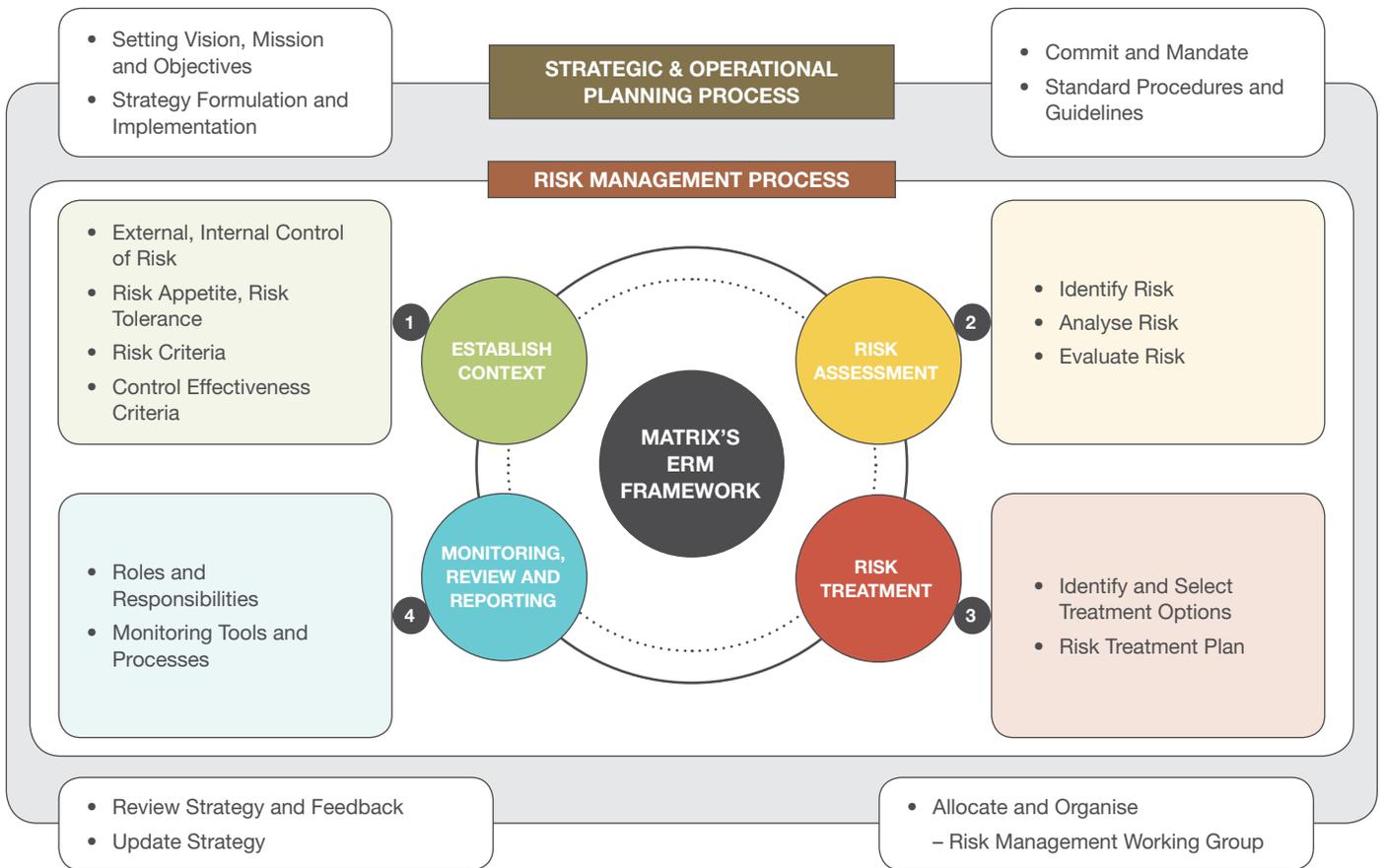
### Risk Management Framework

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.

The Company’s ERM Framework is consistent with the Committee of Sponsoring Organisations of the Treadway Commission’s (COSO) ERM Framework, the Statement on Risk Management and Internal Control - Guidelines for Directors of Public Listed Companies and Bursa Malaysia’s Corporate Governance Guide and also in line with the International for Standardisation (ISO) Standard 31000, Risk Management – Principles and Guidelines.

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. CATASTROPHIC	Medium	Medium	High	High	High
2. MAJOR	Medium	Medium	High	High	High
3. MODERATE	Medium	Medium	High	High	High
4. MINOR	Low	Low	High	High	High
5. INSIGNIFICANT	Low	Low	High	High	High
<b>LIKELIHOOD OF OCCURENCE</b>	1. UNLIKELY	2. LOW PROBABILITY	3. POSSIBLE	4. HIGH PROBABILITY	5. ALMOST CERTAIN

HIGH
  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 Management to address and resolve areas with control weaknesses.

### Internal Audit

During the financial year ended 31 March 2018, internal audit function of the Group has been undertaken via an in-house internal audit team led by Encik Nik Li R Deraman (Head of Internal Audit) together with an independent, external consulting firm, namely Wensen Consulting Asia (M) Sdn Bhd (collectively known as “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. The Head of Internal Audit graduated with a Bachelors Degree in Accounting (Hons) from Universiti Utara Malaysia, is a Chartered member of the Institute of Internal Auditors Malaysia.

The in-house internal audit team comprises the Head of Internal Audit supported by two (2) executives whereas Wensen Consulting Asia (M) Sdn Bhd assigned at least two (2) executives during each audit assignment, thus providing overall support and back up to the entire internal audit team. The Internal Auditor does not have any relationship with the directors and/or major shareholders of Matrix and they have assured that they are free from any conflict of interest or relationships that could impair their objectivity and independence. The Internal Auditor carries out continuous internal control reviews on the business processes based on the approved Internal Audit Plan and reports to the Audit Committee on a quarterly basis.

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.

#### External Auditors

The Group employs Messrs. Crowe Malaysia (formerly known as Crowe Horwath) as its External Auditors.

#### 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:-

- **Group Core Values**

Matrix's values set the tone and helps nurture a conducive culture of accountability, transparency, integrity, which begins at the top and is cascaded across the organisation. This provides a shared belief system that governs corporate conduct and helps to develop an environment that supports good corporate governance.

- 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.

- 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 of Bursa Malaysia, 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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 quarterly basis and is reviewed by the Group Managing Director and senior management.
- The professionalism and competency of staff are enhanced through 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 of 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.
- Whistleblowing Policy

The Group has instituted a whistleblowing policy with facilitating feedback channels to allow anyone in the company to disclose information pertaining to misconduct or improprieties in a safe and secure manner. The confidentiality of the whistleblower is assured throughout the process.

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

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

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

## RISKS 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 unit's 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 Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 31 March 2018, 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.

AAPG 3 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. AAPG 3 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 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 28 June 2018.

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# 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 Main Market Listing Requirements 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 2018, 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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## 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 2018.

### PRINCIPAL ACTIVITIES

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

### RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	213,281	18,181
Attributable to:		
Owners of the Company	213,280	18,181
Non-controlling interests	1	-
	213,281	18,181

### DIVIDENDS

Dividends paid or declared by the Company since 31 March 2017 are as follows:-

	RM'000
<u>In respect of the financial year ended 31 March 2017:-</u>	
- 4 <sup>th</sup> interim single tier dividend of 3.75 sen per ordinary share, paid on 20 June 2017	21,787
<u>In respect of the financial year ended 31 March 2018:-</u>	
- 1 <sup>st</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 11 October 2017	19,172
- 2 <sup>nd</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 10 January 2018	24,149
- 3 <sup>rd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 11 April 2018	26,280
	91,388

Subsequent to the end of financial year, the directors, on 23 May 2018 declared a fourth interim single tier dividend of 3.50 sen per ordinary share amounting to RM26,333,449 in respect of the current financial year, payable on 11 July 2018 to shareholders whose names appeared in the record of depositors on 22 June 2018. 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 2019.

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 or provisions during the financial year other than those items disclosed in the financial statements.

## DIRECTORS' REPORT

### ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) the Company increased its issued and paid-up share capital from RM577,121,532 to RM796,217,278 by way of:-
- (i) issuance of 28,474,079 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise prices as disclosed in Note 18 to the financial statements which amounted to RM70,243,356;
  - (ii) issuance of 449,090 new ordinary shares from the exercise of Warrants 2015/2020 at the exercise price of RM2.40 per Warrant (before bonus issue) and RM1.92 per Warrant (after bonus issue) which amounted to RM1,074,132; and
  - (iii) issuance of 147,778,258 new ordinary shares by capitalisation of the share premium and retained profits accounts by way of bonus issue, in proportion of 1 bonus share for every 4 existing ordinary shares held which amounted to RM147,778,258.

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 except as disclosed in Note 20 to the financial statements.

### 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 below.

### EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 1 April 2013. The ESOS is to be in force for a period of 5 years effective from 28 May 2013. On 28 May 2018, all remaining unexercised 22,101,113 ESOS options standing in the Register of Option Holders have lapsed and therefore, became null and void and ceased to be exercisable with effect from 27 May 2018.

The details of the ESOS are disclosed in Note 18 to the financial statements.

### 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.

On 21 September 2017, 12,872,798 Warrants were issued free by the Company pursuant to the bonus issue on the basis of one (1) Warrant for every four (4) 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.

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## DIRECTORS' REPORT

### WARRANTS (CONT'D)

The salient features of the Warrants are as follows (cont'd):-

Terms	Details
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 (before bonus issue) or RM1.92 (after bonus issue) 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 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.
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 31.3.2018
	At 1.4.2017	Bonus Issue	Converted	
Number of unconverted Warrants	51,936,543	12,872,798	(449,090)	64,360,251

## DIRECTORS' REPORT

### **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.

### **CONTINGENT AND OTHER LIABILITIES**

The contingent liabilities are disclosed in Note 40 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.

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## DIRECTORS' REPORT

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN  
DATO' LEE TIAN HOCK  
HO KONG SOON  
REZAL ZAIN BIN ABDUL RASHID  
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN  
DATO' (IR.) BATUMALAI A/L RAMASAMY  
DATO' HON CHOON KIM  
DATO' HAJAH KALSOM BINTI KHALID  
DATO' LOGENDRAN A/L K NARAYANASAMY

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follow:-

DATO' HJ. MOHD BAHRUDIN BIN MAHFUZ  
DATO' JOHANI BIN HASSAN  
DATO' LEE YUEN FONG  
DATO' MOHD JAAFAR BIN MOHD ATAN  
DATO' SERI MAT ALI BIN HASSAN  
DATO' TAHAR BIN SUDIN  
DR. THAVANAISON A/L ARUMUGAM  
LEE TIAN ONN  
LEE JON WEE  
SHUY YAU LENG  
SUHAIMI BIN ALI  
TAN SAY KUAN  
TEOW KIM SIONG  
TIONG TING HAP  
TUAN HAJI MUSTAZA BIN MUSA  
TUNG AH QUI  
HIROSHI KATO (APPOINTED ON 5.5.2017)  
LEONG JEE VAN (APPOINTED ON 18.5.2018)  
LIM CHEW HENG (APPOINTED ON 2.5.2018)  
MASAYUKI KAWANO (APPOINTED ON 5.5.2017)  
DATO' JAAFAR BIN SAHADAN (RESIGNED ON 9.1.2018)  
DATO' LIM KIU HOCK (RESIGNED ON 1.4.2018)  
FELIX LEE ENG BOON (RESIGNED ON 9.2.2018)

## DIRECTORS' REPORT

### 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	At 1.4.2017	Number of Ordinary Shares			At 31.3.2018
		Bought	Bonus Issue	Sold	
<b>Direct Interests</b>					
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,312,499	408,331	430,207	–	2,151,037
Dato' Lee Tian Hock	100,787,093	2,118,329	23,113,854	(10,450,000)	115,569,276
Ho Kong Soon	4,882,999	1,733,331	1,654,081	–	8,270,411
Rezal Zain Bin Abdul Rashid	567,499	369,999	234,373	(142,000)	1,029,871
Dato' Firdaus Muhammad Rom Bin Harun	283,748	200,000	45,937	(329,685)	200,000
Dato' (Ir.) Batumalai A/L Ramasamy	458,333	382,499	127,083	(165,000)	802,915
Dato' Hon Choon Kim	100,000	300,000	62,500	–	462,500
Dato' Logendran A/L K Narayanasamy	484,750	750,000	308,687	–	1,543,437
Dato' Hajah Kalsom Binti Khalid	–	500,000	125,000	(378,700)	246,300
<b>Indirect Interests</b>					
Dato' Lee Tian Hock <sup>(i)</sup>	132,207,896	833,333	33,260,306	–	166,301,535
Ho Kong Soon <sup>(ii)</sup>	23,329,635	–	5,832,408	–	29,162,043
Dato' (Ir.) Batumalai A/L Ramasamy <sup>(iii)</sup>	36,000	–	9,000	–	45,000
Dato' Hon Choon Kim <sup>(iv)</sup>	14,000	–	3,500	–	17,500

<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.

The Company	At 1.4.2017	Number of Warrants			At 31.3.2018
		Acquired	Bonus Issue	Converted	
<b>Direct Interests</b>					
Dato' Haji Mohamad Haslah Bin Mohamad Amin	132,500	–	33,125	–	165,625
Dato' Lee Tian Hock	208,274	–	52,068	–	260,342
Ho Kong Soon	642,572	160,643	–	–	803,215
Rezal Zain Bin Abdul Rashid	70,000	–	17,499	–	87,499
Dato' Firdaus Muhammad Rom Bin Harun	8,333	–	2,083	–	10,416
Dato' (Ir.) Batumalai A/L Ramasamy	–	50,000	–	–	50,000
Dato' Logendran A/L K Narayanasamy	69,250	–	17,312	–	86,562

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## 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):-

<i>Share Options of the Company</i>	Number of Options over Ordinary Shares			At 31.3.2018
	At 1.4.2017	Bonus Issue	Exercised	
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,908,331	375,000	(408,331)	1,875,000
Dato' Lee Tian Hock	2,118,329	–	(2,118,329)	–
Ho Kong Soon	1,733,331	–	(1,733,331)	–
Rezal Zain Bin Abdul Rashid	369,999	–	(369,999)	–
Dato' Firdaus Muhammad Rom Bin Harun	325,002	81,250	(200,000)	206,252
Dato' (Ir.) Batumalai A/L Ramasamy	319,999	62,500	(382,499)	–
Dato' Logendran A/L K Narayanasamy	750,000	–	(750,000)	–
Dato' Hon Choon Kim	400,000	62,500	(300,000)	162,500
Dato' Hajah Kalsom Binti Khalid	500,000	–	(500,000)	–

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 year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) 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 37 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 paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 36 to the financial statements.

### INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM25,000,000 and RM37,950 respectively.

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## DIRECTORS' REPORT

### **SUBSIDIARIES**

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

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

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

### **SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

The significant event occurring after the reporting period is disclosed in Note 44 to the financial statements.

### **AUDITORS**

The auditors, Messrs. Crowe Malaysia (formerly known as Crowe Horwath), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 30 to the financial statements.

### **SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 28 JUNE 2018**

**Dato' Lee Tian Hock**

**Ho Kong Soon**

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## 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 149 to 223 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 2018 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 28 JUNE 2018**

**Dato' Lee Tian Hock**

**Ho Kong Soon**

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Say Kuan, MIA Membership Number: 20012, 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 149 to 223 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Tan Say Kuan, NRIC Number: 740912-01-5787  
at Seremban  
in the state of Negeri Sembilan  
on this 28 June 2018

Before me

**Tan Say Kuan**

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 2018 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 149 to 223.

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 2018, 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.

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

<b>Reasonableness of revenue recognition arising from contracts with customers</b> Refer to Note 4.1(f), 4.23(a) and 28 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<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>

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# 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)

<b>Reasonableness of attributable profits arising from property development projects</b> Refer to Note 4.1(f), 9(b), 28 and 29 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<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 on 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>

### 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 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.

# 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

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 skepticism 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.
- 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.

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# 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)

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.

### 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 Malaysia**  
Firm No. : AF 1018  
Chartered Accountants

Melaka

28 June 2018

**Piong Yew Peng**  
Approval No : 03070/06/2019 J  
Chartered Accountant

## STATEMENTS OF FINANCIAL POSITION

### AT 31 MARCH 2018

	NOTE	THE GROUP		THE COMPANY	
		2018 RM'000	2017 RM'000 (RESTATED)	2018 RM'000	2017 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	5	–	–	249,394	224,394
Property, plant and equipment	6	235,046	234,776	–	–
Investment properties	7	590	919	–	–
Goodwill	8	*	*	–	–
Inventories	9	643,900	747,751	–	–
Amount owing by subsidiaries	14	–	–	197,320	180,596
Deferred tax assets	10	15,300	10,902	–	–
		<b>894,836</b>	<b>994,348</b>	<b>446,714</b>	<b>404,990</b>
<b>CURRENT ASSETS</b>					
Inventories	9	380,110	176,805	–	–
Trade receivables and contract assets	11	274,010	252,141	–	–
Other receivables, deposits and prepayments	13	35,383	14,677	32	24
Amount owing by subsidiaries	14	–	–	488,474	419,152
Fixed deposits with licensed banks	15	86,633	29,836	74,902	22,913
Cash and bank balances	16	193,795	87,471	39,538	22,156
		<b>969,931</b>	<b>560,930</b>	<b>602,946</b>	<b>464,245</b>
<b>TOTAL ASSETS</b>		<b>1,864,767</b>	<b>1,555,278</b>	<b>1,049,660</b>	<b>869,235</b>

\* - Less than RM1,000

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## STATEMENTS OF FINANCIAL POSITION

### AT 31 MARCH 2018

	NOTE	THE GROUP		THE COMPANY	
		2018 RM'000	2017 RM'000 (RESTATED)	2018 RM'000	2017 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	796,217	577,122	796,217	577,122
Retained profits		406,892	388,532	19,409	196,148
Other reserves	18	3,382	58,305	6,489	55,979
Equity attributable to owners of the Company		1,206,491	1,023,959	822,115	829,249
Non-controlling interests		501	*	–	–
<b>TOTAL EQUITY</b>		<b>1,206,992</b>	<b>1,023,959</b>	<b>822,115</b>	<b>829,249</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	19	181,270	181,265	80,000	–
Deferred tax liabilities	10	697	768	–	–
Other payables and accruals	25	7,439	24,546	–	–
		189,406	206,579	80,000	–
<b>CURRENT LIABILITIES</b>					
Trade payables and contract liabilities	24	190,048	125,174	–	–
Other payables, deposits and accruals	25	122,752	89,126	27,390	20,599
Amount owing to subsidiaries	14	–	–	47,270	13,890
Bank overdrafts	26	26,446	44,052	1,476	3,248
Short-term borrowings	27	107,355	48,855	70,000	–
Current tax liabilities		21,768	17,533	1,409	2,249
		468,369	324,740	147,545	39,986
<b>TOTAL LIABILITIES</b>		<b>657,775</b>	<b>531,319</b>	<b>227,545</b>	<b>39,986</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,864,767</b>	<b>1,555,278</b>	<b>1,049,660</b>	<b>869,235</b>

\* - Less than RM1,000

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	NOTE	THE GROUP		THE COMPANY	
		2018 RM'000	2017 RM'000 (RESTATED)	2018 RM'000	2017 RM'000
REVENUE	28	818,477	774,978	-	130,000
COST OF SALES	29	(345,157)	(339,181)	-	-
GROSS PROFIT		473,320	435,797	-	130,000
OTHER INCOME		7,470	8,567	29,436	24,937
		480,790	444,364	29,436	154,937
SELLING AND MARKETING EXPENSES		(52,256)	(66,037)	-	-
ADMINISTRATIVE EXPENSES		(128,208)	(110,506)	(4,282)	(2,300)
FINANCE COSTS		(5,098)	(7,509)	(1,099)	(224)
PROFIT BEFORE TAXATION	30	295,228	260,312	24,055	152,413
INCOME TAX EXPENSE	31	(81,947)	(75,034)	(5,874)	(5,936)
PROFIT AFTER TAXATION		213,281	185,278	18,181	146,477
OTHER COMPREHENSIVE INCOME					
<u>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</u>					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES	32	(5,433)	2,482	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		207,848	187,760	18,181	146,477
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		213,280	185,278	18,181	146,477
Non-controlling interests		1	-	-	-
		213,281	185,278	18,181	146,477
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		207,847	187,760	18,181	146,477
Non-controlling interests		1	-	-	-
		207,848	187,760	18,181	146,477
EARNINGS PER SHARE (SEN)					
Basic	33(a)	32.0	28.7		
Diluted	33(b)	31.6	27.7		

The annexed notes form an integral part of these financial statements.

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## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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			
Balance at 1.4.2016		563,957	31,944	4,657	(156)	284,792	885,194	*	885,194	
Profit after taxation for the financial year		-	-	-	-	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:-										
- Dividends	34	-	-	-	-	(82,113)	(82,113)	-	(82,113)	
- Employees' share options exercised	17, 18(a)	7,863	4,040	(2,129)	-	-	9,774	-	9,774	
- ESOS lapsed		-	-	(575)	-	575	-	-	-	
- Share options to employees		-	-	10,621	-	-	10,621	-	10,621	
- Warrant exercised	17, 18(a)	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 2018

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	CONTROLLING INTEREST RM'000		
Balance at 1.4.2017		577,122	43,405	12,574	2,326	388,532	1,023,959	*	1,023,959	
Profit after taxation for the financial year		-	-	-	-	213,280	213,280	1	213,281	
Other comprehensive income for the financial year		-	-	-	-	-	-	-	-	
- Foreign currency translation differences	18(c)	-	-	-	(5,433)	-	(5,433)	-	(5,433)	
Total comprehensive income for the financial year		-	-	-	(5,433)	213,280	207,847	1	207,848	
Contribution by and distribution to owners of the Company:-										
- Share of net assets arising from the acquisition of a subsidiary	17, 18(a)	147,778	(43,405)	-	-	(104,373)	-	500	500	
- Bonus issue		-	-	-	-	(91,388)	(91,388)	-	(91,388)	
- Dividends	34	-	-	-	-	-	-	-	-	
- Employees' share options exercised	17	70,243	-	(10,517)	-	-	59,726	-	59,726	
- ESOS lapsed		-	-	(841)	-	841	-	-	-	
- Share options to employees		-	-	5,273	-	-	5,273	-	5,273	
- Warrant exercised	17	1,074	-	-	-	-	1,074	-	1,074	
Total transactions with owners		219,095	(43,405)	(6,085)	-	(194,920)	(25,315)	500	(24,815)	
Balance at 31.3.2018		796,217	-	6,489	(3,107)	406,892	1,206,491	501	1,206,992	

\* - Less than RM1,000

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## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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	
Balance 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:-						
- Dividends	34	-	-	-	(82,113)	(82,113)
- Employees' share options exercised	17, 18(a)	7,863	4,040	(2,129)	-	9,774
- ESOS lapsed		-	-	(575)	575	-
- Share options to employees		-	-	10,621	-	10,621
- Warrant exercised	17, 18(a)	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
Balance at 1.4.2017		<b>577,122</b>	<b>43,405</b>	<b>12,574</b>	<b>196,148</b>	<b>829,249</b>
Profit after taxation/Total comprehensive income for the financial year		-	-	-	<b>18,181</b>	<b>18,181</b>
Contribution by and distribution to owners of the Company:-						
- Bonus issue	17, 18(a)	<b>147,778</b>	<b>(43,405)</b>	-	<b>(104,373)</b>	-
- Dividends	34	-	-	-	<b>(91,388)</b>	<b>(91,388)</b>
- Employees' share options exercised	17	<b>70,243</b>	-	<b>(10,517)</b>	-	<b>59,726</b>
- ESOS lapsed		-	-	<b>(841)</b>	<b>841</b>	-
- Share options to employees		-	-	<b>5,273</b>	-	<b>5,273</b>
- Warrant exercised	17	<b>1,074</b>	-	-	-	<b>1,074</b>
Total transactions with owners		<b>219,095</b>	<b>(43,405)</b>	<b>(6,085)</b>	<b>(194,920)</b>	<b>(25,315)</b>
Balance at 31.3.2018		<b>796,217</b>	-	<b>6,489</b>	<b>19,409</b>	<b>822,115</b>

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	<b>295,228</b>	260,312	<b>24,055</b>	152,413
Adjustments for:-				
Bad debts written off	<b>78</b>	174	-	-
Depreciation of property, plant and equipment	<b>9,638</b>	8,936	-	-
Depreciation of investment properties	<b>17</b>	25	-	-
Equipment written off	<b>331</b>	3	-	-
ESOS expenses	<b>5,273</b>	10,621	-	790
Impairment loss on trade receivables	<b>408</b>	417	-	-
Interest expenses	<b>5,966</b>	8,343	<b>1,099</b>	682
Interest income	<b>(5,846)</b>	(2,209)	<b>(29,435)</b>	(25,130)
Gain on disposal of investment property	<b>(194)</b>	(9)	-	-
(Gain)/Loss on disposal of property, plant and equipment	<b>(14)</b>	78	-	-
Operating profit/(loss) before working capital changes	<b>310,885</b>	286,691	<b>(4,281)</b>	128,755
Increase in inventories	<b>(82,540)</b>	(95,458)	-	-
(Increase)/Decrease in trade and other receivables	<b>(42,208)</b>	(90,187)	<b>(8)</b>	7
Increase/(Decrease) in trade and other payables	<b>71,253</b>	43,120	<b>102</b>	(255)
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>257,390</b>	144,166	<b>(4,187)</b>	128,507
Interest received	<b>4,993</b>	2,209	<b>29,435</b>	25,130
Income tax paid	<b>(83,596)</b>	(78,606)	<b>(6,715)</b>	(5,469)
Income tax refund	<b>1,415</b>	-	-	-
Interest paid	<b>(18,926)</b>	(14,273)	<b>(1,099)</b>	(682)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>161,276</b>	53,496	<b>17,434</b>	147,486

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## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	NOTE	THE GROUP		THE COMPANY	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Advances to related companies		-	-	(80,773)	(75,095)
Investment in subsidiary companies		-	-	(25,000)	(3,096)
Placements of pledged deposits with licensed banks		(3,297)	(3,698)	(88)	(33)
Placements of deposits with licensed banks with maturity date more than 3 months		(53,901)	-	(53,901)	-
Proceeds from disposal of investment property		506	65	-	-
Proceeds from disposal of property, plant and equipment		1,042	428	-	-
Purchase of property, plant and equipment	35(a)	(11,273)	(24,549)	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(66,923)</b>	<b>(27,754)</b>	<b>(159,762)</b>	<b>(78,224)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Dividends paid		(85,203)	(83,166)	(85,203)	(83,166)
Advances from fellow subsidiaries		-	-	33,885	-
Increase in investment of non-controlling interest in a subsidiary		500	-	-	-
Drawdown of term loans	35(c)	6,456	93,676	-	-
Drawdown of revolving credits	35(c)	29,867	10,000	-	-
Drawdown of Sukuk Wakalah	35(c)	150,000	-	150,000	-
Proceeds from issuance of ordinary shares		60,800	22,497	60,800	22,497
Repayment of revolving credits	35(c)	(16,198)	(30,000)	-	-
Repayment of term loans	35(c)	(111,305)	(16,872)	-	-
Repayment of hire purchase obligations	35(c)	(315)	(97)	-	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>		<b>34,602</b>	<b>(3,962)</b>	<b>159,482</b>	<b>(60,669)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>128,955</b>	<b>21,780</b>	<b>17,154</b>	<b>8,593</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>		<b>(5,426)</b>	<b>2,475</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>63,866</b>	<b>39,611</b>	<b>38,918</b>	<b>30,325</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	35(b)	<b>187,395</b>	<b>63,866</b>	<b>56,072</b>	<b>38,918</b>

The annexed notes form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 1. GENERAL INFORMATION

The Company is a public limited liability 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, 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 28 June 2018.

### 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/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or 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 as issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
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 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
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
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or 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 except as follows:-

#### MFRS 9 (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.

Furthermore, pursuant to MFRS 9, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, the Group is required to recognise and measure a lifetime expected credit loss ("ECL") on its debt instruments. This application will result in earlier recognition of credit losses. The expected impact from implementation of MFRS 9 and the determination of ECL is expected to be immaterial to the Group as the vast majority of the Group's trade receivables comprise property purchasers who have end financing arrangements with licensed financial institutions.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

###### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

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

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

###### **(b) Income Taxes**

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

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its trade receivables and analyses their ageing profiles, 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.

###### **(e) Deferred Tax Assets**

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

###### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

###### **(a) 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 properties.

###### **(b) 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.

###### **(c) 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.

###### **(d) 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.

###### **(e) Held-to-maturity Financial Assets**

The Group classifies fixed deposits pledged with licensed banks 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

###### *Critical Judgements Made in Applying Accounting Policies (Cont'd)*

###### **(f) Revenue and Profit Recognition of Property Development Activities**

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

The Group recognises property development 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 and works of specialists.

##### 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.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.2 BASIS OF CONSOLIDATION (CONT'D)

###### (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.

###### (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 of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

##### 4.3 GOODWILL

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

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

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised 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.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 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.

##### 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 of 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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.6 FINANCIAL INSTRUMENTS (CONT'D)

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

###### (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.

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. Fair value through profit or loss category also comprises contingent consideration in a business combination.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.6 FINANCIAL INSTRUMENTS (CONT'D)

###### (b) Financial Liabilities (Cont'd)

###### (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*

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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

###### (d) Derecognition

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

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

##### 4.7 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 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.

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.

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 INVESTMENT PROPERTIES (CONT'D)

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.

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

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

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

#### 4.11 IMPAIRMENT

##### (a) Impairment of Financial Assets

All financial assets and contract 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. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

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.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, 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. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.11 IMPAIRMENT (CONT'D)

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

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. 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 immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and 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, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

##### 4.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:

###### (a) Properties Held for Future Development

The cost comprises specifically identified cost, including cost associated to the purchase of land and an appropriate proportion of common infrastructure costs.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.13 INVENTORIES (CONT'D)

###### (a) Properties Held for Future Development (Cont'd)

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realisable value.

Properties held for future development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operation cycle is classified as non-current asset.

Properties held for future development is transferred to 'properties under development for sale' category when development activities have commenced and are expected to be completed within the Group's normal operating cycle.

###### (b) Properties Under Development for Sale

The cost comprises specifically identified cost, including cost associated to the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

###### (c) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sale comprises cost associated with the acquisition of land, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the property.

###### (d) Club and Hotel 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.

##### 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 statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 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 if new ordinary shares are issued.

#### 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).

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.17 INCOME TAXES (CONT'D)

##### (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.

#### 4.18 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.19 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.

##### 4.20 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.

##### 4.21 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.

##### 4.22 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.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.23 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 goods or services (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 goods or services on its own or together with other readily available resources; and
- the goods or services 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.23 REVENUE AND OTHER INCOME (CONT'D)

###### (a) Revenue from Contracts with Customers (Cont'd)

###### Recognition and Measurement (Cont'd)

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) Property Development Activities

Revenue is recognised when or as the control of the property is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control is transferred over time, revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's 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.

Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for property sold.

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.

###### (ii) 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 goods and services tax, expected returns, cash and trade discounts.

###### (iii) 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.

###### (b) Other Income

###### (i) Interest Income

Interest income is recognised on an accrual basis using the effective interest method unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

###### (ii) Dividend Income

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

###### (iii) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

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### 5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2018 RM'000	2017 RM'000
Unquoted shares, at cost	249,394	224,394

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
		2018 %	2017 %	
<b><i>Subsidiaries of the Company</i></b>				
Pembinaan Juwasan Sdn. Bhd.	Malaysia	100	100	Investment holding
Matrix Concepts (Central) Sdn. Bhd.	Malaysia	100	100	Property development
Matrix Concepts (NS) Sdn. Bhd. (Formerly known as 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
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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 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
		2018	2017	
		%	%	
<b><i>Subsidiaries of the Company</i></b>				
Matrix IBS Sdn. Bhd.	Malaysia	80	100	Investment holding and construction of buildings, factories and other works using the technique of industrialised building system
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><i>Subsidiaries of Pembinaan Juwasan Sdn. Bhd.</i></b>				
Matrix Excelcon Sdn. Bhd.	Malaysia	100	100	General contractors
Matrix Excelbuilder Sdn. Bhd.	Malaysia	100	100	Dormant
<b><i>Subsidiary of Masuda Corporation Sdn. Bhd.</i></b>				
MCHB Management Services Sdn. Bhd.	Malaysia	100	100	Project management and administrative services
<b><i>Subsidiaries of Matrix Concepts Sdn. Bhd.</i></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.

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#### 6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2017 RM'000	ADDITIONS RM'000	RE- CLASSIFICATION RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	DISPOSAL/ WRITE OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2018 RM'000
<b>2018</b>							
Carrying Amount							
Freehold land	1,257	–	–	–	–	–	<b>1,257</b>
Buildings	191,754	5,906	21,797	–	–	(5,204)	<b>214,253</b>
Leasehold land and buildings	140	–	–	–	–	(2)	<b>138</b>
Office equipment, furniture and fittings	13,576	2,665	–	(6)	(332)	(2,668)	<b>13,235</b>
Plant and machinery	627	–	–	–	–	(125)	<b>502</b>
Motor vehicles	5,817	1,456	–	–	(44)	(1,639)	<b>5,590</b>
Building in progress	21,605	1,246	(21,797)	–	(983)	–	<b>71</b>
Total	234,776	11,273	–	(6)	(1,359)	(9,638)	<b>235,046</b>

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>2017</b>						
Carrying Amount						
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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>2018</b>			
Freehold land	1,257	–	1,257
Buildings	231,184	(16,931)	214,253
Leasehold land and buildings	173	(35)	138
Office equipment, furniture and fittings	21,714	(8,479)	13,235
Plant and machinery	1,570	(1,068)	502
Motor vehicles	14,874	(9,284)	5,590
Building in progress	71	–	71
<b>Total</b>	<b>270,843</b>	<b>(35,797)</b>	<b>235,046</b>

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>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
<b>Total</b>	<b>261,212</b>	<b>(26,436)</b>	<b>234,776</b>

- (a) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a total carrying value of RM1,286,000 (2017 – RM1,630,000), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 22 to the financial statements.
- (b) The freehold land and buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21, 23 and 26 to the financial statements.

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#### 7. INVESTMENT PROPERTIES

THE GROUP	AT 1.4.2017 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2018 RM'000
CARRYING AMOUNT				
Houses	919	(312)	(17)	590

THE GROUP	AT 1.4.2016 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2017 RM'000
CARRYING AMOUNT				
Houses	1,000	(56)	(25)	919

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>2018</b>			
Houses	825	(235)	590

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>2017</b>			
Houses	1,250	(331)	919

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM1,419,000 (2017 – RM2,150,000).

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#### 8. GOODWILL

	THE GROUP	
	2018 RM'000	2017 RM'000
Goodwill arising from consolidation	18	18
Accumulated impairment losses	(18)	(18)
At 31 March	*	*

\*- Less than RM1,000

#### 9. INVENTORIES

	NOTE	THE GROUP	
		2018 RM'000	2017 RM'000 (RESTATED)
<u>Non-current</u>			
Properties held for future development	9(a)	643,900	747,751
<u>Current</u>			
Properties under development for sale	9(b)	339,556	118,332
Completed properties held for sale	9(c)	40,473	58,286
Operating supplies	9(d)	81	187
		<b>380,110</b>	176,805
<u>Recognised in profit or loss:-</u>			
Inventories of property development		24,981	10,253
Inventories recognised as cost of sales		11,090	9,673
Cost of property development recognised during the current financial year		<b>288,702</b>	303,084

- (i) Included in the development costs are interests on borrowings capitalised during the financial year of RM16,914,000 (2017 – RM11,183,000).
- (ii) Certain development properties have been pledged to secure borrowings as disclosed in Note 21, 23 and 26 to the financial statements.

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### 9. INVENTORIES (CONT'D)

#### (a) Properties held for future development

	THE GROUP	
	2018 RM'000	2017 RM'000 (RESTATED)
<b>Land, at cost</b>		
At beginning of the year	559,714	518,986
Costs incurred during the year	32,806	50,585
Transferred to properties under development for sale (Note 9(b))	(99,970)	(4,527)
Disposal during the year	–	(5,330)
At the end of the year	492,550	559,714
<b>Development costs</b>		
At beginning of the year	188,037	131,925
Costs incurred during the year	36,653	78,411
Transferred to properties under development for sale (Note 9(b))	(73,340)	(21,907)
Disposal during the year	–	(392)
At the end of the year	151,350	188,037
<b>Cumulative cost / Carrying amount</b>	<b>643,900</b>	<b>747,751</b>

#### (b) Properties under development for sale

	THE GROUP	
	2018 RM'000	2017 RM'000 (RESTATED)
<b>Land, at cost</b>		
At beginning of the year	54,672	57,595
Costs incurred during the year	2,028	9,875
Transferred from properties held for future development (Note 9(a))	99,970	4,527
Reversal of completed projects	(12,620)	(19,876)
Effect of movement in exchange rate	(2,672)	2,551
At the end of the year	141,378	54,672
<b>Development costs</b>		
At beginning of the year	233,787	249,520
Costs incurred during the year	346,725	278,267
Transferred from properties held for future development (Note 9(a))	73,340	21,907
Reversal of completed projects	(184,214)	(316,237)
Effect of movement in exchange rate	(2,297)	330
At the end of the year	467,341	233,787
<b>Cumulative costs</b>	<b>608,719</b>	<b>288,459</b>

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### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 9. INVENTORIES (CONT'D)

(b) Properties under development for sale (Cont'd)

	THE GROUP	
	2018 RM'000	2017 RM'000 (RESTATED)
<b>Cumulative cost recognised in profit or loss</b>		
At beginning of the year	(170,127)	(195,394)
Recognised during the year	(288,702)	(297,362)
Unsold units transferred to completed properties held for sale (Note 9(c))	(7,168)	(13,484)
Reversal of completed projects	196,834	336,113
At the end of the year	(269,163)	(170,127)
<b>Carrying amount</b>	<b>339,556</b>	<b>118,332</b>

(c) Completed properties held for sale

	THE GROUP	
	2018 RM'000	2017 RM'000 (RESTATED)
At beginning of the year	58,286	55,055
Unsold units transferred from properties under development for sale (Note 9(b))	7,168	13,484
Disposals during the year	(24,981)	(10,253)
<b>Cumulative cost / Carrying amount</b>	<b>40,473</b>	<b>58,286</b>

(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

The Group	Recognised in Profit or Loss		
	At 1.4.2017 RM'000	(Note 31) RM'000	At 31.3.2018 RM'000
<b>2018</b>			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	768	(71)	697
<i>Deferred Tax Assets</i>			
Unused business losses	(241)	(295)	(536)
Unabsorbed capital allowances	(32)	-	(32)
Unrealised profits	(10,629)	(4,103)	(14,732)
	(10,902)	(4,398)	(15,300)
	(10,134)	(4,469)	(14,603)

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### 10. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	At 1.4.2016 RM'000	Recognised in Profit or Loss (Note 31) RM'000	At 31.3.2017 RM'000
<b>2017</b>			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	275	493	768
<i>Deferred Tax Assets</i>			
Unused business losses	(148)	(93)	(241)
Unabsorbed capital allowances	(32)	–	(32)
Provisions	(1,067)	1,067	–
Unrealised profits	(5,415)	(5,214)	(10,629)
	(6,662)	(4,240)	(10,902)
	(6,387)	(3,747)	(10,134)

### 11. TRADE RECEIVABLES AND CONTRACT ASSETS

	THE GROUP	
	2018 RM'000	2017 RM'000
Trade receivables	<b>148,919</b>	131,084
Contract assets in relation to property development (Note 12)	<b>125,499</b>	121,474
	<b>274,418</b>	252,558
Less: Allowance for impairment losses	<b>(408)</b>	(417)
	<b>274,010</b>	252,141
Allowance for impairment losses:		
At the beginning of the year	<b>417</b>	–
Addition during the financial year	<b>408</b>	417
Written off during the year	<b>(417)</b>	–
At the end of the year	<b>408</b>	417

(a) The credit terms of the Group range from 14 to 60 (2017: 14 to 60) days.

(b) Other credit terms are assessed and approved on a case-by-case basis.

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#### 12. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2018 and 31 March 2017 were not impacted by significant changes in contract terms.

	THE GROUP	
	2018	2017
	RM'000	RM'000
Net carrying amount of contract assets/(liabilities) is analysed as follows:		
At 1 April		
- contract assets	121,474	71,924
- contract liabilities	(40,115)	(13,333)
Property development revenue recognised on performance obligation during the financial year	785,928	748,811
Less: Billings during the financial year	(864,803)	(726,043)
At 31 March	2,484	81,359
At 31 March		
- contract assets (Note 11)	125,499	121,474
- contract liabilities (Note 24)	(123,015)	(40,115)
	2,484	81,359

- (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 development has not been transferred to buyers.
- (b) Contract liabilities represent the excess of progress billings to buyers over revenue recognised in profit or loss at the end of the reporting period.

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#### 12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The following table shows revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:-

	2019 RM'000	THE GROUP 2020 RM'000	2021 RM'000
<b>2018</b>			
Property development revenue	682,776	281,320	85,438
Education service	4,209	-	-
Membership fee	244	-	-
	<b>687,229</b>	<b>281,320</b>	<b>85,438</b>
	2018 RM'000	THE GROUP 2019 RM'000	2020 RM'000
<b>2017</b>			
Property development revenue	455,003	253,281	40,667
Education service	1,907	-	-
Membership fee	260	-	-
	<b>457,170</b>	<b>253,281</b>	<b>40,667</b>

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#### 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other receivables:-				
Third parties	4,987	4,901	30	23
Goods and services tax recoverable	2,480	1,236	-	-
	7,467	6,137	30	23
Deposits	10,276	4,260	2	1
Prepayment	4,049	4,280	-	-
Deferred expenditure	13,591	-	-	-
	35,383	14,677	32	24
<u>Deferred expenditure:</u>				
At beginning of the year	-	-	-	-
Add: Incurred during the financial year	57,180	-	-	-
	57,180	-	-	-
Less: Cost recognised in profit or loss during the financial year	(43,589)	-	-	-
At the end of the year	13,591	-	-	-

Deferred expenditure relating to sales agent commission and legal costs incurred to secure sales of property units are recognised in the profit or loss in proportion to the income recognised for the respective financial years.

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

	THE COMPANY	
	2018 RM'000	2017 RM'000
<b>Amount owing by:</b>		
<u>Non-current</u>		
- Subsidiaries (Non-trade)	197,320	180,596
<u>Current</u>		
- Subsidiaries (Non-trade)	488,474	419,152
<b>Amount owing to:</b>		
<u>Current</u>		
- Subsidiaries (Non-trade)	(47,270)	(13,890)

The non-trade balances represent payments made on behalf which bear an interest of 5% per annum (2017 – 5% per annum). The amounts owing have no fixed terms of repayment.

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### 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 2.80% to 4.00% (2017 – 2.60% to 3.43%) per annum and 2.80% to 3.85% (2017 – 2.80% to 3.43%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2017 – 30 to 365) days and 30 to 365 (2017 – 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 RM12,686,000 (2017 – RM9,389,000) and RM2,991,000 (2017 – RM2,903,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.

### 16. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM123,448,000 (2017 – RM44,927,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

### 17. SHARE CAPITAL

The movements in the paid-up share capital of the Company are as follows:-

	THE GROUP/THE COMPANY			
	2018 NUMBER OF SHARES ('000)	2017 NUMBER OF SHARES ('000)	2018 RM'000	2017 RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary shares:-				
At 1 April	574,165	563,957	577,122	563,957
New shares issued:				
- bonus shares	147,778	–	147,778	–
- ESOS exercised	28,474	4,906	70,243	7,863
- warrant conversion	449	5,302	1,074	5,302
At 31 March	750,866	574,165	796,217	577,122

During the financial year, the Company issued 147,778,258 new ordinary shares by capitalisation of the share premium and retained profits accounts by way of bonus issue on the basis of 1 bonus share for every 4 existing ordinary shares held.

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.

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#### 18. RESERVES

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-distributable:-				
Share premium (a)	-	43,405	-	43,405
Employee share option reserve (b)	6,489	12,574	6,489	12,574
Translation reserves (c)	(3,107)	2,326	-	-
	<b>3,382</b>	<b>58,305</b>	<b>6,489</b>	<b>55,979</b>

#### (a) SHARE PREMIUM

	THE GROUP/THE COMPANY	
	2018 RM'000	2017 RM'000
At 1 April	43,405	31,944
New shares issued under the employee share option scheme	-	4,040
Bonus issue of new shares	(43,405)	-
Warrant conversion	-	7,421
At 31 March	-	43,405

The Company has adopted the transitional provisions set out in Section 618(3) of the Companies Act 2016 ("Act") where the sum standing to the credit of the share premium may be utilised within twenty four (24) months from the commencement date of 31 January 2017 in the manner as allowed for under the Act.

#### (b) EMPLOYEES' SHARE OPTION SCHEME

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employees' 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 was implemented on 28 May 2013 and is to be in force for a period of 5 years effective from the date of implementation. On 28 May 2018, all remaining unexercised 22,101,113 ESOS options standing in the Register of Option Holders have lapsed and therefore, became null and void and ceased to be exercisable with effect from 27 May 2018.

The main features of the ESOS are as follows:-

- (i) The maximum number of new ordinary shares of the Company under the ESOS 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 ESOS.
- (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.

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### 18. RESERVES (CONT'D)

#### (b) EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The main features of the ESOS are as follows (Cont'd):-

- (iii) Not more than 10% of the shares available under the ESOS 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 ESOS 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.

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

Date Of Offer	Exercise Price Before Bonus Issue	Exercise Price After Bonus Issue	Remaining Contractual Life Of Options	Number of Options over Ordinary Shares					At 31 March 2018
				At 1 April 2017	Granted	Bonus Issue	Exercised	Lapsed	
6.5.2013	RM1.23	RM0.98	57 days	315,954	-	40,857	(169,382)	(84,628)	102,801
29.1.2014	RM1.83	RM1.46	57 days	1,949,986	-	161,819	(1,589,998)	(97,254)	424,553
9.12.2014	RM2.08	RM1.66	57 days	4,686,728	-	286,017	(4,067,722)	(176,510)	728,513
19.10.2016	RM2.34	RM1.87	57 days	22,710,375	-	2,544,341	(16,892,140)	(1,170,499)	7,192,077
2.10.2017	-	RM1.99	57 days	-	21,970,250	-	(5,754,837)	(1,043,900)	15,171,513
				29,663,043	21,970,250	3,033,034	(28,474,079)	(2,572,791)	23,619,457

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 18. RESERVES (CONT'D)

#### (b) EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The option prices and the details in the movement of the options granted are as follows (Cont'd):-

Date Of Offer	Exercise Price	Remaining Contractual Life Of Options	Number of Options over Ordinary Shares				At 31 March 2017
			At 1 April 2016	Granted	Exercised	Lapsed	
6.5.2013	RM1.23	422 days	563,803	–	(202,238)	(45,611)	315,954
29.1.2014	RM1.83	422 days	4,016,271	–	(1,746,051)	(320,234)	1,949,986
9.12.2014	RM2.08	422 days	7,466,122	–	(2,262,677)	(516,717)	4,686,728
19.10.2016	RM2.34	422 days	–	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

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of the any other company.

The number of options exercisable as at 31 March 2018 was 23,619,457 (2017 – 29,663,043) and have an exercise price in the range of RM0.98 to RM1.99 (2017 – RM1.23 to RM2.34) and a remaining contractual life of 57 (2017 - 422) days.

During the financial year, the Company has granted 21,970,250 (2017 - 23,859,250) share options under the ESOS. Options exercisable in a particular year but not exercised can be carried forward to the subsequent year provided they are exercised prior to the expiry date of the ESOS on 27 May 2018.

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				
	2.10.2017	19.10.2016	9.12.2014	29.1.2014	6.5.2013
Fair value of share options at the grant date (RM)	0.24	0.42	0.52	0.78	0.43
Weighted average share price (RM)	2.21	2.62	2.36	3.57	2.57
Exercise price (RM)	1.99	2.34	2.46	3.26	2.20
Expected volatility (%)	14.87	25.87	43.73	29.10	20.49
Expected life (years)	0.65	1.61	3.43	4.32	5.00
Risk free rate (%)	3.57	3.33	3.98	3.96	3.41
Expected dividend yield (%)	3.79	5.44	8.59	6.53	–

#### (c) FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary whose functional currencies are different from the Group's presentation currency.

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### 19. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sukuk Wakalah (Note 20)	80,000	–	80,000	–
Term loans (Note 21)	86,756	170,099	–	–
Hire purchase payables (Note 22)	845	1,166	–	–
Revolving credits (Note 23)	13,669	10,000	–	–
	<b>181,270</b>	181,265	<b>80,000</b>	–

### 20. SUKUK WAKALAH

On 15 August 2017, the Company had established an Islamic Commercial Papers (“ICP”) and Islamic Medium Term Note (“IMTN”) programme with a combined limit of RM250 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”) (collectively, the ICP and the IMTN shall be referred to as “Sukuk Wakalah”). The Sukuk Wakalah Programme is for tenures of 7 years commencing from 15 August 2017 to 14 August 2024.

Details of the Sukuk Wakalah as at 31 March 2018 are as follows:

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic distribution rate (per annum) %	Maturity date
<b>IMTN</b>				
15 August 2017	60	100,000	6.50	15 August 2022
<b>ICP</b>				
15 February 2018	3	50,000	4.95	15 May 2018
		<b>150,000</b>		

(a) Details of the Sukuk Wakalah outstanding are as follows:

	THE GROUP/THE COMPANY	
	2018 RM'000	2017 RM'000
Current liabilities (Note 27)	70,000	–
Non-current liabilities (Note 19)	80,000	–
	<b>150,000</b>	–

(b) The Sukuk Wakalah are secured by first legal assignment and charge of the Finance Service Reserve Account (“FSRA”) and monies standing to the credit of the FSRA, including Permitted Investment (as defined in *(Permitted investments, if applicable)*).

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### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 21. TERM LOANS (SECURED)

	THE GROUP	
	2018	2017
	RM'000	RM'000
Current liabilities (Note 27)	27,033	48,539
Non-current liabilities (Note 19)	86,756	170,099
	<b>113,789</b>	218,638

(a) The term loans are repayable over 48 to 84 (2017 – 15 to 84) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 26 to the financial statements.

(b) The interest rate profile of the term loans is summarised below:-

	THE GROUP EFFECTIVE INTEREST RATE	
	2018	2017
	%	%
Floating rate term loans	5.90 – 6.10	6.52

#### 22. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP	
	2018	2017
	RM'000	RM'000
Minimum hire purchase payments:-		
- not later than 1 year	363	363
- later than 1 year and not later than 5 years	923	1,286
	<b>1,286</b>	1,649
Less: Future finance charges	(119)	(167)
Present value of hire purchase payables	<b>1,167</b>	1,482
Analysed by:-		
Current liabilities (Note 27)	322	316
Non-current liabilities (Note 19)	845	1,166
	<b>1,167</b>	1,482

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#### 22. HIRE PURCHASE PAYABLES (SECURED) (CONT'D)

- (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 4 (2017 - 5) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 3.96% to 4.75% (2017 - 3.96% to 4.75%). The interest rates are fixed at the inception of the hire purchase arrangements.

#### 23. REVOLVING CREDITS

	THE GROUP	
	2018 RM'000	2017 RM'000
Current liabilities (Note 27)	10,000	–
Non-current liabilities (Note 19)	13,669	10,000
	<b>23,669</b>	<b>10,000</b>

- (a) The revolving credits are secured in the same manner as the bank overdrafts as disclosed in Note 26 to the financial statements.
- (b) The interest rate profile of the revolving credits is summarised below:-

	THE GROUP EFFECTIVE INTEREST RATE	
	2018 %	2017 %
Floating rate revolving credits	5.90 – 6.10	5.75

#### 24. TRADE PAYABLES AND CONTRACT LIABILITIES

	THE GROUP	
	2018 RM'000	2017 RM'000 (RESTATED)
Trade payables	50,253	55,065
Retention sum	363	595
Contract liabilities in relation to property development (Note 12)	123,015	40,115
Accruals	16,417	29,399
	<b>190,048</b>	<b>125,174</b>

The normal trade credit terms granted to the Group range from 30 days to 60 days (2017 - 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

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#### 25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000 (RESTATED)	2018 RM'000	2017 RM'000
<b>Current</b>				
Other payables	39,983	28,612	4	4
Goods and services tax payables	87	68	-	-
Tourism tax payable	41	-	-	-
Deposits	5,266	4,346	-	-
Accruals	46,559	33,754	1,106	499
Dividend payables	26,280	20,096	26,280	20,096
Deferred income	4,536	2,250	-	-
	<b>122,752</b>	<b>89,126</b>	<b>27,390</b>	<b>20,599</b>
<b>Non-current</b>				
Other payables and accruals	7,439	24,546	-	-
	<b>130,191</b>	<b>113,672</b>	<b>27,390</b>	<b>20,599</b>

#### 26. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2018 %	2017 %	2018 %	2017 %
Bank overdrafts	7.88	7.48	8.50	8.25

The bank overdrafts, term loans and revolving credits 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.

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#### 27. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sukuk Wakalah (Note 20)	70,000	–	70,000	–
Term loans (Note 21)	27,033	48,539	–	–
Hire purchase payables (Note 22)	322	316	–	–
Revolving credits (Note 23)	10,000	–	–	–
	<b>107,355</b>	<b>48,855</b>	<b>70,000</b>	<b>–</b>

#### 28. REVENUE

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Contract with customers:-				
- Property development revenue	698,267	716,871	–	–
- Sales of completed properties	87,661	31,940	–	–
- Revenue from hospitality segment	13,579	13,017	–	–
- Revenue from education segment	18,806	12,888	–	–
Dividend income	–	–	–	130,000
Others	164	262	–	–
	<b>818,477</b>	<b>774,978</b>	<b>–</b>	<b>130,000</b>

The disaggregation of revenue from contracts with customers is presented under 'Operating Segments' in Note 38.2 to financial statements.

#### 29. COST OF SALES

Included in cost of sales are the following:-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000 (RESTATED)	2018 RM'000	2017 RM'000
Cost of inventories recognised:				
- property development costs	288,702	303,084	–	–
- completed properties	24,981	10,253	–	–
Cost of services	31,141	25,636	–	–
Others	333	208	–	–
	<b>345,157</b>	<b>339,181</b>	<b>–</b>	<b>–</b>

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#### 30. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees:				
- current year	534	531	68	68
- under provision in prior year	-	28	-	8
- non-audit fees:				
- auditors of the Company	77	-	8	8
Bad debts written off	78	174	-	-
Depreciation of investment properties	17	25	-	-
Depreciation of property, plant and equipment	9,638	8,936	-	-
Directors' remuneration (Note 36)	25,955	27,911	422	1,207
Equipment written off	331	3	-	-
Impairment loss on trade receivables	408	417	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	1,039	2,181	114	212
- finance charges	57	45	-	12
- hire purchase	48	30	-	-
- inter-company	-	-	985	458
- term loan	868	834	-	-
- imputed interest	3,954	5,253	-	-
	5,966	8,343	1,099	682
Loss on disposal of property, plant and equipment	-	78	-	-
Rental of equipment	475	809	-	-
Rental of excavators and cranes	9,486	9,108	-	-
Rental of land	2	8	-	-
Rental of premises	2,328	2,533	-	-
Staff costs (including other key management personnel as disclosed in Note 36)				
- short-term employee benefits	46,380	32,910	-	-
- defined contribution benefits	5,995	5,569	-	-
- ESOS expenses	4,697	6,290	-	-
- others	4,241	2,795	-	-
	61,313	47,564	-	-
Gain on disposal of property, plant and equipment	(14)	-	-	-
Gain on disposal of investment properties	(194)	(9)	-	-
Interest income of financial assets that are not at fair value through profit or loss				
- fixed deposits with licensed banks	(2,808)	(629)	(2,713)	(542)
- imputed interest	(853)	-	-	-
- inter-company	-	-	(26,722)	(24,588)
- late payment interest	(604)	(699)	-	-
- others	(1,581)	(881)	-	-
	(5,846)	(2,209)	(29,435)	(25,130)
Rental income	(692)	(272)	-	-
Reversal of provision for company trip in prior year	-	(4,988)	-	-

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#### 31. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expenses:-				
- Malaysian Income Tax for the current financial year	85,604	76,933	6,128	5,872
- Under/(Over) provision in the previous financial year	812	1,848	(254)	64
	<b>86,416</b>	78,781	<b>5,874</b>	5,936
Deferred tax expenses (Note 10):-				
- Origination and reversal of temporary differences	(4,448)	(4,171)	-	-
- (Over)/Under provision in the previous financial year	(21)	424	-	-
	<b>(4,469)</b>	(3,747)	-	-
	<b>81,947</b>	75,034	<b>5,874</b>	5,936

Subject to agreement with the tax authorities, at the end of the reporting year, the unused tax losses, unabsorbed capital allowances and unabsorbed industrial building allowances of the Group are as follows:

	THE GROUP	
	2018 RM'000	2017 RM'000
Unused tax losses	40,605	28,354
Unabsorbed capital allowances	6,969	5,020
Unabsorbed industrial building allowances	19,567	15,803
	<b>67,141</b>	49,177

No deferred tax assets are recognised in the Group in respect of the following items: -

	THE GROUP	
	2018 RM'000	2017 RM'000
Unused tax losses	40,605	28,354
Unabsorbed capital allowances	4,755	2,809
Unabsorbed industrial building allowances	-	731
Others	4,633	2,041
	<b>49,993</b>	33,935

No deferred assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised. The unused tax losses, unabsorbed capital allowances and unabsorbed industrial building allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authorities.

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#### 31. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation 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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before taxation	<b>295,228</b>	260,312	<b>24,055</b>	152,413
Tax at the applicable corporate tax rate of 24% (2017 - 24%)	<b>70,855</b>	62,475	<b>5,773</b>	36,579
Tax effects of:-				
Non-deductible expenses	<b>6,813</b>	6,975	<b>677</b>	311
Non-taxable income	<b>(369)</b>	(383)	<b>(322)</b>	(31,018)
Deferred tax assets not recognised during the financial year	<b>3,857</b>	3,695	-	-
Under/(Over) provision of Malaysian Income Tax in the previous financial year	<b>812</b>	1,848	<b>(254)</b>	64
(Over)/Under provision of deferred tax in the previous financial year	<b>(21)</b>	424	-	-
Tax charge for the financial year	<b>81,947</b>	75,034	<b>5,874</b>	5,936

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2017 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

#### 32. OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2018 RM'000	2017 RM'000
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation:		
- changes during the financial year	<b>(5,433)</b>	2,482

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#### 33. 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 under review.

	THE GROUP	
	2018	2017
Profit attributable to owners of the Company (RM'000)	213,280	185,278
Weighted average number of ordinary shares in issue ('000)	665,889	646,134*
Basic earnings per share (Sen)	32.0	28.7

\* The comparative basic earnings per share have been restated taken into account the effect of bonus issue on the basis of one share for every four existing shares held in financial year 2018.

##### (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.

	THE GROUP	
	2018	2017
Profit attributable to owners of the Company (RM'000)	213,280	185,278
Weighted average number of ordinary shares for basic earnings per share ('000)	665,889	646,134*
Effect of potential exercise of ESOS ('000)	1,977	6,815
Effect of potential exercise of warrants ('000)	7,362	15,111
Weighted average number of ordinary share for diluted earnings per share computation ('000)	675,228	668,060
Diluted earnings per share (Sen)	31.6	27.7

\* The comparative diluted earnings per share have been restated taken into account the effect of bonus issue on the basis of one share for every four existing shares held in financial year 2018.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 34. DIVIDENDS

	THE GROUP/THE COMPANY	
	2018 RM'000	2017 RM'000
<u>In respect of the financial period ended 31 March 2016:-</u>		
- 5 <sup>th</sup> interim single tier dividend of 4.40 sen per ordinary share, paid on 1 July 2016	–	24,873
<u>In respect of the financial year ended 31 March 2017:-</u>		
- 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
- 4 <sup>th</sup> interim single tier dividend of 3.75 sen per ordinary share, paid on 20 June 2017	<b>21,787</b>	–
<u>In respect of the financial year ended 31 March 2018:-</u>		
- 1 <sup>st</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 11 October 2017	<b>19,172</b>	–
- 2 <sup>nd</sup> interim single tier dividend of 3.25 sen per ordinary share, paid on 10 January 2018	<b>24,149</b>	–
- 3 <sup>rd</sup> interim single tier dividend of 3.50 sen per ordinary share, paid on 11 April 2018	<b>26,280</b>	–
	<b>91,388</b>	82,113

Subsequent to the end of financial year, the directors, on 23 May 2018 declared a fourth interim single tier dividend of 3.50 sen per ordinary share amounting to RM26,333,449 in respect of the current financial year, payable on 11 July 2018 to shareholders whose names appeared in the record of depositors on 22 June 2018.

### 35. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	THE GROUP	
	2018 RM'000	2017 RM'000
Cost of property, plant and equipment purchased (Note 6)	<b>11,273</b>	26,101
Amount financed through hire purchase	–	(1,552)
Cash disbursed for purchase of property, plant and equipment	<b>11,273</b>	24,549

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#### 35. CASH FLOW INFORMATION (CONT'D)

(b) The cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Fixed deposits with licensed banks	86,633	29,836	74,902	22,913
Cash and bank balances	193,795	87,471	39,538	22,156
Bank overdrafts (Note 26)	(26,446)	(44,052)	(1,476)	(3,248)
	<b>253,982</b>	73,255	<b>112,964</b>	41,821
Less: Fixed deposits pledged to licensed banks (Note 15(b))	(12,686)	(9,389)	(2,991)	(2,903)
Fixed deposits with maturity of more than 3 months	(53,901)	-	(53,901)	-
	<b>187,395</b>	63,866	<b>56,072</b>	38,918

(c) The reconciliation of liabilities arising from financing activities are as follows:-

THE GROUP	TERM LOANS RM'000	SUKUK WAKALAH RM'000	HIRE PURCHASE RM'000	REVOLVING CREDITS RM'000	LONG-TERM PAYABLE RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2017	218,638	-	1,482	10,000	24,546	-	254,666
<u>Changes in Financing</u>							
<u>Cash Flows</u>							
Proceeds from drawdown	6,456	150,000	-	29,867	-	-	186,323
Repayment of borrowing principal	(111,305)	-	(315)	(16,198)	-	-	(127,818)
Repayment of borrowing interests	(11,785)	(5,583)	(48)	(212)	-	(1,298)	(18,926)
Repayment of long term payable	-	-	-	-	(21,061)	-	(21,061)
<u>Non-cash Changes</u>							
Finance charges recognised in profit or loss	868	-	48	-	3,954	1,096	5,966
Finance charges capitalised under inventories	10,917	5,583	-	212	-	202	16,914
At 31 March 2018	<b>113,789</b>	<b>150,000</b>	<b>1,167</b>	<b>23,669</b>	<b>7,439</b>	<b>-</b>	<b>296,064</b>

Comparative information is not presented by virtue of the exemption given in MFRS 107.

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### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 36. 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 and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>(a) Directors</b>				
<i>Directors of the Company</i>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	13,799	13,619	-	-
Defined contribution benefits	2,043	2,042	-	-
ESOS expense	-	1,335	-	-
	<b>15,842</b>	<b>16,996</b>	<b>-</b>	<b>-</b>
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	2,064	1,709	354	349
- other benefits	428	68	388	68
	<b>2,492</b>	<b>1,777</b>	<b>742</b>	<b>417</b>
ESOS expense	-	1,772	-	790
	<b>2,492</b>	<b>3,549</b>	<b>742</b>	<b>1,207</b>
	<b>18,334</b>	<b>20,545</b>	<b>742</b>	<b>1,207</b>

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### 36. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>(a) Directors (Cont'd)</b>				
<u>Directors of the subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	622	715	-	-
- salaries, bonuses and other benefits	5,733	4,787	-	-
	6,355	5,502	-	-
Defined contribution benefits	690	640	-	-
ESOS expense	576	1,224	-	-
	7,621	7,366	-	-
Total directors' remuneration (Note 30)	25,955	27,911	742	1,207

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM131,000 and RM Nil (2017 – RM144,000 and RM3,000) respectively.

### **(b) Other Key Management Personnel**

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Short-term employee benefits	2,938	2,151	-	-
Defined contribution benefits	414	320	-	-
ESOS expense	176	236	-	-
Total compensation for other key management personnel (Note 30)	3,528	2,707	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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#### 37. 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.

##### (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:-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Subsidiaries</b>				
Dividend income	-	-	-	(130,000)
Interest income	-	-	(26,722)	(24,588)
Interest expenses	-	-	985	458
<b>Persons connected to directors of the Company</b>				
Rental paid	-	8	-	-
Sales of development properties	-	(27,129)	-	-
<b>Persons connected to directors of the subsidiary company</b>				
Rental paid	-	28	-	-
<b>Corporations connected to directors of the Company and of certain subsidiary companies</b>				
Development management and sales and marketing services	-	558	-	-
Lead architect and architectural consultancy services	501	150	-	-
Purchases of building materials and sub-contract charges	37,630	48,181	-	-
Rental paid	60	60	-	-
Sales of development properties	(5,401)	-	-	-
Supply and deliver light fittings and accessories	-	90	-	-

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#### 38. 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:-

- Property Development and Construction – involves in development and construction of commercial and residential properties
- Education – involves in managing and administering a private and international school
- Hospitality – involves in managing and operating a clubhouse and hotel
- Others – involves in property management services

#### 38.1 BUSINESS SEGMENTS

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2018</b>					
<b>Revenue</b>					
External revenue	785,928	18,806	13,579	164	818,477
Inter-segment revenue	354,182	1,189	933	431	356,735
	<b>1,140,110</b>	<b>19,995</b>	<b>14,512</b>	<b>595</b>	<b>1,175,212</b>
Consolidation adjustments					(356,735)
Consolidated revenue					<b>818,477</b>
<b>Results</b>					
Segment results	319,969	(7,346)	(1,990)	(357)	310,276
Interest income					5,846
					<b>316,122</b>
Depreciation					(9,655)
Finance costs					(5,966)
Share options to employees					(5,273)
Profit before taxation					<b>295,228</b>
Income tax expense					(81,947)
Consolidated profit after taxation					<b>213,281</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 38. OPERATING SEGMENTS (CONT'D)

##### 38.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2018</b>					
Segment results includes the followings:-					
Bad debts written off	2	-	76	-	78
Equipment written off	331	-	-	-	331
Impairment loss on trade receivables	-	408	-	-	408
Rental of excavators and cranes	9,486	-	-	-	9,486
Rental of equipment	192	223	60	-	475
Rental of land	2	-	-	-	2
Rental of premises	2,253	-	75	-	2,328
Rental income	(454)	(238)	-	-	(692)
Gain on disposal of property, plant and equipment	(14)	-	-	-	(14)
Gain on disposal of investment properties	(194)	-	-	-	(194)
<b>2017</b>					
<b>Revenue</b>					
External revenue	748,811	12,888	13,017	262	774,978
Inter-segment revenue	396,706	615	1,129	-	398,450
	1,145,517	13,503	14,146	262	1,173,428
Consolidation adjustments					(398,450)
Consolidated revenue					774,978
<b>Results</b>					
Segment results	297,454	(9,468)	(1,894)	(64)	286,028
Interest income					2,209
					288,237
Depreciation					(8,961)
Finance costs					(8,343)
Share options to employees					(10,621)
Profit before taxation					260,312
Income tax expense					(75,034)
Consolidated profit after taxation					185,278

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#### 38. OPERATING SEGMENTS (CONT'D)

##### 38.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2017</b>					
Segment results includes the followings:-					
Bad debts written off	-	-	174	-	174
Equipment written off	-	3	-	-	3
Impairment loss on trade receivables	-	-	417	-	417
Loss on disposal of property, plant and equipment	78	-	-	-	78
Rental of excavators and cranes	9,108	-	-	-	9,108
Rental of equipment	2	727	80	-	809
Rental of land	8	-	-	-	8
Rental of premises	2,217	288	28	-	2,533
Rental income	(272)	-	-	-	(272)
Reversal of provision for company trip in prior year	(4,988)	-	-	-	(4,988)
Gain on disposal of investment properties	(9)	-	-	-	(9)
<b>2018</b>					
<u>Assets</u>					
Segment assets	1,616,139	148,484	84,537	307	1,849,467
Unallocated assets	15,300	-	-	-	15,300
Consolidated total assets					1,864,767
<u>Liabilities</u>					
Segment liabilities	618,414	15,436	1,083	377	635,310
Unallocated liabilities	23,844	-	(1,438)	59	22,465
Consolidated total liabilities					657,775
<u>Other Segment Items</u>					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	3,406	7,084	783	-	11,273

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 38. OPERATING SEGMENTS (CONT'D)

##### 38.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2017</b>					
<u>Assets</u>					
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>
<u>Liabilities</u>					
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>
<u>Other Segment Items</u>					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	4,962	5,037	16,102	–	26,101

##### 38.2 DISAGGREGATION OF REVENUE

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as below:-

	Property Development RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2018</b>					
<u>Primary Geographical Markets</u>					
Malaysia	785,928	18,806	13,579	164	818,477
<u>Timing of Revenue Recognition</u>					
At a point of time	87,661	–	6,797	–	94,458
Over time	698,267	18,806	6,782	164	724,019
	<u>785,928</u>	<u>18,806</u>	<u>13,579</u>	<u>164</u>	<u>818,477</u>

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### 38. OPERATING SEGMENTS (CONT'D)

#### 38.2 DISAGGREGATION OF REVENUE (CONT'D)

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as below (cont'd):-

	Property Development RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
<b>2017</b>					
<u>Primary Geographical Markets</u>					
Malaysia	748,811	12,888	13,017	262	774,978
<u>Timing of Revenue Recognition</u>					
At a point of time	44,308	–	7,417	–	51,725
Over time	704,503	12,888	5,600	262	723,253
	748,811	12,888	13,017	262	774,978

#### 38.3 MAJOR CUSTOMERS

There is no single customer that contributed more than 10% to the Group's revenue.

### 39. CAPITAL COMMITMENTS

	THE GROUP	
	2018 RM'000	2017 RM'000
Purchase of land held for property development	108,634	23,224
Purchase of property, plant and equipment	282	–
Construction of building	16,916	–
	125,832	23,224

### 40. 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:-

	THE COMPANY	
	2018 RM'000	2017 RM'000
Corporate guarantee given to licensed banks and third parties for credit facilities granted to subsidiaries	212,969	301,923

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 41. 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.

#### 41.1 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 currencies giving rise to this risk are 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
THE GROUP 2018	
<b>Financial Assets</b>	
<u>Loans and Receivables Financial Assets</u>	
Other receivables and deposits	742
Cash and bank balances	8,432
	<b>9,174</b>
<b>Financial Liabilities</b>	
<u>Other Financial Liabilities</u>	
Trade payables	2,208
Net financial assets / Currency exposure	<b>6,966</b>

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### 41. FINANCIAL INSTRUMENTS (CONT'D)

#### 41.1 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):-

Australian Dollar	RM'000
<b>THE GROUP</b>	
2017	
<b>Financial Assets</b>	
<u>Loans and Receivables Financial Assets</u>	
Other receivables and deposits	406
Fixed deposits with licensed bank	437
Cash and bank balances	6,965
	7,808
<b>Financial Liabilities</b>	
<u>Other Financial Liabilities</u>	
Trade payables	3,625
Other payables, deposits and accruals	53
Term loans	19,543
	23,221
Net financial liabilities / Currency exposure	(15,413)

##### *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	
	2018 RM'000	2017 RM'000
<b>Effects on Profit After Taxation</b>		
AUD/RM – strengthened by 12% (2017 – 13%)	+637	-1,520
– weakened by 12% (2017 – 13%)	-637	+1,520

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 41. FINANCIAL INSTRUMENTS (CONT'D)

#### 41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (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 the 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 21, 23 and 26 to the financial statements.

##### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Effects on Profit After Taxation</b>				
Increase of 25 basis points (2017 : 25 basis points)	-216	-283	+44	+28
Decrease of 25 basis points (2017 : 25 basis points)	+216	+283	-44	-28

##### (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.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due, 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.

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### 41. FINANCIAL INSTRUMENTS (CONT'D)

#### 41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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 is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>THE GROUP</b>				
<b>2018</b>				
Not past due	68,460	-	-	68,460
Past due:-				
- less than 1 month	20,381	-	-	20,381
- 1 to 3 months	26,700	(26)	-	26,674
- more than 3 months	33,378	(382)	-	32,996
	80,459	(408)	-	80,051
	148,919	(408)	-	148,511
<b>THE GROUP</b>				
<b>2017</b>				
Not past due	74,884	-	-	74,884
Past due:-				
- less than 1 month	16,984	-	-	16,984
- 1 to 3 months	7,177	-	-	7,177
- more than 3 months	32,039	(417)	-	31,622
	56,200	(417)	-	55,783
	131,084	(417)	-	130,667

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## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 41. FINANCIAL INSTRUMENTS (CONT'D)

#### 41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Ageing Analysis (Cont'd)

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.

###### *Property Development Segment*

The management is of the opinion that the recoverability of the amount owed by the purchasers is duly recoverable, due to the following reasons:-

- (1) the transfer of the property to the purchaser is subject to the full payment of the outstanding amount;
- (2) most of the purchasers have end financing arrangements, and payments are slow because of the credit processes of the end financiers; and
- (3) in the event the sale is terminated for non-payment, the Group will be able to recover the property.

###### *Other Segments*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially 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.

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#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.1 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	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2018						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	–	67,033	67,033	67,033	–	–
Other payables, deposits and accruals	5.00	125,527	127,573	118,088	1,310	8,175
Hire purchase payables	4.52	1,167	1,286	363	923	–
Term loans	7.07	113,789	128,889	31,451	97,438	–
Sukuk Wakalah	5.98	150,000	166,837	76,448	90,389	–
Revolving credits	5.97	23,669	28,458	11,216	6,935	10,307
Bank overdrafts	7.88	26,446	26,446	26,446	–	–
		<b>507,631</b>	<b>546,522</b>	<b>331,045</b>	<b>196,995</b>	<b>18,482</b>

THE GROUP	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2017						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	–	85,059	85,059	85,059	–	–
Other payables, deposits and accruals	5.00	111,354	117,353	86,808	16,370	14,175
Hire purchase payables	4.35	1,482	1,649	363	1,286	–
Term loans	6.52	218,638	253,799	54,321	165,666	33,812
Revolving credits	5.75	10,000	13,977	575	2,300	11,102
Bank overdrafts	7.48	44,052	44,052	44,052	–	–
		<b>470,585</b>	<b>515,889</b>	<b>271,178</b>	<b>185,622</b>	<b>59,089</b>

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#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.1 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	WEIGHTED AVERAGE EFFECTIVE INTERES RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1-5 YEARS RM'000
2018					
<u>Non-derivative Financial Liabilities</u>					
Other payables, deposits and accruals	-	27,390	27,390	27,390	-
Amounts owing to subsidiaries	5.00	47,270	47,270	47,270	-
Sukuk Wakalah	5.98	150,000	166,837	76,448	90,389
Bank overdrafts	8.50	1,476	1,476	1,476	-
		226,136	242,973	152,584	90,389

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE INTERES RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000
2017				
<u>Non-derivative Financial Liabilities</u>				
Other payables, deposits 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
		37,737	37,737	37,737

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#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.2 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:-

	THE GROUP	
	2018 RM'000	2017 RM'000
Term loans	113,789	218,638
Hire purchase payables	1,167	1,482
Bank overdrafts	26,446	44,052
Sukuk Wakalah	150,000	–
Revolving credits	23,669	10,000
	<b>315,071</b>	<b>274,172</b>
Less: Fixed deposits with licensed banks	86,633	29,836
Less: Cash and bank balances	193,795	87,471
	<b>280,428</b>	<b>117,307</b>
Net debt	<b>34,643</b>	<b>156,865</b>
Total equity	<b>1,206,992</b>	<b>1,023,959</b>
Debt-to-equity ratio (times)	<b>0.03</b>	<b>0.15</b>

There was no change in the Group's approach to capital management during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

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#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Financial Assets</b>				
<u>Loans and Receivables Financial Assets</u>				
Trade receivables and contract assets	274,010	252,141	–	–
Other receivables and deposits	15,263	9,161	32	24
Amount owing by subsidiaries	–	–	685,794	599,748
Fixed deposits with licensed banks	73,947	20,447	71,911	20,010
Cash and bank balances	193,795	87,471	39,538	22,156
	<b>557,015</b>	<b>369,220</b>	<b>797,275</b>	<b>641,938</b>
<u>Held-to-maturity Financial Assets</u>				
Fixed deposits with licensed banks	12,686	9,389	2,991	2,903
<b>Financial Liabilities</b>				
<u>Other Financial Liabilities</u>				
Trade payables	67,033	85,059	–	–
Other payables, deposits and accruals	125,527	111,354	27,390	20,599
Amount owing to subsidiaries	–	–	47,270	13,890
Bank overdrafts	26,446	44,052	1,476	3,248
Hire purchase payables	1,167	1,482	–	–
Sukuk Wakalah	150,000	–	150,000	–
Term loans	113,789	218,638	–	–
Revolving credits	23,669	10,000	–	–
	<b>507,631</b>	<b>470,585</b>	<b>226,136</b>	<b>37,737</b>

##### 41.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company that are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

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#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.4 FAIR VALUE INFORMATION (CONT'D)

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	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>The Group</b>					
2018					
<u>Financial liabilities</u>					
Other payables and accruals	-	9,485	-	9,485	7,439
Sukuk Wakalah	-	148,917	-	148,917	150,000
Term loans	-	113,789	-	113,789	113,789
Hire purchase payables	-	1,188	-	1,188	1,167
Revolving credits	-	23,669	-	23,669	23,669
2017					
<u>Financial liabilities</u>					
Other payables and accruals	-	30,545	-	30,545	24,546
Term loans	-	218,638	-	218,638	218,638
Hire purchase payables	-	1,482	-	1,482	1,482
Revolving credits	-	10,000	-	10,000	10,000
<b>The Company</b>					
2018					
<u>Financial asset</u>					
Amount owing by subsidiaries (non-current)	-	197,320	-	197,320	197,320
<u>Financial liability</u>					
Sukuk Wakalah	-	148,917	-	148,917	150,000
2017					
<u>Financial asset</u>					
Amount owing by subsidiaries (non-current)	-	180,596	-	180,596	180,596

(a) The fair values of level 2 above are for disclosure purposes and have been determined using the following basis:-

- (i) The fair value of amounts owing by subsidiaries (non-current) approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of the Group's term loans and revolving credits that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

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### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

#### 41. FINANCIAL INSTRUMENTS (CONT'D)

##### 41.4 FAIR VALUE INFORMATION (CONT'D)

- (iii) The fair values of hire purchase payables and Sukuk Wakalah that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market 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:-

	THE GROUP		THE COMPANY	
	2018 %	2017 %	2018 %	2017 %
Hire purchase payables	3.72 – 4.73	3.96 – 4.75	–	–
Sukuk Wakalah	4.95 – 6.75	–	4.95 – 6.75	–

- (iv) There has been no transfer from level 2 to level 1 during the financial year.

#### 42. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

- (i) *Certain costs directly attributable to property development activities were reclassified to costs of sales.*

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income (Extract):-		
<b>The Group</b>		
Other income	8,567	8,559
Cost of sales	(339,181)	(321,858)
Selling and marketing expenses	(66,037)	(64,502)
Administrative expenses	(110,506)	(129,356)

- (ii) *The property development costs were reclassified to current as the development activities for these properties were completed and transferred to properties held for sale.*

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Financial Position (Extract):-		
<b>The Group</b>		
Inventories (Non-current)	747,751	760,775
Inventories (Current)	176,805	163,781

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### 42. COMPARATIVE FIGURES (CONT'D)

- (iii) *The accrued construction costs were reclassified to trade payables and contract liabilities as the accrued costs were trade in nature.*

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Financial Position (Extract):-		
<b>The Group</b>		
Trade payables and contract liabilities	125,174	105,075
Other payables, deposits and accruals	89,126	109,225

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) Memorandum of Understanding between the Company and Changhua Christian Hospital, Republic of China (Taiwan)

The Company had on 1 March 2017 announced that it had entered into a Memorandum of Understanding (“MOU”) with Changhua Christian Hospital, Republic of China (Taiwan) (“CCH”) 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. On 30 August 2017, the Company had announced that the Company and CCH had mutually agreed to extend the MOU for a period of a further 6 months until 28 February 2018.

On 28 February 2018, the Company had announced that the MOU has not been further extended and has deemed to have ceased to have any effect from 28 February 2018.

- (ii) Joint Venture Agreement cum Shareholders Agreement and Subscription Agreement between the Company, Nissin Ex. Co, Ltd and Nihon House Corporation

The Company had on 13 April 2017 announced that it had 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.

On 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (iii) Education Joint Collaboration Agreement (“EJCA”) between Matrix Global Education Sdn. Bhd. and Hengshui Yizhong Education Group Sdn. Bhd.

The Company had on 18 September 2017, announced that its wholly owned subsidiary, Matrix Global Education Sdn. Bhd. (“MGE”) had entered into a EJCA with Hengshui Yizhong Education Group Sdn. Bhd. (“HYE”) for the advancement of education for students from China whereby HYE is to ensure a minimum of 200 new students are enrolled with MGE for the next 3 academic years with the first academic year commencing from 20 March 2018.

The EJCA did not have an immediate impact to the financial performance of the Group for the financial year ended 31 March 2018. However, with the increase in student enrolment to be contributed by the EJCA, it is expected that the EJCA will contribute positively to the future earnings of the Group.

### 44. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Memorandum of Understanding between the Company, PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia

The Company had on 15 May 2018, announced that the Company had entered into a Memorandum of Understanding (“MOU”) with PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta, Indonesia. The purpose of the MOU is to create a platform for the parties to commit their intention and to strengthen the mutual understanding to set up a collaboration for a proposed joint venture for the said development. It is anticipated that the definitive joint venture agreement will be executed within 6 months from the date of the MOU. In the event the parties are unable to execute the definitive joint venture agreement at the expiry of 6 months, the MOU shall be terminated by mutual consent of all parties.

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### Utilisation of Proceeds

There was no new proceeds raised during the financial year ended 31 March 2018. The utilisation of proceeds arising from the listing of Matrix on the Main Market of Bursa Malaysia Securities Berhad had been fully completed.

### Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the external auditors or their affiliated companies by Matrix for the financial year ended 31 March 2018 as shown below:-

	The Group RM	The Company RM
Audit Fees	534,000	68,000
Non-Audit Fees *	239,900	65,500

\* Non-audit fees comprise taxation services, review of Statement on Risk Management and Internal Control, limited review services and bonus issue exercise

### Information on Employees' Share Option Scheme

Information on Employees' Share Option Scheme (including adjustments from Bonus Issue) during the financial year ended 31 March 2018 as follows:-

Balance No. of Options Vested	Bonus Issue	Additional Options 1/2017	Total No. of Options Exercise/ Lapsed	Total No. of Outstanding Unexercised Options
29,663,043	3,033,034	21,970,250	31,046,870	23,619,457

### Information on Warrants 2015/2020

Information on Warrants 2015/2020 during the financial year ended 31 March 2018:-

Total No. of Warrants Issued	Bonus Issue	Total No. of Warrants Converted	Total No. of Unexercised Warrants
77,325,585	12,872,798	25,838,132	64,360,251

### 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 2018.

The breakdown of options granted to the Directors for the financial year ended 31 March 2018 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 (ESOS 1/2014)	Aggregate amount and percentage of Options granted/ vested (ESOS 2/2014)	Aggregate amount and percentage of Options granted/ vested (ESOS 1/2016)	Bonus Issue Adjustment	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 (0.33%)	200,000 (0.03%)	300,000 (0.04%)	500,000 (0.07%)	1,500,000 (0.20%)	633,330 (0.08%)	1,258,330 (0.17%)	1,875,000 (0.25%)
Dato' Lee Tian Hock (Group Managing Director)	2,500,000 (0.33%)	200,000 (0.03%)	300,000 (0.04%)	500,000 (0.07%)	1,500,000 (0.20%)	233,330 (0.03%)	2,733,330 (0.36%)	NIL
Ho Kong Soon (Group Deputy Managing Director)	2,500,000 (0.33%)	200,000 (0.03%)	300,000 (0.04%)	500,000 (0.07%)	1,500,000 (0.20%)	308,330 (0.04%)	2,808,330 (0.37%)	NIL
Rezal Zain Bin Abdul Rashid (Senior Independent Non-Executive Director)	700,002 (0.09%)	100,000 (0.01%)	150,000 (0.02%)	150,002 (0.02%)	300,000 (0.04%)	142,496 (0.02%)	842,498 (0.11%)	NIL
Dato' Firdaus Muhammad Rom Bin Harun (Independent Non-Executive Director)	650,002 (0.09%)	100,000 (0.01%)	150,000 (0.02%)	150,002 (0.02%)	250,000 (0.03%)	227,497 (0.03%)	671,247 (0.09%)	206,252 (0.03%)
Dato' (Ir.) Batumalai A/L Ramasamy (Independent Non-Executive Director)	650,002 (0.09%)	100,000 (0.01%)	150,000 (0.02%)	150,002 (0.02%)	250,000 (0.03%)	189,996 (0.03%)	839,998 (0.11%)	NIL
Dato' Hon Choon Kim (Independent Non-Executive Director)	500,000 (0.07%)	NIL	NIL	NIL	500,000 (0.07%)	62,500 (0.01%)	400,000 (0.05%)	162,500 (0.02%)
Dato' Hajah Kalsom Binti Khalid (Independent Non-Executive Director)	500,000 (0.07%)	NIL	NIL	NIL	500,000 (0.07%)	NIL	500,000 (0.07%)	NIL
Dato' Logendran A/L K Narayanasamy (Non-Independent Non-Executive Director)	750,000 (0.10%)	NIL	NIL	NIL	750,000 (0.10%)	NIL	750,000 (0.10%)	NIL

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The breakdown of options granted to the Senior Management for the financial year ended 31 March 2018 as shown below:-

Name of Senior Management	Maximum amount and percentage of Options allocated	Aggregate amount and percentage of Options granted/ vested (IPO Grant)	Aggregate amount and percentage of Options granted/ vested (ESOS 1/2014)	Aggregate amount and percentage of Options granted/ vested (ESOS 2/2014)	Aggregate amount and percentage of Options granted/ vested (ESOS 1/2016)	Bonus Issue Adjustment	Aggregate amount and percentage of Options granted/ vested (ESOS 1/2017)	Aggregate amount of Options exercised	Aggregate amount of Options outstanding
Tan Say Kuan (Chief Financial Officer)	NIL	100,000 (0.01%)	200,000 (0.03%)	220,002 (0.03%)	375,000 (0.05%)	195,079 (0.03%)	386,250 (0.05%)	1,090,081 (0.15%)	386,250 (0.05%)
Leong Jee Van (Chief Executive Officer, Property Development)	NIL	NIL	NIL	NIL	NIL	NIL	113,000 (0.02%)	NIL	113,000 (0.02%)
Tan Sze Chee (Chief Project Development Officer)	NIL	80,000 (0.01%)	160,000 (0.02%)	160,002 (0.02%)	375,000 (0.05%)	106,663 (0.01%)	386,250 (0.05%)	881,665 (0.12%)	386,250 (0.05%)
Lim Kok Yee (Chief Sales & Marketing Officer)	NIL	NIL	NIL	NIL	157,500 (0.02%)	26,875 (0.00%)	255,750 (0.03%)	334,350 (0.04%)	105,775 (0.01%)
Gan Guan Chye (Acting Project Director)	NIL	NIL	NIL	NIL	NIL	NIL	93,000 (0.01%)	93,000 (0.01%)	NIL

# LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

## PROPERTIES OWNED BY OUR GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2018 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse	190,592	5 July 2013

## DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2018 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold / Perpetuity			183,043	11 August 2011
(i)	Lot No. PT 6714-6730, 9314-9707, 10919-10985, 10987-11081, 11146-11589 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		201.3	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 and 11633, Bandar Sri Sendayan, Seremban, Negeri Sembilan		16.4	On-going industrial development		
(vi)	Lot No. PT 6394, 6409, 11651-11661, 11663-11680, 12678, 12682-12683, 12685 and 12690-12691, Bandar Sri Sendayan, Seremban, Negeri Sembilan		107.1	On-going industrial and commercial development		
(vii)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		

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## LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2018 (RM'000)	Date of acquisition
(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	25,549	1 August 2012
3.	PT24225-27856, Mukim Labu, Seremban, Negeri Sembilan	Freehold / Perpetuity	294.6	Future mixed residential and commercial development	73,665	31 October 2013
4.	PT 159 Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	Future mixed residential and commercial development	65,063	24 December 2013
5.	PTD25635-26918, Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	194.4	On-going and/or Future residential development	102,935	28 November 2013
6.	HS(D) 176671, PT17805, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	54,710	10 April 2014
7.	Geran No. 110843, Lot 16378, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	Future industrial development	90,620	13 February 2015
8.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.76	Future residential development	130,710	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	41,839	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	70,935	1 October 2015

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2018

<b>Issued Share Capital</b>	:	752,384,522 ordinary shares
<b>Class of Shares</b>	:	Ordinary shares
<b>Voting Right</b>	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Shareholdings	%
Less Than 100 shares	516	24,846	0.00
100 To 1,000 shares	921	527,328	0.07
1,001 To 10,000 shares	4,311	19,123,737	2.54
10,001 To 100,000 shares	1,970	56,103,475	7.46
100,001 To Less Than 5% of issued shares	408	476,537,446	63.34
5% and above of issued shares	3	200,067,690	26.59
<b>Total</b>	<b>8,129</b>	<b>752,384,522</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	115,569,276	15.36	<sup>(i)</sup> 166,301,535	22.10
2 Shining Term Sdn Bhd	105,734,357	14.05	–	–
3 Datin Yong Chou Lian	2,343,968	0.31	<sup>(ii)</sup> 111,307,492	14.79

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 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	105,734,357
b) Ambang Kuasa Sdn Bhd	32,699,185
c) Magnitude Point Sdn Bhd	19,950,890
d) Yakin Teladan Sdn Bhd	5,573,135
e) Datin Yong Chou Lian	2,343,968

**Total** **166,301,535**

(ii) 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	105,734,357
b) Yakin Teladan Sdn Bhd	5,573,135

**Total** **111,307,492**

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# ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2018

## DIRECTOR'S SHAREHOLDINGS

Name of Director	No. of Shares			
	Direct	%	Indirect	%
1 Dato' Haji Mohamad Haslah Bin Mohamad Amin	2,151,037	0.29	–	–
2 Dato' Lee Tian Hock	115,569,276	15.36	<sup>(i)</sup> 166,301,535	22.10
3 Ho Kong Soon	8,270,411	1.10	<sup>(ii)</sup> 29,162,043	3.88
4 Rezal Zain Bin Abdul Rashid	1,029,871	0.14	–	–
5 Dato' Firdaus Muhammad Rom Bin Harun	293,752	0.04	–	–
6 Dato' (Ir.) Batumalai A/L Ramasamy	702,915	0.09	<sup>(iii)</sup> 45,000	0.006
7 Dato' Hon Choon Kim	462,500	0.06	<sup>(iv)</sup> 17,500	0.002
8 Dato' Hajah Kalsom Binti Khalid	246,300	0.03	–	–
9 Dato' Logendran A/L K Narayanasamy	1,543,437	0.21	–	–

### Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 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	105,734,357
b) Ambang Kuasa Sdn Bhd	32,699,185
c) Magnitude Point Sdn Bhd	19,950,890
d) Yakin Teladan Sdn Bhd	5,573,135
e) Datin Yong Chou Lian	2,343,968

**Total** **166,301,535**

(ii) 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	28,855,793
b) Alice Tan Khiam Chow	306,250

**Total** **29,162,043**

(iii) 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	4,375
b) Dr. Navin Kumar A/L Batumalai	40,625

**Total** **45,000**

(iv) 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 Siew Kian	8,750
b) Hon Woei Tatt	8,750

**Total** **17,500**

**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>	94,333,333	12.54
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Shining Term Sdn Bhd</i>	60,000,000	7.97
3.	Shining Term Sdn. Bhd.	45,734,357	6.08
4.	Ambang Kuasa Sdn. Bhd.	32,699,185	4.35
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	30,157,552	4.01
6.	Supreme Interest Sdn Bhd	28,855,793	3.84
7.	Lee Tian Hock	21,235,943	2.82
8.	Magnitude Point Sdn. Bhd.	19,950,890	2.65
9.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	17,736,975	2.36
10.	Target Venue Sdn. Bhd.	12,449,543	1.65
11.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 14)</i>	10,927,021	1.45
12.	Fine Approach Sdn. Bhd.	10,000,000	1.33
13.	Amanahraya Trustees Berhad <i>Amanah Saham Didik</i>	9,694,287	1.29
14.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PBTB For Takafulink Dana Ekuiti</i>	8,564,750	1.14
15.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB For Prulink Dana Unggul</i>	7,661,191	1.02
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (F Templeton)</i>	6,580,025	0.87
17.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Tian Hock (E-SRB/PDN)</i>	6,250,000	0.83
18.	Ho Kong Soon	6,103,748	0.81
19.	Meridian Effect Sdn. Bhd.	5,990,850	0.80
20.	Yakin Teladan Sdn. Bhd.	5,573,135	0.74
21.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (AFF HWG6939-403)</i>	5,219,675	0.69
22.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>RHB Trustees Berhad For Manulife Investment Shariah Progress Fund</i>	5,141,896	0.68
23.	Amanah Raya Berhad <i>Kumpulan Wang Bersama Syariah</i>	5,000,083	0.66
24.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Bank Kerjasama Rakyat (M) Berhad (412803)</i>	5,000,000	0.66
25.	Yong Soi Mee	4,700,000	0.62
26.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Affin Hwang Aiiman Growth Fund (4207)</i>	4,326,677	0.58
27.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	4,249,916	0.56
28.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham</i>	4,095,853	0.54
29.	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	3,810,037	0.51
30.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund</i>	3,524,571	0.47
	<b>Total</b>	<b>485,567,286</b>	<b>64.52</b>

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# ANALYSIS OF WARRANT HOLDINGS

## AS AT 30 JUNE 2018

<b>No. of Unexercised Warrants</b>	:	64,360,251
<b>Exercise Price</b>	:	RM1.92 per warrant
<b>Warrants Issued Date</b>	:	21 July 2015
<b>Expiry Date</b>	:	20 July 2020

### DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	Warrant Holdings	%
Less Than 100 warrants	518	22,020	0.04
100 To 1,000 warrants	1,360	602,683	0.94
1,001 To 10,000 warrants	1,164	3,572,797	5.55
10,001 To 100,000 warrants	405	13,060,102	20.29
100,001 To Less Than 5% of issued warrants	76	31,094,611	48.31
5% and above of issued warrants	4	16,008,038	24.87
<b>Total</b>	<b>3,527</b>	<b>64,360,251</b>	<b>100.00</b>

### DIRECTOR'S WARRANT HOLDINGS

Name of Director	No. of Warrants			
	Direct	%	Indirect	%
1 Dato' Haji Mohamad Haslah Bin Mohamad Amin	165,625	0.26	–	–
2 Dato' Lee Tian Hock	260,342	0.40	<sup>(i)</sup> 8,503,643	13.21
3 Ho Kong Soon	803,215	1.25	<sup>(ii)</sup> 4,166,006	6.47
4 Rezal Zain Bin Abdul Rashid	87,499	0.14	–	–
5 Dato' Firdaus Muhammad Rom Bin Harun	10,416	0.02	–	–
6 Dato' (Ir.) Batumalai A/L Ramasamy	50,000	0.08	<sup>(iii)</sup> 3,750	0.006
7 Dato' Hon Choon Kim	–	–	<sup>(iv)</sup> 2,500	0.004
8 Dato' Hajah Kalsom Binti Khalid	–	–	–	–
9 Dato' Logendran A/L K Narayanasamy	86,562	0.13	–	–

## 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	4,671,312
b)	Magnitude Point Sdn Bhd	2,850,127
c)	Yakin Teladan Sdn Bhd	647,352
d)	Datin Yong Chou Lian	334,852
<b>Total</b>		<b>8,503,643</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	4,122,256
b)	Alice Tan Khiam Chow	43,750
<b>Total</b>		<b>4,166,006</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	625
b)	Dr. Navin Kumar A/L Batumalai	3,125
<b>Total</b>		<b>3,750</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	1,250
b)	Hon Woei Tatt	1,250
<b>Total</b>		<b>2,500</b>

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## ANALYSIS OF WARRANT HOLDINGS

AS AT 30 JUNE 2018

### THIRTY (30) LARGEST WARRANT HOLDERS

No.	Warrant holders	No. of Warrants Held	%
1.	Ambang Kuasa Sdn. Bhd.	4,671,312	7.26
2.	Supreme Interest Sdn. Bhd.	4,122,256	6.40
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	3,808,345	5.92
4.	Ho Siew Heng	3,406,125	5.29
5.	Magnitude Point Sdn. Bhd.	2,850,127	4.43
6.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Len Book Learn</i>	2,433,775	3.78
7.	Target Venue Sdn. Bhd.	1,778,506	2.76
8.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Len Book Learn (M66002)</i>	1,190,575	1.85
9.	Lim Chin Hong	1,000,000	1.55
10.	Lam Ying Choi	950,000	1.48
11.	Meridian Effect Sdn. Bhd.	855,836	1.33
12.	Tan Seng	810,750	1.26
13.	Ho Kong Soon	803,215	1.25
14.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Chen Mei Fong Mary</i>	800,575	1.24
15.	Fine Approach Sdn. Bhd.	775,000	1.20
16.	Dan Yoke Pyng	772,925	1.20
17.	P & L Nichi Trade Sdn. Bhd.	750,000	1.17
18.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Yap Koon Teck</i>	700,000	1.09
19.	Low Ying Hoe	674,000	1.05
20.	Yakin Teladan Sdn. Bhd.	647,352	1.01
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Pang Chow Wah</i>	628,853	0.98
22.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Foo Sang @ Wong Chin Lim</i>	563,375	0.88
23.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koh Kin Lip</i>	541,666	0.84
24.	Ter Leong Swe	509,750	0.79
25.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Teck Chye</i>	504,500	0.78
26.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ting Siew Pin (CEB)</i>	439,968	0.68
27.	Yong Siew Ngee	433,750	0.67
28.	Loke Foong Wai	379,425	0.59
29.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Koon Teck (Penang-CL)</i>	362,500	0.56
30.	Yong Chou Lian	334,852	0.52
	<b>Total</b>	<b>38,499,313</b>	<b>59.81</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-First Annual General Meeting (“21<sup>st</sup> AGM”) of Matrix Concepts Holdings Berhad (“MCHB” or “the Company”) will be held at Halia Room, d’Tempat Country Club, PT 12653, Jalan Pusat Dagangan Sendayan 1, 71950 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia on Thursday, 16 August 2018 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 2018 and the Directors’ and Auditors’ reports thereon.
2. TO APPROVE the following payments to Directors:-
  - a) Directors’ Fees of RM354,000 for the financial year ended 31 March 2018 (2017: RM349,000). **Ordinary Resolution 1**
  - b) Directors’ Benefits of up to RM430,000 from the date of this 21<sup>st</sup> AGM until the next Annual General Meeting (“AGM”) of the Company to be held in the year 2019. **Ordinary Resolution 2**
3. TO RE-ELECT the following Directors retiring in accordance with Clause 103 of the Company’s Constitution:-
  - a) Dato’ Haji Mohamad Haslah Bin Mohamad Amin **Ordinary Resolution 3**
  - b) Dato’ Hon Choon Kim **Ordinary Resolution 4**
  - c) Dato’ Hajah Kalsom Binti Khalid **Ordinary Resolution 5**
4. TO RE-APPOINT Messrs. Crowe Malaysia (formerly known as Crowe Horwath) (Firm No. AF 1018) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

### AS SPECIAL BUSINESS

**TO CONSIDER AND IF THOUGHT FIT, to pass the following as Ordinary Resolutions:-**

5. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 7**

“**THAT**, subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant authorities, the Directors be and hereby empowered pursuant to Sections 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 total number of issued shares 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 AGM of the Company.”

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## NOTICE OF ANNUAL GENERAL MEETING

### 6. Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

### Ordinary Resolution 8

**“THAT** approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 16 August 2017 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 the Circular to Shareholders dated 18 July 2018, 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.

**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 AGM of the Company following the 21<sup>st</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.”

### 7. 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  
 18 July 2018  
 Negeri Sembilan

## 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 21<sup>st</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 2018 shall be entitled to attend, speak and vote at the 21<sup>st</sup> AGM.
- (vi) All the resolutions as set out in the notice of 21<sup>st</sup> AGM will be put to vote by poll.

**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 item is not a business which requires a resolution to be put to vote by shareholders.

**2. Item 2(b) of the Agenda – Payment of Directors' Benefits**

The Company is seeking shareholders' approval pursuant to Section 230(1) of the Companies Act 2016 for the payment of the Directors' benefits incurred or to be incurred from the date of the 21<sup>st</sup> AGM until the next annual general meeting of the Company to be held in the year 2019.

The Directors' benefits payable to the Directors comprise meeting allowances, club memberships and leave passages. If the Proposed Resolution 2 is passed at the 21<sup>st</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 Malaysia (formerly known as Crowe Horwath) (Firm No. AF 1018) as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs. Crowe Malaysia (formerly known as Crowe Horwath) (Firm No. AF 1018) has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**Special Business:-****4. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 7 is primarily to give authority to the Board of Directors to allot and issue up to 10% of the total number of issued shares 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 Twentieth Annual General Meeting held on 16 August 2017 and unless revoked or varied at a general meeting, shall expire at the Twenty-Second Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when the needs may arise during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total, 10% of the total number of issued shares of the Company for the time being, for such purpose.

**5. Recurrent Related Party Transactions**

The proposed Ordinary Resolution 8 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 Circular to Shareholders dated 18 July 2018 accompanying the Company's Annual Report 2018.

## 7

OUR BUSINESS  
OUR STRATEGY & PERFORMANCE REVIEW  
SUSTAINABILITY STATEMENT  
OUR SIGNIFICANT EVENTS AND ACCOLADES  
HOW WE ARE GOVERNED  
FINANCIAL STATEMENTS  
**ADDITIONAL INFORMATION**

# 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 21<sup>st</sup> AGM of Matrix Concepts Holdings Berhad are as follows:-
  - a) Dato' Haji Mohamad Haslah Bin Mohamad Amin
  - b) Dato' Hon Choon Kim
  - c) Dato' Hajah Kalsom Binti Khalid
2. The profiles of the Directors who are standing for re-election are set out on page 97, 103 and and 104 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 230 of this Annual Report.
4. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The shareholders had at the Twentieth Annual General Meeting held on 16 August 2017, granted the authority to the Directors of the Company for the issuance of shares up to 10% of the total number of issued shares of the Company and such authority shall expire at the conclusion of the 21<sup>st</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 21<sup>st</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 21<sup>st</sup> AGM on page 237 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 ("Matrix" or "the Company") hereby appoint the following person(s):-

Name of Proxy / NRIC No.	No. of shares to be represented by proxy
1.	
2.	

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on my/our behalf at the Twenty-First Annual General Meeting ("21<sup>st</sup> AGM") of the Company to be held on Thursday, 16 August 2018 at Halia Room, d'Tempat Country Club, PT 12653, 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 2018 together with the Reports of the Directors and the Auditors thereon			
2.	a) To approve the payment of Directors' Fees	1		
	b) To approve the payment of Directors' Benefits	2		
3.	a) To re-elect Dato' Haji Mohamad Haslah Bin Mohamad Amin as Director of the Company	3		
	b) To re-elect Dato' Hon Choon Kim as Director of the Company	4		
	c) To re-elect Dato' Hajah Kalsom Binti Khalid as Director of the Company	5		
4.	To re-appoint Auditors	6		
Special Business				
5.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	7		
6.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8		

(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 \_\_\_\_\_ 2018

Signature/Common Seal of Shareholder(s) \_\_\_\_\_

E-Mail address: \_\_\_\_\_

Contact No.: \_\_\_\_\_

**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 21<sup>st</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 appointor 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 2018 shall be entitled to attend, speak and vote at the 21<sup>st</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 Darul Khusus, Malaysia

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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

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*Nurturing Environments, Enriching Lives*



This annual report cover is printed on environmental friendly paper.