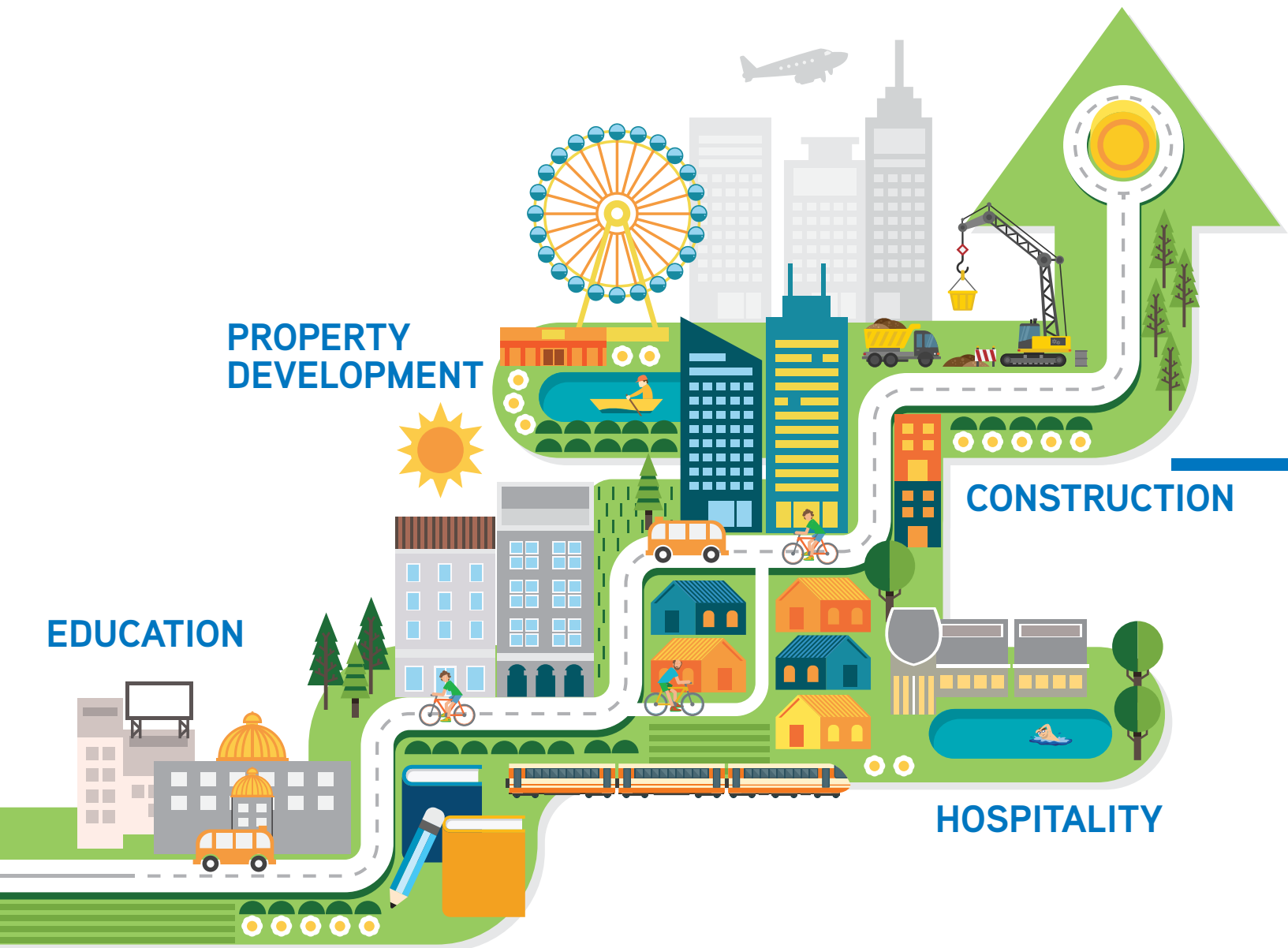




ACHIEVING GROWTH AND DEVELOPING LANDMARKS

ANNUAL REPORT 2016



VISION

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

MISSION

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

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NOTICE OF MEETING

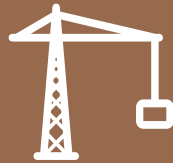
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Proxy Form



PROPERTY DEVELOPMENT

Property Development being our main core of business, provide benchmark products and services at competitive prices. Driven by its vision of "Nurturing Environment and Enriching Lives", Matrix ensures sustainable developments in all its projects.



CONSTRUCTION

Our construction arm, backed by our dedicated management team, all our developments are delivered in timely manner with utmost efficiency and competitive pricing which exceed our customers' expectations of quality and services.



HOSPITALITY

d'Tempat Country Club, a top-notch club in Negeri Sembilan, caters to the residents and guests for leisure, sporting and excellent dining facilities. It is also a perfect venue for all corporate functions, meetings, weddings, and conferences.



EDUCATION

Matrix Global Schools, comprising Matrix International Pre-School, Matrix International School and Matrix Private School, is a multiple-award winning schools in our self-contained affluent township of Bandar Sri Sendayan.





EXPANDING OUR REACH



CORPORATE PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD



Matrix Concepts Holdings Berhad (“Matrix”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 28th May 2013. Within a short span of time, in the following year, Matrix joined The Edge Billion Ringgit Club. Its principal business activities focuses mainly on its four pillars of strength: Property Development, Construction, Education and Hospitality.

The Matrix’s Group of companies (“Matrix Group”) which is helmed by talented, experienced human capital and powered by a dynamic management team, has strategically emerged as one of the top leading developers in Malaysia.

The Group has changed its financial year end to 31 March. The first financial period after the change is for 15 months from 1 January 2015 to 31 March 2016 (“15M FP2016”). Growing with financial performance from strength to strength the market capitalization of Matrix Group stood at approximately RM 1.40 billion as at 30 June 2016.



GROUP REVENUE (15M FP2016)

912.2 MILLION

2014 - RM598.8 MILLION

GROUP PRE-TAX PROFIT (15M FP2016)

355.7 MILLION

2014 - RM244.6 MILLION

GROUP NET PROFIT (15M FP2016)

260.9 MILLION

2014 - RM182.2 MILLION

MARKET CAPITALISATION (AS AT 30 JUNE 2016)

1.40 BILLION

2014 - RM1.23 BILLION

CORPORATE INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

- Rezal Zain Bin Abdul Rashid
(Chairman)
- Dato' Lim Kiu Hock
- Dato' Firdaus Muhammad Rom
Bin Harun
- Dato' Hajah Kalsom Binti Khalid
- Ho Kong Soon

ESOS COMMITTEE

- Dato' (Ir.) Batumalai A/L
Ramasamy **(Chairman)**
- Dato' Lim Kiu Hock
- Ho Kong Soon

STOCK EXCHANGE LISTING

- Bursa Malaysia Securities Berhad
Main Board
Property Sector

STOCK NAME AND CODE

- MATRIX (5236)

STOCK NAME AND CODE FOR WARRANTS

- MATRIX-WA (5236WA)

AUDITORS

- Crowe Horwath (AF1018)
52, Jalan Kota Laksamana 2/15,
Taman Kota Laksamana, Seksyen 2,
75200 Melaka.
Tel : +606-2825 995
Fax : +606-2836 449

REGISTRAR

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

BANKERS

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

MATRIX CONCEPTS HOLDINGS BERHAD



100%
MATRIX GLOBAL
EDUCATION
SDN. BHD.

100%
MATRIX
CONCEPTS
(CENTRAL)
SDN. BHD.

100%
MASUDA
CORPORATION
SDN. BHD.

100%
BSS
DEVELOPMENT
SDN. BHD.

100%
RIVERINE
PROJECTS
SDN. BHD.



100%
MCHB
MANAGEMENT
SERVICES
SDN. BHD.

100%
INSANI
UTAMA
SDN. BHD.

100%
MCHB
NATRO' GREEN
SDN. BHD.

100%
MATRIX
CONCEPTS
SDN. BHD.

100%
MATRIX IBS
SDN. BHD.

100%
SEVENTECH
SDN. BHD.



100%
MATRIX
COUNTRY
CLUB
SDN. BHD.

100%
MATRIX HOTELS
MANAGEMENT SDN. BHD.
(Formerly known as
KRIS BENUA SDN. BHD.)

100%
PEMBINAAN
JUWASAN
SDN. BHD.

100%
MATRIX PROPERTY
SERVICES
SDN. BHD.

100%
MCHB PROPERTIES
SDN. BHD.

100%
MATRIX
HEALTHCARE
SDN. BHD.

100%
MATRIX CONCEPTS
(AUSTRALIA)
PTY LTD



100%
JUWASAN
TRADING
SDN. BHD.

100%
MATRIX EXCELCON SDN. BHD.
(Formerly known as JUWASAN
MAJU SDN. BHD.)

FINANCIAL HIGHLIGHTS

MATRIX CONCEPTS HOLDINGS BERHAD

FIVE YEAR GROUP PERFORMANCE FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER/31 MARCH

In RM'000	Audited 31 March 2016	Audited 31 Dec 2014	Audited 31 Dec 2013	Audited 31 Dec 2012	Audited 31 Dec 2011
Revenue	912,201	598,842	574,045	456,069	624,250
Cost of sales	(360,296)	(270,921)	(299,584)	(263,341)	(475,828)
Operating expenses	(204,188)	(84,533)	(72,522)	(49,605)	(48,816)
Operating profit	347,717	243,388	201,939	143,123	99,606
Other income	13,204	3,919	4,911	653	7,300
Finance cost	(5,184)	(2,721)	(1,798)	(1,012)	(568)
Share of net results of associate	–	–	–	–	(1)
Profit before taxation	355,737	244,586	205,052	142,764	106,337
Taxation	(94,887)	(62,350)	(53,489)	(39,279)	(26,401)
Profit after taxation	260,850	182,236	151,563	103,485	79,936
Profit attributable to owners of the company	260,850	182,236	151,563	103,485	69,411
Shareholders' equity	885,194	663,757	529,139	341,933	237,629
Earnings per share (sen) *	47.8	34.2	30.0	22.2	14.9
Return on equity	29.5%	27.5%	28.6%	30.3%	29.2%

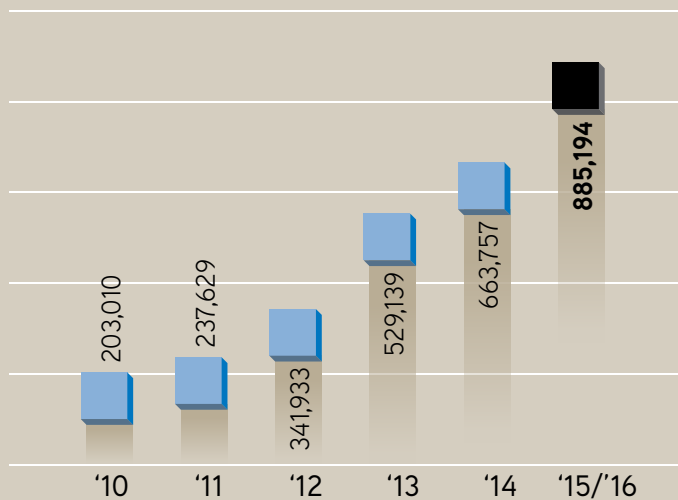
* The comparative basic earnings per share have been restated to take into account the effect of:

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

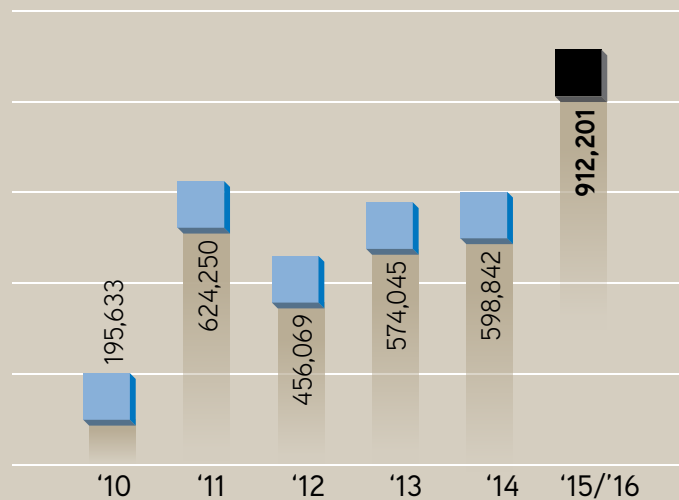
GROUP QUARTERLY PERFORMANCE CHART

MATRIX CONCEPTS HOLDINGS BERHAD

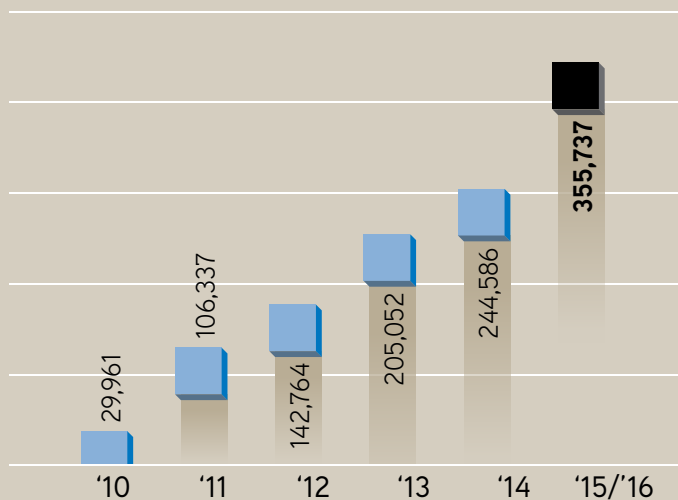
SHAREHOLDERS' EQUITY
RM'000



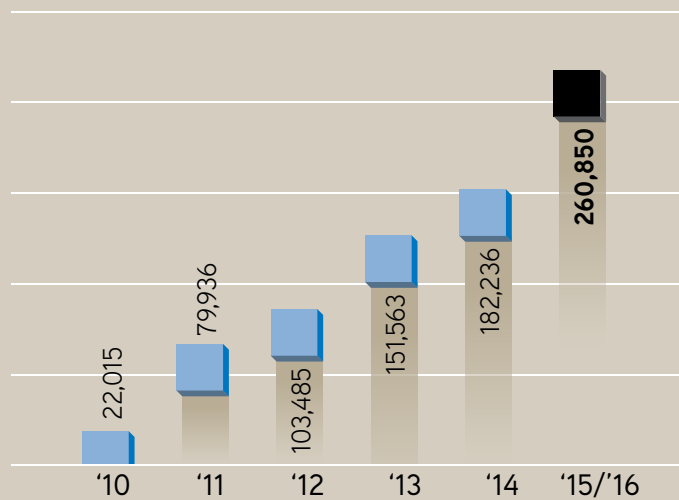
REVENUE
RM'000



PROFIT BEFORE TAX
RM'000



PROFIT AFTER TAX
RM'000



EDUCATION

SHAPING YOUNG MINDS

Matrix provide quality education in an environment that is conducive to intellectual growth and personal development.





AWARDS AND RECOGNITIONS

MATRIX CONCEPTS HOLDINGS BERHAD



1. WORLD SENSE OF PLACE

Sustainable Township of The Year 2013

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

2. GREEN BUILDING INDEX (GBI)

Gold (Provisional) Certificate 2013

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



3. FORBES ASIA

Best Under A Billion 2014

Matrix Concepts Holdings Berhad – one of the best small and mid-sized listed companies in Asia Pacific with annual revenue under USD 1 billion.

4. SME RECOGNITION AWARD

Platinum Entrepreneur Award 2014

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



5. SME100 AWARD

Fast Moving Companies 2014

Matrix Global Education Sdn Bhd – awarded with the SME100

AWARDS AND RECOGNITIONS

6. THE BRANDLAUREATE SMEs Corporate Branding Award 2014 Matrix Global Schools

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



7. THE EDGE The Edge Billion Ringgit Club 2014 & 2015

Matrix Concepts Holdings Berhad – a member of The Edge Billion Ringgit Club 2014 & 2015

8. HR ASIA Best Companies To Work For In Asia 2015

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



9. PROPERTY INSIGHT Best Township Developer 2016

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

SIGNIFICANT MEDIA HIGHLIGHTS

MATRIX CONCEPTS HOLDINGS BERHAD

3,200 rumah mampu milik di Gadung Jaya

Projek RM1.2b peruntuk 50 peratus kepada Bumiputera

Concepts) dalam tempoh dua tahun dan dijangka siap pada tahun 2017. Pengerusi Urusannya, Datuk Lee Tian Hock, berkata projek itu akan membahagikan pembinaan rumah satu dan dua tingkat. Katanya, pelaksanaan projek itu berinisiatif dengan sasaran berkesan bagi memastikan projek itu dapat memberi peluang kepada golongan berpendapatan sederhana dan rendah memiliki rumah sendiri pada harga yang berpatutan.

Kawasan strategik
Berdasarkan kawasan yang strategik dan pembangunan pesat di kawasan Gadung Jaya di sini, dengan 50 peratus daripada peruntukan kepada pembeli Bumiputera. Projek bernilai kira-kira RM1.2 bilion itu akan diwujudkan syarikat baharu, Matrix Concepts Holdings Berhad (Matrix Concepts) dalam tempoh dua tahun dan dijangka siap pada tahun 2017.

Giah Muhammad Faiz Sabarin
shnews@sh.com.my

Sebanyak 3,200 rumah mampu milik berharga bawah RM500,000 akan dibina di kawasan Gadung Jaya di sini, dengan 50 peratus daripada peruntukan kepada pembeli Bumiputera. Projek bernilai kira-kira RM1.2 bilion itu akan diwujudkan syarikat baharu, Matrix Concepts Holdings Berhad (Matrix Concepts) dalam tempoh dua tahun dan dijangka siap pada tahun 2017.

Matrix bina 3,200 rumah mampu milik

MCS tawar pendidikan bertaraf global

Matrix Concepts Holdings Berhad (MCS) mengumumkan bahawa syarikat itu akan membina 3,200 unit rumah mampu milik di kawasan Gadung Jaya di sini. Syarikat itu menawarkan pendidikan bertaraf global kepada penghuni di kawasan tersebut.

Projek pembangunan rumah mampu milik ini akan diwujudkan syarikat baharu, Matrix Concepts Holdings Berhad (Matrix Concepts) dalam tempoh dua tahun dan dijangka siap pada tahun 2017.

Matrix Concepts: Property ruling will boost GDV

The Edge reports that Matrix Concepts Holdings Berhad (MCS) has announced plans to build 3,200 affordable homes in the Gadung Jaya area. The ruling on property development is expected to boost the company's Gross Development Value (GDV).

Matrix invites investments in Sendayan parks

Matrix Concepts Holdings Berhad (MCS) has invited investors to participate in the development of parks and recreational facilities in the Sendayan area. The company aims to create a vibrant community environment.

Matrix Concepts IQ earnings jump 200%

Matrix Concepts Holdings Berhad (MCS) reported a significant increase in its quarterly earnings, with a 200% jump in its first quarter of financial year ending Dec 31, 2015. The company's performance is attributed to its strategic focus on property development and construction.

Matrix plans bonus issue

Property developer also intends to offer new free warrants

Matrix Concepts Holdings Berhad (MCS) has announced plans to issue a bonus issue of shares to its shareholders. Additionally, the company intends to offer new free warrants to its shareholders.

Weighing the options carefully

The Edge discusses the financial options available to Matrix Concepts Holdings Berhad (MCS) as it plans to expand its operations. The company is carefully evaluating the various options to ensure long-term growth and stability.

金群利 3年营收可增12亿

金群利集团 (King Kong Lee Group) has announced that its revenue can increase by 12 billion yuan over the next three years. The group is confident in its growth prospects and is committed to providing high-quality services to its customers.

李典利：10%次高利率降 土著買屋 扣5-7%就好

李典利 (Lee Tian Hock) has stated that with a 10% reduction in the second highest interest rate, it is easier for indigenous people to buy houses. He suggests a 5-7% discount on the price of the houses.

14 April 2015

Announcement : Audited financial statements of Matrix Group for the financial year ended 31 December 2014

12 May 2015

Announcement : Unaudited results of Matrix Group for the quarter ended 31 March 2015

10 June 2015

18th Annual General Meeting

1 July 2015

Announcement : Bonus Issue of Shares and Bonus Issue of Warrants

10 August 2015

Announcement : Unaudited results of Matrix Group for the quarter ended 30 June 2015

17 November 2015

Announcement : Unaudited results of Matrix Group for the quarter ended 30 September 2015

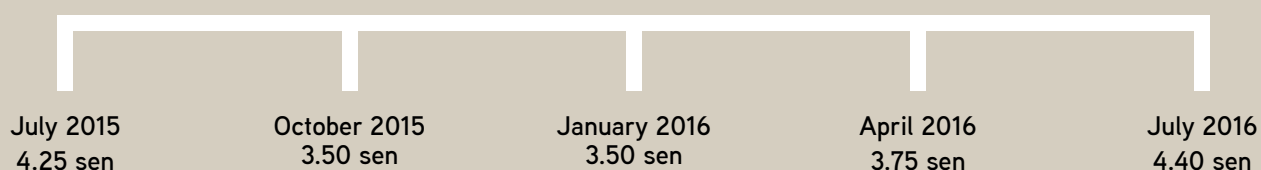
24 February 2016

Announcement : Unaudited results of Matrix Group for the quarter ended 31 December 2015

19 May 2016

Announcement : Unaudited results of Matrix Group for the final quarter ended 31 March 2016

Dividend Record in respect of financial period ended 31 March 2016 (15 months)



Total Dividend Payout : 19.4 sen

Quantum Declared RM	Payment Date
4.40 sen	1 July 2016
3.75 sen	8 April 2016
3.50 sen	8 January 2016
3.50 sen	9 October 2015
4.25 sen	9 July 2015

DIRECTOR'S PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJI MOHAMAD HASLAH
BIN MOHAMAD AMIN
MALE, AGED 63, MALAYSIAN
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

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

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

Dato' Haji Mohamad Haslah Bin Mohamad Amin does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DATO' LEE TIAN HOCK
MALE, AGED 58, MALAYSIAN
FOUNDER, GROUP MANAGING DIRECTOR

Dato' Lee Tian Hock, was appointed to the Board on 4 March 1997. He is currently a member of the Remuneration Committee. Dato' Lee is the key senior management primarily responsible for the overall business operation of Matrix Group.

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

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

He later sold his equity interest in Semangat Tinggi Sdn Bhd and founded the Matrix Concepts Group in 1997 and was appointed as the Group Managing Director on 2 April 2012. He oversaw the maiden development of the medium cost mixed housing scheme known as Taman Bahau in Bahau, Negeri Sembilan. Taman Bahau was launched by the then Menteri Besar of Negeri Sembilan on 7 August 1997 with a GDV of approximately RM35 million. Since then, he has successfully led the Group to become a reputable developer in Negeri Sembilan and Johor including two major townships which are flagship developments of the Group among many other mixed residential and commercial development.

Same and except for what was disclosed in this Annual Report, Dato' Lee Tian Hock does not have any family relationship with other Directors and/or major shareholders of Matrix. Other than what was disclosed in the recurrent related party transactions on pages 184 and 185 of this Annual Report, he has no conflict of interest and his shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DIRECTOR'S/ KEY SENIOR MANAGEMENT'S PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD

HO KONG SOON
MALE, AGED 49, MALAYSIAN
GROUP DEPUTY MANAGING DIRECTOR

Ho Kong Soon, was appointed to the Board on 30 December 2002. He is currently a Member of the Remuneration Committee, Risk Management Committee and ESOS Committee. His current responsibilities include overall projects management as well as overseeing the daily operations of the Group. Mr. Ho, being part of key senior management and deputy to Dato' Lee Tian Hock, is jointly responsible for the overall business operation of Matrix Group.

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

He 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 on 2 April 2012.

Ho Kong Soon does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DATO' LIM KIU HOCK
MALE, AGED 60, MALAYSIAN
EXECUTIVE DIRECTOR

Dato' Lim Kiu Hock was appointed to the Board as Executive Director on 19 June 2015. He is currently a Member of the Risk Management Committee and ESOS Committee. He holds a Bachelor of Science in Housing, Building and Planning from University Sains Malaysia. He is a member of the Chartered Institute of Building, UK (CIOB) and has served on the National Committee of the International Real Estate Federation (FIABCI).

He has more than 30 years of experience in property development. His last appointment was the Executive Director of Mah Sing Group, a position which he held from year 2006 until May 2015.

Dato' Lim Kiu Hock does not have any family relationship with other Directors and/or major shareholders of Matrix. He does not own any shares in Matrix and has no conflict of interest and no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DIRECTORS' PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD

DATO' (IR.) BATUMALAI A/L RAMASAMY
MALE, AGED 68, MALAYSIAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

He 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' (Ir.) Batumalai A/L Ramasamy does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no conflict of interest and no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



REZAL ZAIN BIN ABDUL RASHID
MALE, AGED 48, MALAYSIAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

He began his career in audit with KPMG Desa Megat in 1989 until 1993. He then subsequently joined Peat Marwick Consultants in 1993 where he was involved in numerous assignments ranging from the development of policies and procedures, market studies as well as 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 and YFG Berhad.

Rezal Zain Bin Abdul Rashid, does not have any family relationship with other Directors and/or major shareholders of Matrix. His shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no conflict of interest and no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DIRECTOR'S PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD

DATO' FIRDAUS MUHAMMAD ROM BIN HARUN
MALE, AGED 66, MALAYSIAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

He has over 39 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 Bin Harun became a Member of the Negeri Sembilan State Legislative Assembly for Chembong. 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. Presently, Dato' Firdaus Muhammad Rom Bin Harun is a training consultant.

Dato' Firdaus Muhammad Rom Bin Harun does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DATO' HON CHOON KIM
MALE, AGED 67, MALAYSIAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Hon Choon Kim was appointed to the Board on 19 June 2015. He is currently the Chairman of the Remuneration Committee and a Member of the Audit Committee and Nomination Committee. He graduated with a Bachelor of Social Sciences (Econ) in 1976 from University Sains Malaysia.

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

Dato' Hon Choon Kim does not have any family relationship with other Directors and/or major shareholders of Matrix. He has no conflict of interest and his shareholdings in Matrix are as disclosed on page 190 of this Annual Report. He has no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



DIRECTOR'S PROFILE

MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJAH KALSOM BINTI KHALID
FEMALE, AGED 60, MALAYSIAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Hajah Kalsom Binti Khalid was appointed to the Board on 15 March 2016. She is currently a Member of the Audit Committee, Remuneration Committee and Risk Management Committee. She holds a Bachelor of Arts in Geography from University of Malaya in 1978.

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

Dato' Hajah Kalsom Binti Khalid does not have any family relationship with other Directors and/or major shareholders of Matrix. She does not hold any shares in Matrix. She has no conflict of interest and no public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.



MATRIX CONCEPTS HOLDINGS BERHAD



LOUIS TAN SAY KUAN
CHIEF FINANCIAL OFFICER



CARMEN LOO KAH BOON
HEAD,
GROUP CORPORATE
SECRETARIAL



NIK LI BIN RAJA
DERAMAN
HEAD,
INTERNAL AUDIT



TN. HJ. MOHAMAD
NOR BIN ABAS
HEAD,
GROUP HUMAN
RESOURCES &
ADMINISTRATION

ZAZALI BIN ALIAS
HEAD,
SECURITY

MANAGEMENT TEAM

MATRIX CONCEPTS HOLDINGS BERHAD



TAN SZE CHEE
ACTING COO,
GROUP BUSINESS DEVELOPMENT
& PROJECT PLANNING



TIONG TING HAP
DEPUTY CEO,
CONSTRUCTION



IR. ROBERT TAY
HEAD,
BUSINESS DEVELOPMENT
& PROJECT PLANNING
(KL REGION)

HARRY LEE CHIN YEOW
PROJECT EXECUTIVE



TAN SENG HENG
REGIONAL HEAD

DERRICK LIM KOK PENG
HEAD,
CUSTOMER SERVICE &
RELATIONS, BUILDING &
PROPERTY MANAGEMENT

MANAGEMENT TEAM

MATRIX CONCEPTS HOLDINGS BERHAD



TN. HJ. MUSTAZA BIN MUSA
HEAD,
AUTHORITY CUM
COMMUNITY LIAISON



FELIX LEE ENG BOON
CEO,
MATRIX GLOBAL SCHOOLS



MATHIUANAN A/L GOPAL
VICE PRESIDENT,
HOSPITALITY MANAGEMENT



HOW GIOK WAH
CORPORATE
SALES ADVISOR

LIM KOK YEE
ACTING COO,
GROUP SALES &
MARKETING





d'Tempat Country Club - kid's play area

HOSPITALITY

UPLIFTING LIVES WITH SUPERIOR AMENITIES

By anticipating the needs of those who reside in our communities, Matrix is able to fulfil their expectations while enriching their lives in so many meaningful ways.



CHAIRMAN'S STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF MATRIX CONCEPTS HOLDINGS BERHAD ("MATRIX"), I AM HEARTENED TO REPORT THAT WE DEMONSTRATED OUR RESILIENCE AMIDST THE CHALLENGING PROPERTY SECTOR IN THE 15 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2016 (15M FP2016).

For one thing, the implementation of the Goods and Services Tax (GST) on 1 April 2015 had profound effects on demand in the overall property market. This was further exacerbated by stricter lending measures imposed by financial institutions.

Unsurprisingly, statistics from the National Property Information Centre corroborated the sentiment on the ground, reporting a 10.5% decline in the total value of residential property transactions in 2015, while the total number of transactions reduced 4.6%.

Still, new sales in Matrix remained sturdy, as indicated by the unabated demand of house buyers for affordable homes within our sprawling townships with full facilities. Congruent to this stance, our flagship Bandar Sri Sendayan officially launched the d'Tempat Country Club in March 2015, designed to imbue vibrancy and serve the needs of the township's residents and become the focal meeting point and recreational hub for Seremban and the state.

We also noted keen interest in Bandar Seri Impian in Johor, as well as for industrial properties at our high-tech industrial park, Sendayan TechValley.

These milestones formed a favourable backdrop for the Group's financial performance in the period under preview.



d'Tempat Country Club - pool view

PARA PEMEGANG SAHAM YANG DIHARGAI SEKALIAN,

SAYA BAGI PIHAK LEMBAGA PENGARAH MATRIX CONCEPTS HOLDINGS BERHAD (MATRIX ATAU KUMPULAN) DENGAN AMAT BANGGANYA INGIN MELAPORKAN BAHAWA WALAUPUN BERDEPAN DENGAN SEKTOR HARTANAH YANG MENCABAR SEPANJANG TEMPOH KEWANGAN 15 BULAN TAHUN KEWANGAN BERAKHIR 31 MAC 2016 (15B TK2016), NAMUN KAMI BERJAYA MENAMPILKAN TAHAP KETABAHAN YANG TINGGI.

Salah satu daripada cabaran tersebut ialah pelaksanaan Cukai Barangan dan Perkhidmatan (GST) pada 1 April 2015 yang telah membawa kesan besar kepada pasaran hartanah secara keseluruhan di mana lonjakan permintaan sepanjang tempoh sebelum GST mula menyusut pada suku kedua dan seterusnya. Keadaan ini telah diburukkan lagi dengan pengetatan syarat pemberian pinjaman oleh institusi kewangan.

Justeru, tidak hairanlah apabila statistik daripada Pusat Maklumat Hartanah Negara memaparkan sentimen sebenar yang berlaku di pasaran dengan melaporkan penyusutan nilai urusan hartanah kediaman sebanyak 10.5% pada tahun 2015, sementara bilangan urusan hartanah pula jatuh sebanyak 4.6%.

Walau bagaimanapun, jualan baharu di Matrix kekal mantap di mana para pembeli menunjukkan pilihan yang teguh untuk kediaman mampu milik di sekitar perbandaran yang dilengkapi kemudahan sepenuhnya. Sejajar dengan kedudukan ini, pada bulan Mac 2015, hartanah utama kami iaitu Bandar Sri

Sendayan telah melancarkan secara rasmi d'Tempat Country Club yang direka untuk memaparkan kerancakan di samping memenuhi keperluan para penduduk perbandaran ini serta menjadikannya titik pertemuan utama dan hab rekreasi untuk bandar Seremban dan Negeri Sembilan.

Kami juga dapat melihat minat ketara yang ditunjukkan terhadap Bandar Seri Impian di Johor dan hartanah perindustrian di taman perindustrian teknologi-tinggi kami iaitu, Sendayan TechValley.

Semua mercutanda ini telah membentuk latar belakang yang menggalakkan kepada pencapaian prestasi kewangan Kumpulan pada tahun ditinjau.

CHAIRMAN'S STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD

REVENUE 15M FY2016

912.2M

2014 - RM598.8 MILLION



Hijayu Resort Homes – Elymus Semi-detached

Financial Performance

Matrix recorded revenue of RM912.2 million and pre-tax profit of RM355.7 million for 15M FP2016.

While there is no equivalent year-on-year comparison to the previous 12-month financial year ended 31 December 2014 (FY2014), the 52.3% and 45.4% jump in 15M FP2016 revenue and pre-tax profit from RM598.8 million and RM244.6 million respectively in FY2014 was substantially above the 25% mark required to compensate for the extra quarter in 15M FP2016.

The outstanding performance was attributed to new launches and healthy take-up across the Group's projects in Bandar Sri Sendayan and Bandar Seri Impian, further strengthened by project completions and sales of industrial properties.

Correspondingly, the Group charted net profit of RM260.9 million in 15M FP2016, growing 43.2% from RM182.2 million in FY2014.

For like-to-like comparison on the twelve-month basis, the twelve-month period ended 31 December 2015 (12M FY2016) saw the Group record revenue of RM700.9 million and pre-tax profit of RM286.5 million, both 17.1% higher than RM598.8 million and RM244.6 million in financial year 2014. Net profit for 12M FY2016 stood at RM213.2 million, 17.0% higher from RM182.2 million in FY2014.

The Group's commendable report card was supported by an equally-strong strong balance sheet as at 31 March 2016.

Shareholders' equity grew to RM885.2 million from RM663.8 million as at 31 December 2014 on higher retained profits and larger share capital. While total borrowings rose to RM204.4 million from RM78.2 million previously, this was corresponding with our rigorous development activities and land banking initiatives in order to sustain our momentum for the long term.



Prestasi Kewangan

Matrix merekodkan hasil sebanyak RM912.2 juta dan keuntungan sebelum cukai sebanyak RM355.7 juta bagi tempoh 15B TK2016.

Walaupun tiada perbandingan bersamaan dari tahun ke tahun dengan tempoh kewangan 12 bulan sebelumnya berakhir pada 31 Disember 2014 (TK2014), namun lonjakan hasil sebanyak 52.3% bagi tempoh 15B TK2016 daripada RM598.8 juta bagi TK2014 dan keuntungan sebelum cukai sebanyak 45.4% bagi tempoh 15B TK2016 daripada RM244.6 juta bagi TK2014 melebihi secara ketara paras 25% yang diperlukan untuk menampung suku tambahan 15B TK2016.

Pencapaian prestasi luarbiasa yang disumbang oleh beberapa pelancaran baharu dan kadar pembelian menggalakkan bagi seluruh projek Kumpulan di Bandar Sri Sendayan dan Bandar Seri Impian telah diperkukuhkan lagi dengan penyiapan beberapa projek dan jualan hartanah perindustrian.

MATRIX CONCEPTS HOLDINGS BERHAD

HASIL TK2016

912.2J

2014 - RM598.8 JUTA

Pencapaian ini telah membolehkan Kumpulan merekodkan keuntungan bersih sebanyak RM260.9 juta pada tempoh 15B TK2016, meningkat sebanyak 43.2% berbanding RM182.2 juta pada TK2014.

Bagi tujuan perbandingan mengikut kiraan dua belas bulan, Kumpulan mencapai hasil mencatat rekod sebanyak RM700.9 juta dan keuntungan sebelum cukai sebanyak RM286.5 juta bagi tempoh dua belas bulan berakhir 31 Disember 2015 (12B TK2016), kedua-duanya 17.1% lebih tinggi berbanding RM598.8 juta bagi hasil dan RM244.6 juta bagi keuntungan sebelum cukai pada TK2014. Keuntungan bersih bagi 12B TK2016 pula berjumlah RM213.2 juta, 17.0% lebih tinggi berbanding RM182.2 juta pada TK2014.

Laporan yang sungguh memberangsangkan ini disokong pula dengan kunci kira-kira yang teguh pada 31 Mac 2016.

Ekuiti pemegang saham berkembang kepada RM885.2 juta berbanding RM663.8 juta pada 31 Disember 2014 hasil keuntungan tersimpan lebih tinggi dan modal saham yang lebih besar. Walaupun jumlah pinjaman meningkat kepada RM204.4 juta daripada RM78.2 juta sebelumnya, namun ia sejajar dengan kepesatan aktiviti dan inisiatif tanah simpanan bagi mengekalkan momentum jangka masa panjang kami.

CHAIRMAN'S STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



Dividends

Matrix has consistently paid dividends to our shareholders since our listing in 2013.

In respect of 15M FP2016, the Group paid total dividends amounting to 18.79 sen per share. These were declared through five interim single-tier dividends of 3.64¹ sen, 3.50 sen, 3.50 sen, 3.75 sen, and 4.40 sen respectively.

The total dividend payout of RM104.3 million represents 40% of net profit for 15M FP2016.

Corporate Developments

Corporate Exercise

Matrix had undertaken a corporate exercise comprising a 1-for-6 bonus issue of new shares together with 1-for-6 free warrants.

The bonus issuance was undertaken to improve the liquidity of Matrix shares, while the free warrants would allow our existing and potential shareholders to participate in the Group's growth, as well as help the Group to raise additional working capital of up to RM185.6 million upon full exercise over a five year period until 2020.

The corporate exercise was deemed completed on 24 July 2015, with the listing of 77.3 million new ordinary shares of RM1.00 each, together with 77.3 million warrants on the Main Market of Bursa Malaysia Securities Berhad.

Boardroom Changes

Matrix noted several key boardroom changes during the period under review.

I am pleased to welcome Dato' Lim Kiu Hock as Executive Director, as well as Dato' Hajah Kalsom Binti Khalid and Dato' Hon Choon Kim as Independent Non-Executive Directors. I am confident that they would bring a breadth of experience invaluable to Matrix success.

The Group also announced that Puan Salmah Binti Sharif ceased to be an Independent Non-Executive Director on 13 June 2015 due to her demise. The Board records its condolences to her family and loved ones on their bereavement.

¹ Adjusted for issuance of 1-for-6 bonus shares and 1-for-6 bonus warrants on 24 July 2015.



Matrix Global Schools - aerial view

Dividen

Matrix telah membayar dividen secara konsisten kepada para pemegang saham sejak penyenaian kami pada tahun 2013.

Sepanjang tempoh 15B TK2016, Kumpulan telah membayar dividen berjumlah 18.79 sen sesaham. Semua dividen tersebut telah diisytihar melalui lima dividen satu *tier* interim; setiap satu berjumlah 3.64¹ sen, 3.50 sen, 3.50 sen, 3.75 sen dan 4.40 sen.

Jumlah pembayaran dividen sebanyak RM104.2 juta ini merupakan 40% daripada keuntungan bersih bagi tempoh 15B TK2016.

Perkembangan Korporat

Langkah Korporat

Matrix telah melaksanakan langkah korporat yang meliputi terbitan bonus 1- bagi setiap -6 saham baharu bersama dengan 1 waran percuma- bagi setiap-6 waran baharu.

Terbitan bonus dilaksanakan untuk meningkatkan lagi kecairan saham Matrix, sementara waran percuma pula akan membolehkan Kumpulan mengumpul modal kerja tambahan sehingga RM185.6 juta selepas pelaksanaan sepenuhnya sepanjang tempoh lima tahun sehingga 2020.

Langkah korporat ini dianggap selesai pada 24 Julai 2015 dengan penyenaian 77.3 juta saham biasa baharu berharga RM1.00 sesaham bersama 77.3 juta waran di Papan Utama Bursa Malaysia Securities Berhad.

Perubahan Lembaga Pengarah

Beberapa perubahan utama berlaku dalam lembaga pengarah Matrix sepanjang tempoh ditinjau.

Saya dengan sukacitanya ingin mengalu-alukan Dato' Lim Kiu Hock sebagai Pengarah Eksekutif serta Dato' Hajah Kalsom Binti Khalid dan Dato' Hon Choon Kim sebagai Pengarah Bukan Eksekutif Bebas. Saya yakin mereka membawa bersama pengalaman luas yang tidak ternilai untuk kejayaan Matrix pada masa depan.

Kumpulan juga ingin memaklumkan bahawa Puan Salmah Binti Sharif telah tidak menjadi Pengarah Bukan Eksekutif Bebas pada 13 Jun 2015 kerana beliau telah meninggal dunia. Lembaga Pengarah ingin merakamkan ucapan takziah kepada keluarga beliau dan mereka yang tersayang atas kehilangan tersebut.

¹ Dilaras bagi terbitan saham bonus 1- bagi - 6 saham baharu dan 1- bagi -6 waran bonus pada 24 Julai 2015.

CHAIRMAN'S STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD

Future Outlook

Property Development

While the property sector is expected to face headwinds in the year ahead due to the prevailing consumer sentiment and economic challenges, Matrix remains confident of capturing existing demand from a growing population as well as increasing urbanization.

The affordability of our residential properties in Bandar Sri Sendayan and Bandar Seri Impian, in addition to the attractive range of township amenities, are expected to continue to draw potential buyers going forward.

Furthermore, our commercial properties are poised to attract more investors and businesses going forward in view of the vast business potential these rapidly maturing townships can offer.

Hence, the Group endeavours to launch new projects with total gross development value (GDV) exceeding RM1 billion across Negeri Sembilan and Johor in the financial year ending 31 March 2017 (FY2017) to form the next building blocks of our growth

Industrial Properties

Our industrial property segment currently comprises Sendayan TechValley, a 1,000-acre high-tech industrial park in Bandar Sri Sendayan. In the near future, this segment would be complemented with an additional 164-acre from Sendayan TechPark, located adjacent to the Bandar Sri Sendayan township.

Given our high-tech industrial park's ready infrastructure, strategic locality, and ease of connectivity to the Kuala Lumpur International Airport and other prominent locations, we have been successful in wooing leading international brands to set up their manufacturing facilities. This has resulted in more than RM4 billion worth of foreign direct investments to date.

We continue to experience keen interest and enquiries from potential investors, and are confident of securing more sales of industrial properties in the year ahead.



Matrix Global Schools and d'Tempat Country Club

Matrix's investment ventures currently comprise Matrix Global Schools and d'Tempat Country Club which are both located in Bandar Sri Sendayan.

Matrix Global Schools, which commenced in September 2014, includes an international school, a private school, and a pre-school, and aims to provide quality and reasonably-priced education to the community. The school has seen increasing student enrolments in line with growing awareness.

Meanwhile, our d'Tempat Country Club, which opened its doors in March 2015, has grown into a prominent point of interest in Seremban, with its wide array of food and beverage and wellness-lifestyle facilities to foster a closer community.

Going forward, we would focus on enhancing these two ventures by way of increasing student enrolments as well as club patronage. We would also explore new investment opportunities that would contribute positively towards our long term earnings.

Appreciation

I would like to express my gratitude to my fellow Directors, key management, and all employees for your contributions, which have been of paramount importance to the Group's successes to date.

At the same time, on behalf of the Board, I would like to extend our appreciation to our shareholders, suppliers, financiers, buyers, and government authorities that have played a role in many of the Group's milestones to date.

Dato' Haji Mohamad Haslah Bin Mohamad Amin
Chairman

MATRIX CONCEPTS HOLDINGS BERHAD



Hino Motors, a long established industrialists in Sendayan TechValley

Masa Depan

Pembangunan Hartanah

Sungguhpun sektor hartanah dijangka akan menghadapi keadaan yang tidak menentu pada tahun akan datang akibat sentimen pengguna dan pelbagai cabaran ekonomi semasa, namun Matrix tetap yakin terhadap kemampuannya menarik permintaan sedia ada daripada bilangan penduduk yang semakin berkembang serta peningkatan urbanisasi.

Hartanah kediaman kami di Bandar Sri Sendayan dan Bandar Seri Impian yang mampu dimiliki di samping pelbagai kemudahan perbandaran yang disediakan dijangka akan terus menjadi daya penarik kepada pembeli potensi pada masa depan.

Selain itu, hartanah komersial kami juga bakal menarik minat lebih ramai pelabur dan perniagaan pada masa depan memandangkan kedua-dua perbandaran yang semakin pesat berkembang ini menawarkan semakin banyak potensi perniagaan.

Justeru, Kumpulan bertekad untuk melancarkan beberapa projek baharu dengan nilai pembangunan kasar (GDV) berjumlah melebihi RM1 bilion di seluruh Negeri Sembilan dan Johor pada tahun kewangan berakhir 31 Mac 2017 (TK2017) bagi membentuk blok pertumbuhan berikutnya.

Hartanah Perindustrian

Segmen hartanah perindustrian kami kini meliputi Sendayan TechValley, sebuah taman perindustrian teknologi tinggi seluas 1,000 ekar di Bandar Sri Sendayan. Dalam tempoh terdekat, segmen ini akan saling melengkapi SendayanTechPark iaitu kawasan perindustrian tambahan seluas 164 ekar yang terletak di sebelah perbandaran Bandar Sri Sendayan.

Kami telah berjaya menarik jenama bertaraf antarabangsa yang terkemuka untuk mendirikan kemudahan perkilangan mereka di sini memandangkan taman perindustrian teknologi tinggi kami telah disiapkan dengan infrastruktur, lokasinya strategik dan hubung tara dengan Lapangan Terbang Antarabangsa Kuala Lumpur dan pelbagai lokasi terkemuka lain memberi banyak kelebihan kepadanya. Usaha ini sehingga kini telah menghasilkan pelaburan langsung asing bernilai lebih RM4 bilion.

Para pelabur potensi yang terus menunjukkan minat dan mengajukan pertanyaan mengenai hartanah perindustrian tersebut meyakinkan kami tentang keupayaan untuk mencatatkan lebih banyak jualan hartanah perindustrian pada tahun akan datang.

Matrix Global Schools dan d'Tempat Country Club

Pelaburan Matrix pada masa ini meliputi Matrix Global Schools dan d'Tempat Country Club di mana kedua-duanya terletak di Bandar Sri Sendayan.

Matrix Global Schools yang memulakan operasinya pada bulan September 2014 meliputi sebuah sekolah antarabangsa, sebuah sekolah swasta dan sebuah pra-sekolah bertujuan untuk menyediakan pendidikan berkualiti pada harga berpatutan kepada komuniti di sini. Bilangan pelajar sekolah tersebut telah semakin bertambah sejajar dengan peningkatan tahap kesedaran mengenai kewujudannya.

Sementara itu, d'Tempat Country Club yang mula dibuka pada bulan Mac 2015 telah berkembang sebagai titik tumpuan terkemuka di Seremban dan ia menyediakan pelbagai makanan dan minuman serta kemudahan gaya hidup sihat bagi memupuk komuniti yang lebih erat.

Sebagai langkah menuju ke hadapan, kami akan memfokuskan untuk meningkatkan kedua-dua hartanah pelaburan ini dengan menambah bilangan kemasukan pelajar serta bilangan pengunjung kelab. Kami juga akan meneroka beberapa hartanah pelaburan baharu yang akan menyumbang secara positif kepada pendapatan jangka panjang kami.

Penghargaan

Saya ingin menyampaikan ucapan penghargaan kepada rakan-rakan Pengarah, pengurusan utama dan seluruh kakitangan atas sumbangan anda sekalian yang sangat bermakna kepada kejayaan Kumpulan sehingga kini.

Pada masa yang sama, saya bagi pihak Lembaga Pengarah, ingin mengucapkan terima kasih kepada para pemegang saham, pembekal, pembiaya, pembeli dan pihak-pihak berkuasa kerajaan yang telah memainkan peranan dalam banyak mercutanda yang dicapai oleh Kumpulan sehingga kini.

Dato' Haji Mohamad Haslah Bin Mohamad Amin
Pengerusi





Project under construction

CONSTRUCTION

CONSTRUCTING WORLD-CLASS PROJECTS

Guided by our top-notch engineers, Matrix's construction crews are building a better future for our community. Safety is a major priority as we continue to maintain the highest standard of quality coupled with competitive pricing.

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MATRIX CONCEPTS HOLDINGS BERHAD



I AM PLEASED THAT MATRIX CONTINUED TO RECORD RESOUNDING PROGRESS IN OUR TWO FLAGSHIP TOWNSHIPS OF BANDAR SRI SENDAYAN IN NEGERI SEMBILAN AND BANDAR SERI IMPIAN IN JOHOR, EFFECTIVELY WEATHERING HEADWINDS IN THE DOMESTIC PROPERTY SECTOR.

This was most clearly indicated in the overwhelming response for the Group's new launches in the period under review.

For 15M FP2016, new property sales stood at RM974.2 million, increasing more than 50% from RM630.2 million in the 12-month period ended 31 December 2014 (FY2014).

Meanwhile, for the twelve-month period ended 31 December 2015 (12M FY2016), the Group recorded RM805.5 million worth of new property sales, representing a 27.8% growth from RM630.2 million in FY2014.

Unbilled sales as at 31 March 2016 rose to RM621.4 million, versus RM429.3 million as at end-FY2014.

Total group revenue for 15M FP2016 surged 52.3% to RM912.2 million, from RM598.8 million in FY2014. Of this, Bandar Sri Sendayan made up RM752.7 million or 82.5%, Bandar Seri Impian made up RM135.4 million or 14.8%, RM2.5 million or 0.3% came from sales of land and other properties while the remaining RM21.6 or 24% attributed from our recurring income statement from Matrix Global Schools and d'Tempat Country Club. For 12M FY2016, group revenue stood at RM700.9 million, an increase of 17.1% from FY2014.

Bandar Sri Sendayan in Seremban, Negeri Sembilan

Property Development

The Group's sales of new properties in Bandar Sri Sendayan, comprising residential and commercial properties, as well as industrial land, made up RM815.6 million of total 15M FP2016 sales, rising 62.2% from RM502.9 million in FY2014.

In terms of revenue contribution, excluding income from investment properties, the Bandar Sri Sendayan township remained the key growth catalyst in 15M FP2016, contributing RM752.7 million to total group revenue, and growing 50.8% from RM499.3 million in FY2014.

On account of a 12-month comparison, new property sales in the township for 12M FY2016 made up RM677.5 million of the Group's total property sales, expanding 34.7% from FY2014. Meanwhile, revenue contribution from these properties stood at RM568.9 million for the 12-month period, increasing 13.9% from FY2014.

During the 15-month period, the Group completed and delivered more than 1,000 units of residential properties with total GDV of RM533.6 million. These were mainly from Hijayu 3D and Hijayu 1A series.



Suriaman 3 - Newly launched project in Bandar Sri Sendayan

SAYA BERASA SUKACITA UNTUK MEMAKLUMKAN BAHAWA MATRIX TERUS MENGHASILKAN KEPUTUSAN MENARIK BAGI DUA PERBANDARAN UTAMA KAMI IAITU BANDAR SRI SENDAYAN DI NEGERI SEMBILAN DAN BANDAR SERI IMPIAN DI JOHOR, DENGAN BERJAYA MENGHARUNGI CABARAN DALAM SEKTOR HARTANAH DOMESTIK.

Kejayaan ini jelas terbukti daripada sambutan hebat terhadap pelancaran baharu Kumpulan pada tempoh yang ditinjau.

Bagi tempoh 15 bulan TK2016, Kumpulan mencatat jualan hartanah baharu berjumlah RM974.2 juta, meningkat lebih 50% daripada RM630.2 juta dalam tempoh 12 bulan berakhir 31 Disember 2014 (TK2014).

Sementara itu, tempoh dua belas bulan berakhir 31 Disember 2015 (12B TK2016), Kumpulan mencatatkan jualan hartanah baharu berjumlah RM805.5 juta, meningkat 27.8% daripada RM630.2 juta pada TK2014.

Jualan belum dibil pada 31 Mac 2016 meningkat kepada RM621.4 juta, berbanding RM429.3 juta pada akhir TK2014.

Jumlah hasil kumpulan bagi 15B TK2016 melonjak 52.3% kepada RM912.2 juta, dari RM598.8 juta pada TK2014. Daripada jumlah ini, Bandar Sri Sendayan merupakan RM752.7 juta atau 82.5%, Bandar Seri Impian menyumbang RM135.4 juta atau 14.8%, RM2.5 juta atau 0.3% terhasil daripada jualan tanah dan hartanah lain sementara bagi RM21.6 juta atau 24% disumbangkan oleh penyata pendapatan berulang daripada Matrix Global Schools dan d'Tempat Country Club. Bagi tempoh 12B TK2016, hasil kumpulan berjumlah RM700.9 juta, meningkat 17.1% daripada TK2014.

Bandar Sri Sendayan di Seremban, Negeri Sembilan

Pembangunan Hartanah

Penjualan pembangunan hartanah Kumpulan di Bandar Sri Sendayan yang merangkumi hartanah kediaman dan komersial serta tanah perindustrian, menyumbang RM815.6 juta daripada jumlah jualan 15B TK2016, bertambah 62.2% daripada RM502.9 juta TK2014.

Dari segi sumbangan hasil, tidak termasuk pendapatan daripada hartanah pelaburan, perbandaran Bandar Sri Sendayan kekal sebagai pemangkin utama pertumbuhan pada 15B TK2016, menghasilkan RM752.7 juta daripada jumlah hasil kumpulan, meningkat 50.8% daripada RM499.3 juta pada TK2014.

Menurut perbandingan bagi tempoh 12 bulan, jualan hartanah baharu di perbandaran tersebut bagi 12B TK2016 adalah RM677.5 juta daripada jumlah jualan hartanah Kumpulan, melonjak 34.7% daripada TK2014. Sementara itu, sumbangan hasil daripada hartanah ini berjumlah RM568.9 juta bagi tempoh 12 bulan, meningkat 13.9% dari TK2014.

Sepanjang tempoh 15 bulan, Kumpulan telah menyelesaikan dan menyerahkan lebih 1,000 unit hartanah kediaman dengan GDV berjumlah RM533.6 juta. Penyerahan ini sebahagian besarnya daripada projek Hijayu 3D dan siri Hijayu 1A.

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MATRIX CONCEPTS HOLDINGS BERHAD



A renowned industrialist in Sendayan TechValley - Schmidt + Clemens (Asia) Sdn Bhd

Furthermore, to capture the still-strong demand for affordable properties, we launched five projects worth RM910 million GDV, which is significantly higher than RM551.6 million in FY2014.

The new launches comprised residential properties of RM690.0 million, namely Hijayu Resort Homes (Phase 1), Hijayu 3, Hijayu 3B, and Suriaman 1. The Group also launched commercial units of Sendayan Merchant Square 1 with GDV of RM220 million.

We are very encouraged by the rousing affirmation from our target markets, both for new as well as current projects. The average take up rate of our ongoing projects worth RM1.3 billion GDV in Bandar Sri Sendayan stood at a commendable 74% as at 31 March 2016.

With total pipeline of RM3.7 billion GDV in Bandar Sri Sendayan slated for launch until 2028, we certainly hope to build on our successes well into the future.

Sendayan TechValley & Sendayan TechPark

Matrix sold 21.2 acres of industrial land in Sendayan TechValley in 15M FY2016, worth a total of RM39.5 million.

To date, Sendayan TechValley is home to the manufacturing facilities of leading high-tech brands such as Akashi Kikai, Hino Motors, and Messier-Bugatti-Dowty. In the meantime, various other prominent international and local brands are in the midst of constructing or planning their facilities.

As at end-March 2016, the Group's current net saleable industrial land bank stood at 270 acres across Sendayan TechValley and Sendayan TechPark.

With approximately 10 manufacturing facilities up and running, supported by splendid infrastructure and strategic location, we are confident of securing more investors from both domestic and international parties going forward.



Colonial theme reception lobby at Matrix International School

Matrix Global Schools and d'Tempat Country Club

In line with our strategic plans to further enhance our ability to serve the needs of the growing population, we commenced Matrix Global Schools (MGS) in September 2014 and d'Tempat Country Club in March 2015.

MGS, which houses the Matrix Private School, International School, and International Pre-School, currently has more than 640 students enrolled as at 31 March 2016, rising significantly from 416 students as at end-March 2015.

We are confident that MGS is on track to achieve the 2,500 student mark in the coming years, establishing itself as a leading centre of educational excellence in the state of Negeri Sembilan.

Additionally, the d'Tempat Country Club, with its comprehensive lifestyle and fitness amenities, continues to see increasing club patronage from the Bandar Sri Sendayan community, as well as the Seremban population at large.

Overall, these two ventures have contributed RM21.7 million in revenue to the Group in 15M FP2016, and we look forward to growing it further by constantly marketing key highlights, key events, and significant achievements to our targeted audiences.

MATRIX CONCEPTS HOLDINGS BERHAD



Grand function room at d'Tempat Country Club

Sementara itu, untuk memanfaatkan permintaan terhadap hartanah mampu milik yang masih kukuh, kami telah melancarkan lima projek dengan GDV berjumlah RM910 juta, jauh lebih tinggi daripada RM551.6 juta pada TK2014.

Pelancaran baharu yang merangkumi hartanah kediaman berjumlah RM690.0 juta, iaitu Hijayu Resort Homes (Fasa 1), Hijayu 3, Hijayu 3B, dan Suriaman 1. Kumpulan turut melancarkan unit komersial Sendayan Merchant Square 1 dengan GDV RM220 juta.

Kami amat menghargai sambutan yang menggalakkan daripada pasaran sasaran kami, sama ada bagi projek baharu mahupun projek semasa. Pada 31 Mac 2016, kadar pembelian purata bagi projek in Bandar Sri Sendayan yang mempunyai GDV berjumlah RM1.3 bilion amat memberangsangkan iaitu 74%.

Dengan jumlah projek di Bandar Sri Sendayan yang mempunyai GDV sebanyak RM3.7 bilion akan dilancarkan sehingga 2028, kami berharap kejayaan ini akan menjadi perangsang untuk kami mencapai kejayaan yang lebih besar pada masa hadapan.

Sendayan TechValley & Sendayan TechPark

Sepanjang tempoh 15B TK2016, Matrix telah menjual 21.2 ekar tanah perindustrian di Sendayan TechValley yang bernilai RM39.5 juta.



Messier-Bugatti-Dowty at Sendayan TechValley

Sehingga kini, Sendayan TechValley menjadi lokasi pilihan kemudahan perkilangan beberapa jenama terkemuka seperti Akashi Kikai, Hino Motors, dan Messier-Bugatti-Dowty. Pada masa yang sama, pelbagai jenama terkemuka antarabangsa dan tempatan sedang membina atau merancang untuk membina kemudahan mereka di sini.

Pada akhir Mac 2016, Kumpulan mempunyai tanah simpanan perindustrian berjumlah 270 ekar di Sendayan TechValley dan Sendayan TechPark.

Dengan mempunyai kira-kira 10 kemudahan perkilangan yang akan siap dan beroperasi, disokong oleh infrastruktur hebat dan lokasi yang strategik, kami yakin akan berjaya mendapat lebih banyak pelabur domestik dan juga antarabangsa pada masa akan datang.

Matrix Global Schools dan d'Tempat Country Club

Sejajar dengan pelan strategik untuk mempertingkatkan lagi keupayaan memenuhi keperluan penduduk yang semakin berkembang, kami telah melancarkan Matrix Global Schools (MGS) pada bulan September 2014 dan d'Tempat Country Club pada bulan Mac 2015.

Setakat 31 Mac 2016, MGS yang menempatkan Sekolah Swasta Matrix, Sekolah Antarabangsa dan Pra-sekolah mempunyai lebih 640 pelajar, satu peningkatan ketara berbanding 416 pelajar pada akhir Mac 2015.

Kami yakin bahawa MGS berada di landasan yang tepat untuk mencapai bilangan 2,500 pelajar dalam tempoh beberapa tahun akan datang, sekaligus merintis kedudukan sebagai pusat kecemerlangan pendidikan terkemuka di Negeri Sembilan.

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MATRIX CONCEPTS HOLDINGS BERHAD



Residensi SIGC - ARIA - Double storey bungalow interior view

We would continue to strategically add new amenities going forward. This would not only allow us to grow our recurring income stream in the long run, but more importantly contribute towards enhancing the vibrancy and appeal of Bandar Sri Sendayan.

Enhancing community lifestyle - Extreme Park

The Group had, in June 2016, commenced construction of 25-acre adventure park in Bandar Sri Sendayan, which would feature a wide variety of leisure and team building activities as well as facilities. With its targeted launch in late-2016, the extreme park would be an outlet for creative leisure activities for the younger generation and open up more opportunities for community bonding.

Bandar Seri Impian in Kluang, Johor

It gives me great pleasure to inform you that our township in Kluang, Johor, was conferred the city status by the Johor state government in 2015, and is now known as Bandar Seri Impian (formerly Taman Seri Impian).

Sales of residential and commercial properties in Bandar Seri Impian made up RM158.6 million of total property sales in 15M FP2016, rising 24.6% from RM127.3 million in FY2014.

Revenue contribution from the township stood at RM135.4 million or of total group revenue in 15M FP2016, increasing 68.2% from RM80.5 million in the previous year.



Impiana Height - Palazzo 2 Bungalow at Bandar Seri Impian, Kluang, Johor

On the twelve-month comparison basis, the township's property sales in 12M FY2016 amounted to RM128.0 million of total sales of the Group, marginally changed from FY2014. Revenue contribution from the township made up RM117.2 million of total group revenue for the period, rising 45.6% from FY2014.

We also launched a new residential project, namely Impiana Bayu 2 with a total GDV of RM133.5 million. The average take up rate of all ongoing projects of RM221.3 million GDV in Bandar Seri Impian as at 31 March 2016 stood at 75%.

The total pipeline GDV of approximately RM1.3 billion would be launched until 2021.

Others

Port Dickson and Seremban, Negeri Sembilan

Matrix also undertakes various smaller-sized and niche projects in Negeri Sembilan. We completed and delivered the Lobak Commercial Centre (Phase 1) project in Seremban in January 2015, comprising 12 units of double-storey shop offices with a GDV of RM16.1 million.

Additionally, we had in June 2016, launched Residensi SIGC (Phase 1) comprising residential properties with a total GDV of RM143.0 million.



Elvina - Newly launched double storey houses in Bandar Sri Sendayan

Di samping itu, d'Tempat Country Club yang dilengkapi dengan kemudahan gaya hidup dan kecergasan terus menampilkan pertambahan pengunjung kelab yang terdiri daripada komuniti Bandar Sri Sendayan serta penduduk Seremban secara umum.

Secara keseluruhan, kedua-dua usahaniaga di atas telah menyumbang hasil sebanyak RM21.7 juta kepada Kumpulan sepanjang tempoh 15B TK2016, dan kami berazam untuk mengukuhkan lagi pencapaiannya dengan memasar secara berterusan maklumat, acara dan perkembangan utama dan penting kepada audiens sasaran kami.

Kami akan sentiasa menambah secara strategik pelbagai kemudahan baharu sebagai langkah menuju ke hadapan. Ia bukan sahaja akan membolehkan kami mengembangkan aliran pendapatan berulang kami dalam jangkamasa panjang, malah yang lebih penting lagi menyumbang ke arah mempertingkatkan tahap kerancakan dan daya tarikan Bandar Sri Sendayan.

Mempertingkatkan Gaya Hidup Komuniti - Taman Ekstrim

Kumpulan telah memulakan pembinaan taman kembara seluas 25 ekar di Bandar Sri Sendayan pada bulan Jun 2016 yang akan memaparkan pelbagai aktiviti serta kemudahan riadah dan pembentukan semangat berpasukan. Disasar untuk dilancarkan pada lewat tahun 2016, taman ekstrim ini akan menjadi saluran aktiviti riadah kreatif untuk generasi muda serta membuka lebih banyak peluang untuk mengeratkan hubungan komuniti.

Bandar Seri Impian di Kluang, Johor

Saya dengan sukacitanya ingin memaklumkan kepada anda sekalian bahawa perbandaran kami di Kluang, Johor, telah diberi status kotaraya oleh Kerajaan Negeri Johor pada tahun 2015 dan kini ia dikenali sebagai Bandar Seri Impian (dahulu dikenali sebagai Taman Seri Impian).

Hartanah kediaman dan komersial di Bandar Seri Impian mencatatkan jualan sebanyak RM158.6 juta daripada jumlah jualan hartanah keseluruhan sepanjang tempoh 15B TK2016, meningkat sebanyak 24.6% berbanding RM127.3 juta pada TK2014.

Sumbangan hasil daripada perbandaran ini sebanyak RM135.4 juta atau daripada hasil kumpulan pada tempoh 15B TK2016, meningkat sebanyak 68.2% daripada RM80.5 juta yang dicatatkan pada tahun sebelumnya.

Berasaskan perbandingan dua belas bulan, jualan hartanah perbandaran ini sepanjang tempoh 12B TK2016 berjumlah RM128.0 juta daripada jualan keseluruhan Kumpulan, berubah sedikit berbanding pada TK2014. Perbandaran ini mencatatkan sumbangan hasil sebanyak RM117.2 juta daripada hasil keseluruhan Kumpulan pada tempoh tersebut, meningkat sebanyak 45.6% berbanding pada TK2014.

Kami juga telah melancarkan projek kediaman baharu yang dikenali sebagai Impiana Bayu 2 dengan GDV bernilai RM133.5 juta. Kadar pembelian beberapa projek dengan GDV bernilai RM221.3 juta yang sedang dilaksanakan di Bandar Seri Impian pada 31 Mac 2016 adalah sebanyak 75%.

Sementara itu, hartanah dalam perancangan dengan GDV bernilai kira-kira RM1.3 bilion akan dilancarkan sehingga tahun 2021.

Lain-lain

Port Dickson dan Seremban, Negeri Sembilan

Matrix juga melaksanakan pelbagai projek bersaiz kecil dan projek untuk pasaran khusus di Negeri Sembilan. Kami telah menyiapkan dan menyerahkan projek Pusat Komersial Lobak (Fasa 1) di Seremban yang meliputi 12 unit kedai pejabat dua tingkat dengan GDV bernilai RM16.1 juta pada 1 Januari 2015.

Selain itu, kami telah melancarkan Residensi SIGC (Fasa 1) yang meliputi hartanah kediaman dengan GDV bernilai RM143.0 juta pada bulan Jun 2016.

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MATRIX CONCEPTS HOLDINGS BERHAD



Going forward, we have lined up new projects worth RM1.7 billion in GDV to be launched until 2017.

Kuala Lumpur and Selangor

Matrix completed the purchase of 5.8 acres of land with approved residential project in Puchong, Selangor with GDV of RM500 million on 6 April 2016. The Group has submitted an application to the relevant authorities to increase the residential density and GDV of the project.

Additionally, due to the weaker sentiment in the property sector, the Group opted to extend the launch timeline of our high-rise mixed development near Kuala Lumpur city centre with GDV of RM400 million, originally slated for launch in end-2015. We are revising the project layout to enhance its appeal, and look to launch the project in the near term.

Australia

Matrix has also extended our property development activity beyond our shore, venturing first time into a prime area in Australia.

In 25 May 2016, we launched M.Carnegie, a boutique apartment project with GDV of AUD30 million. The project is situated in a strategic locality near the central business district of Melbourne, with excellent public amenities and prominent institutions of higher learning in close proximity.



We have received encouraging response upon its launch, and are confident that the project would be a resounding success for the Group.

Appreciation

Since our listing in 2013, Matrix has charted formidable progress in building communities through Bandar Sri Sendayan and Bandar Seri Impian. Both townships have seen rapid population growth and increasing vibrancy, which are testament to the management's constant endeavours to strive for excellence.

I would like to extend my utmost appreciation to all parties that have contributed to our successes to date. This includes my fellow Board members, our management and employees, customers, shareholders, business partners, and government agencies.

We look forward to your continued support for many more years to come.

Thank you.

Dato' Lee Tian Hock
Group Managing Director



Agora and Clock Tower - Matrix Global Schools

Sebagai langkah menuju ke hadapan, kami telah membariskan beberapa projek baharu dengan GDV bernilai RM1.7 bilion yang akan dilancarkan sehingga tahun 2017.

Kuala Lumpur dan Selangor

Matrix telah menyelesaikan pembelian sebidang tanah seluas 5.8 ekar dengan projek perumahan yang telah diluluskan di Puchong Selangor dengan GDV RM500 juta pada 6 April 2016. Kumpulan telah menyerahkan permohonan untuk menambah kepadatan dan GDV projek ini kepada beberapa pihak berkuasa berkaitan.

Di samping itu, kelemahan sentimen dalam sektor hartanah telah mendorong Kumpulan untuk menangguhkan jadual pelancaran pembangunan bercampur bertingkat tinggi berhampiran pusat bandaraya Kuala Lumpur dengan GDV RM400 juta yang pada asalnya dijadual untuk dilancarkan pada penghujung tahun 2015. Kami sedang menyemak semula susun atur projek ini bagi mempertingkatkan lagi daya tarikannya dan bakal melancarkan projek tersebut dalam masa terdekat.

Australia

Matrix juga telah meluaskan aktiviti pembangunan hartanah di luar sempadan negara dengan menceburi buat pertama kali ke dalam hartanah bertaraf premium di Australia.

Pada 25 Mei 2016, kami telah melancarkan M.Carnegie, sebuah projek pangsapuri butik dengan GDV bernilai AUD30 juta. Projek ini terletak di penempatan strategik

berhampiran kawasan perniagaan pusat Melbourne yang mempunyai pelbagai kemudahan cemerlang dan beberapa institusi pengajian tinggi ternama berhampirannya.

Hartanah ini mendapat sambutan yang menggalakkan semasa pelancarannya dan kami yakin projek ini akan membawa kejayaan besar kepada Kumpulan.

Penghargaan

Sejak penyenaian kami pada tahun 2013, Matrix telah mencatat kemajuan memberangsangkan dalam membina komuniti di Bandar Sri Sendayan dan Bandar Seri Impian. Kedua-dua perbandaran ini telah menyaksikan kepesatan pertumbuhan penduduk dan tahap kerancakan yang semakin meningkat, membuktikan usaha berterusan pengurusan untuk mencapai kecemerlangan.

Saya ingin menyampaikan ucapan penghargaan setulus ikhlas kepada semua pihak yang telah menyumbang kepada kejayaan yang kami capai sehingga kini. Penghargaan ini juga ditujukan kepada rakan-rakan saya dalam Lembaga Pengarah, pengurusan dan kakitangan, para pelanggan, pemegang saham, rakan-rakan dalam perniagaan serta agensi-agensi kerajaan.

Kami berharap akan mendapat sokongan berterusan daripada anda sekalian pada tahun-tahun akan datang.

Terima kasih.

Dato' Lee Tian Hock

Pengarah Urusan Kumpulan





SUSTAINABILITY

CARING FOR OUR WORLD

Matrix believes that operating sustainably and behaving responsibly are fundamental to creating long term value not just for our investors but for our other key stakeholders and the society in which we operate.

Matrix recreates a better world by caring for our society and environment.

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



ECONOMIC

ENVIRONMENT

SOCIAL

SOCIETY, LABOUR PRACTICES &
DECENT WORKPLACE,
PRODUCT RESPONSIBILITY

ECONOMIC

SUSTAINABILITY HAS LONG BEEN AN INTEGRAL PART OF MATRIX'S CORPORATE STRATEGY TO DRIVE GROWTH, MANAGE RISKS AND CREATE VALUE. WE PUT OUR VISION OF 'NURTURING ENVIRONMENTS, ENRICHING LIVES' INTO PRACTICE AND WORK HARD TO GENERATE RETURNS FOR SHAREHOLDERS AND OTHER STAKEHOLDERS SUCH AS OUR EMPLOYEES, CUSTOMERS, SUPPLIERS, CONTRACTORS AND THE COMMUNITY. OUR BUSINESS OBJECTIVES GO BEYOND FINANCIAL RETURN AND ARE STRATEGISED TO DELIVER LONG-TERM SUSTAINABLE VALUE.

Developing the Nation through Sustainable Development

Building communities building is the soul of Matrix's strategy. As a master community developer, Matrix continues to build sustainable communities in which future generations can thrive. The delivery of quality properties for local communities is prioritised as Matrix continuously improves the townships and developments in Malaysia, particularly Negeri Sembilan.

Answering to the Government's call to develop the nation's youths with niche skills that yield high-income jobs, Matrix continues to provide valuable training opportunities for unemployed fresh graduates. We create jobs for locals, prioritising them as part of our commitment to upgrading the standards of living of people of the nation.

Our development projects also generate and spur economic activities in the township. By inviting industrialists to set up their businesses in our industrial zone, we have positioned Negeri Sembilan as an upcoming industrial hub. Bandar Sri Sendayan, also known as the "Damansara of Seremban", will be attractive for investors due to its strategic location. The entire development of Bandar Sri Sendayan is scheduled for completion by 2022. 1,000 acres have been earmarked for developing an industrial zone to attract high-impact industries to this vibrant township.

Sendayan TechValley is another innovative sustainable development project focusing on renewable resources, new technology as well as advanced communication services and facilities. It is designated as Malaysia's model techno-entrepreneur park to develop both existing and new global businesses. Strategically located as a prime investment hub, Sendayan TechValley is poised to become a major innovation economic zone. Our mission is to make Sendayan TechValley the network hub for future industries driven by a highly-skilled and semi-skilled workforce working on various industries ranging from manufacturing to knowledge-based businesses.



Infrastructure Improvement and Enhanced Connectivity

Matrix closely monitors the standards of living in all areas it develops and also improved public infrastructure by installing street lights and streetscape coupled with good road connections. Matrix develops and enhances road connectivity to our township, which generates growth to the surrounding areas. In particular, we take pride in the installation of street lights along Persiaran Bandar Sri Sendayan. This upgrading work, performed with the State Government, upgraded the tunnel along Persiaran Bandar Sri Sendayan – Mambau for seamless connectivity and the safety of customers and general public.

In addition, we also continue to beautify the landscape on all connecting roads to provide a pleasant and relax driving experience towards our township. For example, we provided the interconnecting road to the proposed connecting highway to KLIA via Sendayan TechValley for an efficient arterial road system in Bandar Sri Sendayan. We also upgraded and widen the road to a 4-lane passageway from Kluang Town to Bandar Seri Impian.

Matrix also provides amenities and luxuries of sustainable living with no detriment to the environment. Our township is equipped with recreation facilities, religious centres, national schools and an international school. Our d'Tempat Country Club is the latest facility designed to enhance the lifestyles of the local community. The club hosts 380,000 sq. ft. of facilities and amenities on 6.33 acres of land. Matrix Global Schools consist of Matrix Private School, Matrix International School and Matrix International Pre-school. Our Matrix Global Schools span 20 acres and both Matrix Private School and Matrix International School have their own independent learning facilities.



SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



Matrix Believes in Building Future Generations through Innovative Education

We believe that an educated population is essential to a nation's growth and prosperity. Education is a core commitment of our society. Every child deserves a quality education; it offers children a sense of dignity.

The newly opened Matrix Global Schools is poised to be at the forefront of private education in this region by creating new frontiers in Private National and International Schools. Our school is unrivalled in design, range of facilities and state-of-the-art ICT technology. Learning is truly a global experience on our 20-acre campus, and "Second to None".

On a separate occasion, Matrix fully funded the building of a new school, SJKC Kg Baru Parit Tinggi, next to Nusari Biz, Bandar Sri Sendayan in Negeri Sembilan. The total cost invested in the building of this school is approximately RM10 million fully borne by Matrix.

The school is built on six acres of land with a total built-up area of 58,229 sq ft.

It comprises three blocks:

1. An academic block which consists of a computer room, administrative office, 32 classrooms, and a fully air-conditioned library;
2. An auditorium and canteen; and
3. A multipurpose hall with three badminton and one basketball courts.

The school has 17 classes adopting the smart classroom system that employs modern teaching and learning technology. The smart classrooms are equipped with projectors and computers to create an interactive environment for the pupils to learn more effectively. The project was completed in November 2015, in time for its first academic year that officially commenced in January 2016. The school has a maximum capacity of 800 students.

Matrix has contributed land and assisted in the building of three national schools in its township to date: an integrated school, a Chinese school and a Tamil school. The Tamil school, which is currently in progress, will cost RM8 million. SJKC Bandar Sri Sendayan was completed within 11 months while the construction of the Tamil school began in early 2016. Six hectares of land had been earmarked for the construction of a national primary and secondary school in the township.



MATRIX CONCEPTS HOLDINGS BERHAD



ENVIRONMENT

OUR GREEN DEVELOPMENT

D'TEMPAT COUNTRY CLUB WAS PLANNED AND BUILT WITH A GREEN BUILDING VISION. IT FOCUSES ON THE OPTIMUM USE OF RESOURCES SUCH AS ENERGY, WATER AND MATERIALS. THE IMPACT ON HUMAN HEALTH AND THE ENVIRONMENT DURING THE BUILDING'S LIFECYCLE IS REDUCED THROUGH BETTER SITING, DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE AND REMOVAL.

THE GREEN BUILDING INDEX ACCREDITATION PANEL (GBIAP) HAS AWARDED D'TEMPAT COUNTRY CLUB WITH A PROVISIONAL GBI GOLD RATING, FOLLOWING THE ASSIGNED GBI CERTIFIER'S RECOMMENDATION ON 6 NOVEMBER 2013.

Category	Green Features
Energy Efficiency	<ul style="list-style-type: none"> • High-performance glazing such as Low-E glass is installed. • Flexible lighting controls optimise energy saving in the club. • Building-integrated photovoltaics (BIPV) promote the use of renewable energy. • LED Lights and energy-saving bulbs are installed for indoor, façade and compound lighting • A centralised Building Management System (BMS) monitors the performance of electrical fittings, air conditioning and water distribution.
Indoor Environment Quality	<ul style="list-style-type: none"> • The use of healthy materials and finishes, which contain low volatile organic compounds (VOC) and formaldehyde, are encouraged. • A daylighting system provides adequate glare control that does not negate the benefits of daylighting. The roller blinds block only 50% of daylight when in use.
Sustainable Planning	<ul style="list-style-type: none"> • Quality Assessment System in Construction (QLASSIC) is adopted by all consultants, contractors and subcontractors to achieve a QLASSIC score of 76. • Priority is given to green vehicles to minimise pollution and the impact of land development from automobile use.
Materials and Resources	<ul style="list-style-type: none"> • At least 20% of building materials were harvested, recovered and manufactured within 500 km from the club to minimise pollution from transportation.
Water Efficiency	<ul style="list-style-type: none"> • Rainwater harvesting is used to reduce potable water consumption. The filtered rainwater is stored in a tank on the rooftop for use in landscape watering, general cleaning and flushing toilets. • Water-efficient fittings are installed that reduce potable water consumption by an estimated 33.38%.
Innovation	<ul style="list-style-type: none"> • Light tubes installed in the prefunction area reduce the power required for illumination. • Hot water, used in the changing rooms, is produced by a solar system water heater. • A herb garden is situated on the lower ground floor. • The clubhouse facade uses LED lighting to save energy.

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



Matrix's environmental initiative "Our Earth, Our Home Charity Walk at Sendayan GreenPark.

Our Commitment Environmental Protection

Responsible environmental management is a key element of sustainable development. Matrix is guided by the Company's environmental principles that ensure environmental considerations are an integral part of its decision-making, management and culture.

Matrix aims to comply with all environmental regulations and requirements related to its operations and development activities. The environmental impact of activities is assessed and Matrix seeks to integrate environmental considerations into the planning, design, construction, operation, maintenance and demolition of all its facilities and services.

An effective Environmental Management Plan (EMP) is implemented on all sites. The environmental performance of buildings under Matrix's management is optimised. The environmental management systems are ISO 14001 certified and adhere to strict Environmental Impact Assessment (EIA) criteria.

Matrix is committed to building sustainable communities where people enjoy living. These developments have well-designed green lungs and the neighbourhoods display real character and sense of place. The landscape structure of our masterplan reflects the importance of the natural environment which includes parks and other greenery.

Energy Efficiency

Energy is used efficiently during all property development projects, beginning at the design and planning stage. Environmentally-beneficial features are incorporated wherever possible to improve the overall comfort and environmental performance. Design requirements for all development projects have been standardised to ensure they adhere to specific criteria and regulations such as the Building Energy

Index. Installations, such as electricity and air conditioning, must comply with design standards and renewable or recyclable materials are used throughout.

Dust and Emissions Management

Matrix monitors dust on its construction sites to protect the health and well-being of employees and the surrounding community. Unfortunately, dust is inevitable during construction.

Matrix uses water trucks at its sites to minimise the impact of dust by dampening down airborne dust particles. Liquid polymer surfactants are infused in the water trucks so that they penetrate the soil more deeply. This prevents dust problems before they occur.

Open burning is defined as the combustion of any materials in the open air rather than in an enclosure with a chimney to direct the smoke. Open burning is prohibited on our construction sites as it generates excessive emissions of pollutants such as dense and odorous smoke, dust and toxic fumes. These emissions are bothersome and adversely affect the health of people in the surrounding areas.

Waste Management

Matrix focuses on using materials efficiently to reduce the impact its operations have on the environment. An environmentally-friendly construction approach, design and materials are favoured. Green alternatives are explored in all projects and wherever possible, resources are conserved by:

- Using renewable or recyclable materials,
- Minimising the non-recyclable use of paper,
- Minimising the generation of waste.

Matrix minimises wastage in its daily operations through a range of measures including reusing, recycling and a systematic disposal process. Waste is collected and separated by type. Recyclable waste is labelled and stored for collection by recycling contractors on a regular basis. Recyclable waste consists of timber panels that have been used on site. Plywood, temporary construction hoarding, scaffolding, timber pallets and all types of surplus construction materials are reused on future projects. Matrix has also introduced a Reduce, Recycle and Reuse (3R) policy at its offices to reduce waste.

Non-reusable or non-recyclable waste is disposed of by cleaning contractors who handle this waste properly. Matrix adheres to green purchasing work instructions under ISO 14001, which specifies the requirements for purchasing sustainable and environmentally-friendly products and services.

Water Management

Water conservation and ensuring the proper discharge of wastewater are key priorities in Matrix's daily operations. On occasion, notices and newsletters are distributed to encourage residents to replace outdated and wasteful water equipment. The regular cleansing of communal fresh water and flushing of water tanks is carried out in accordance with the Department of Environment (DOE) requirements.

Matrix uses water from a retention pond in its daily construction as part of its water conservation initiative.

A rainwater harvesting system also collects rainwater for use in non-potable applications such as gardening and flushing toilets.

A Comprehensive Range of Energy-saving Measures Adopted at Matrix's Properties



Solar Water Heaters
Provide hot water at:

- Hijayu 2 Resort Homes
- Matrix Global Schools
- d' Tempat Country Club
- Residensi SIGC



T5 or LED bulbs

- For lighting at all construction sites



Efficient air conditioning

- Installed at all sites



Control lighting systems

- Use timers and sensors



Lift and escalator systems

- Are operated according to preset schedules



Power analysers

- Are installed to detect further energy savings where practical

SOCIAL : Society

MATRIX IS COMMITTED TO DELIVERING SUSTAINABLE COMMUNITIES. MORE THAN JUST A BUILDER, IT IS A DEVELOPER OF LIVES AND COMMUNITIES.

MATRIX SPONSORED THE INSTALLATION OF A BARRIER GATE, SECURITY PATROLLING VEHICLES, CCTV CAMERAS AND OTHER SECURITY SYSTEMS FOR EVERY PRECINCT. DURING THE FINANCIAL PERIOD, MATRIX HAS HELPED TO REBUILD A HOUSE OF A LOCAL COMMUNITY MEMBER WHOSE ROOF HAD BEEN STRUCK BY LIGHTNING AT THE COSTS FULLY BORNE BY THE COMPANY.



Matrix sponsored auto barrier gate & CCTV to the Resident Association

MATRIX IS COMMITTED TO INTEGRATING SUSTAINABILITY INTO ITS DEVELOPMENT AND INCULCATING THIS PHILOSOPHY INTO THE DAILY LIVES OF COMMUNITIES. HARMONIOUS LIVING IS ENCOURAGED AND THERE IS REGULAR ENGAGEMENT WITH THE COMMUNITY MEMBERS THROUGH *GOTONG-ROYONG*, SAFETY AWARENESS CAMPAIGN, RIVER CLEAN-UPS AND OTHER SOCIAL EVENTS.

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD

Giving Blood, Saving Lives

On 12 December 2015, Matrix held a blood donation campaign with the theme of “*MATRIX, We Help Save a Life, Give the Gift of Blood*”. Matrix collaborated with the Blood Bank of Hospital Tuanku Ja’afar Seremban on this initiative to promote volunteerism in our employees and the society at large. The campaign was held at d’Tempat Country Club, Bandar Sri Sendayan.



We also organised awareness programmes on various issues of health and hygiene to create a healthier society. Visitors were offered free health checks by medical practitioners from Negeri Sembilan Chinese Maternity Hospital (NSCMH). The free health checks included blood pressure, glucose levels, BMI and a dietary consultation.

Two specialist doctors from this hospital delivered health talks on the most common conditions affecting Malaysians including breast cancer, heart attacks and strokes. Other exciting activities included a Zumba dance and colouring contest for the children.

Sharing Festive Cheer with the Less Fortunate

Matrix allocates significant resources to helping communities near its operations. Over the years, the Company has conducted numerous activities that benefit those less fortunate within the local community. Matrix reached out to various communities in Seremban throughout the year.



In 2015, we celebrated the holy month of Ramadhan and Aidilfitri by sharing the love with those less fortunate. We distributed *duit raya* and donated in-kind contributions to these individuals. The initiative was a joint effort with Jabatan Kebajikan dan Masyarakat, Negeri Sembilan (JKMNS) based on the theme “*Karisma Sentuhan Ramadhan 4.0 tahun 2015*”.



Volunteers celebrated Chinese New Year (CNY) by visiting Persatuan Kebajikan Orang-Orang Kurang Upaya Negeri Johor in Kluang (PKOOKUNJ) and Majlis Pusat Kebajikan Se-Malaysia Daerah Kluang. Matrix donated cash to these homes and three reclining chairs to PKOOKUNJ.



The volunteers also visited Pertubuhan Kebajikan Amal Charis, Mantin, Negeri Sembilan to share the CNY joy by sharing meals with them. Distribution of goodies, *angpows* and cash donations were also given during the event.

MATRIX CONCEPTS HOLDINGS BERHAD



Rumah Orang Tua Chok Lum, Rantau, Negeri Sembilan was also visited during the CNY festive season. Matrix helped to repair the home which was found to be in a run-down condition. Residents were treated to scrumptious meals prepared by d'Tempat Country Club chefs and each received *angpows* as part of festive cheers.



Matrix Continues to Inspire

Matrix treated 18 children from Charis Love U Children Centre, Mantin, Negeri Sembilan to a trip to KidZania Kuala Lumpur on 18 March 2015. The children aged between 4 and 12 were generally from single parent families or orphans. They had never had such a wonderful opportunity to experience interactive learning and entertainment in a kid-sized city within an indoor family edutainment centre. The children could transcend their own boundaries into the adult world by playing a part within a community through role-playing and learning several tricks-of-the-trade of their dream careers.



The Hindu festival of Deepavali is also celebrated by many Malaysians. In 2015, we reached out to a shelter Home for (Abused) Women and Children Seremban and Pertubuhan Kebajikan Kanak-Kanak Yatim dan Miskin Port Dickson. Activities organised for the children included swimming in the Olympic-size swimming pool and fascinating story telling by Matrix Global Schools. Single mothers were pampered with a relaxing foot massage at Sompoton Spa while the children's caretakers enjoyed a well-deserved break, playing bowling at The Sphere. These activities were arranged at this premier club for families to spread the joy of Deepavali while providing these single mothers and orphans with fun, learning and sports.

Appreciating Public Service as a Responsible Corporate Citizen

Matrix and Seremban District Police Headquarters organised a sports day at d'Tempat Country Club in Bandar Sri Sendayan. The event was held in conjunction with the Royal Malaysian Police's 209th Anniversary.

The sports day's theme was "Hari Sukan Dua Penjuru IPD Seremban & Matrix 2016". This initiative was held in appreciation of the Seremban Police District for their dedication in keeping the area safe. It was also part of our commitment to strengthening the relationship between local authorities and community members.



Approximately 100 police officers from IPD Seremban and their family members competed with Matrix employees in various games such as bowling and ping pong. A buffet lunch was hosted by the d'Tempat Country Club for all participants to foster togetherness.

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



Nurturing Young Athletes

Matrix values sports and believes in local talent. However, there is a lack of vehicles to transport players between venues. On 25 April 2015, the Company donated two vans at a cost of RM250,000 and RM500,000 in cash to Negeri Sembilan Basketball Association (NSBA) at d'Tempat Country Club, Bandar Sri Sendayan.

NSBA produced outstanding results in the recent National junior basketball competitions. The two 17-seater vans are used whenever there is a competition or on practice days. Primarily, the money is used to pay for accommodation during competitions, training development and for players' benefit. Matrix has faith and fully supports the local talent, which targets to reach the semi-finals of the Agong Cup National Basketball Championship within three years and the finals within five years.



On 21 October 2015, Matrix signed a Memorandum of Understanding with Malaysia Basketball Association (MABA). Matrix will sponsor the Agong Cup National Basketball Championship for RM1.2 million payable in instalments over five years from 2015 until 2019.

In addition, Matrix has also on 2 February 2016, signed a Sponsorship Agreement to sponsor RM1.5 million to Negeri Sembilan Basketball Association, payable in three instalments up to July 2016.

On a separate note on 18 January 2016, Matrix further signed a Sponsorship Agreement with Persatuan Bolasepak Negeri Sembilan to sponsor up to RM7 million payable in eight instalments from December 2015 until July 2016.

All these sponsorships are part of our CSR commitment to promoting youth sports and building the talent of our local athletes.



The Edge Kuala Lumpur Rat Race 2016

On 29 March 2016, Matrix volunteers participated in The Edge KL Rat Race 2016 for the second time. This charity run was held at MaTiC Lanai on Jalan Ampang in Kuala Lumpur. This charity event was held to raise funds for developing education in Malaysia.

Matrix was one of the main corporate sponsors, contributing RM98,000 for the Gold Sponsorship. Matrix volunteers participated in all races such as Senior, Open, Mixed and CEO categories.

Creating a Fun Experience for Children with Learning Difficulties

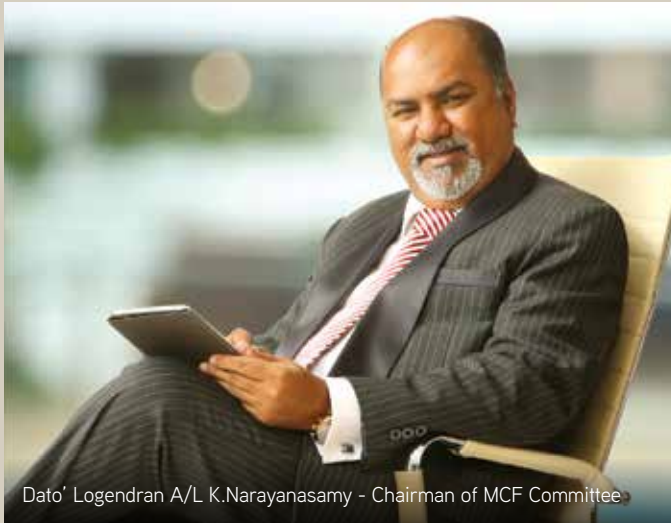
Matrix sponsored a family fun day and special mini Olympics for children with learning difficulties from Pusat Jagaan Horizon. Pusat Jagaan Horizon is a development centre for young adults and children with learning difficulties such as Down syndrome, autism, slow learners and Attention Deficit Hyperactivity Disorder (ADHD).



The home organised the event in collaboration with the Lions Club Seremban, which was held at d'Tempat Country Club, Bandar Sri Sendayan. Forty children with learning disabilities performed in a concert and took part in various sporting and recreational activities.

The children played bowling, passed the ball with cones, pulled balls with a hula-hoop, threw bean bags into a basket and squeezed water from a sponge into a bottle. They developed motor skills, balance and coordination in a fun environment. A buffet breakfast and lunch was hosted for all participants with compliments from d'Tempat Country Club.

MATRIX CONCEPTS HOLDINGS BERHAD



Dato' Logendran A/L K.Narayanasamy - Chairman of MCF Committee

Matrix Concepts Foundation

Matrix Concepts Foundation (“MCF”) was incorporated on 3 December 2013 as an independent non-profit corporation or a charitable trust under the auspices of Matrix to serve as a platform for the Group to fulfil its Corporate Social Responsibility initiatives. The main objectives of the Foundation are 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 MCF Committee.

Significant Matrix Concepts Foundation Contributions in 2015



Physiotherapy treatment for Kirthana A/P Visvanathan, a 20-year old girl diagnosed with right hemiplegic cerebral palsy



Donated two hearing aids to two selected students from SK Pendidikan Khas Seremban



Yearly grant of RM30,000 to Pertubuhan Hospice Negeri Sembilan to help meet their electricity, water, rental and medical expenses

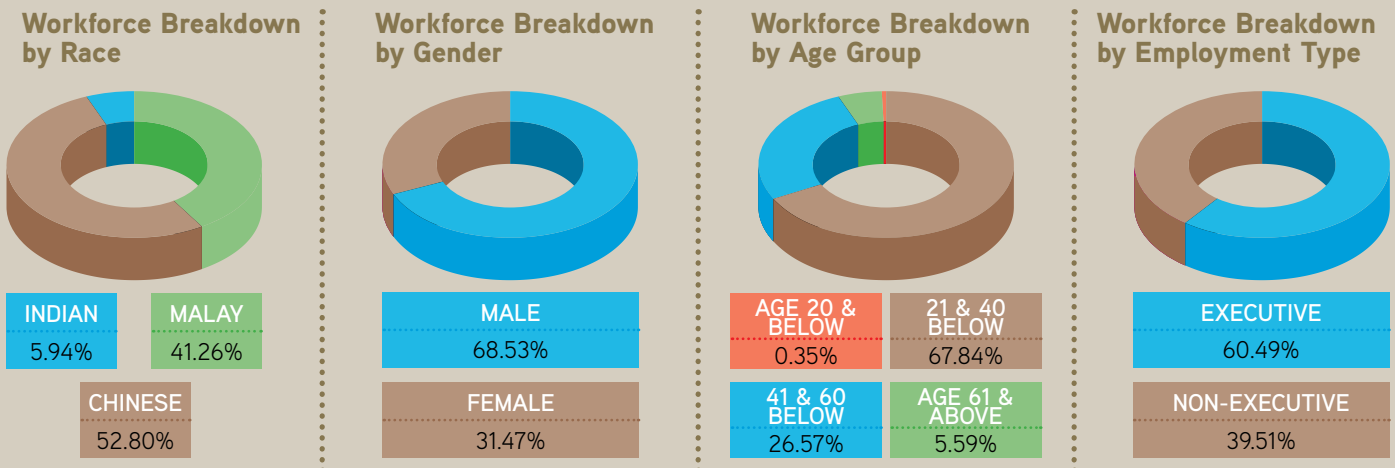
SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD

SOCIAL : Labour Practices and Decent Work Place

EMBRACING DIVERSITY

MATRIX IS COMMITTED TO EQUAL OPPORTUNITY EMPLOYMENT AND CULTIVATING DIVERSITY WITHIN A RESPECTFUL, INCLUSIVE WORKPLACE. IT IS IMPORTANT THAT WE CREATE AN ENVIRONMENT WHERE ALL EMPLOYEES, WHEREVER WE DO BUSINESS, ARE TREATED WITH RESPECT AND FEEL VALUED. DIVERSITY IS AN IMPORTANT PART OF OUR CULTURE, WHICH IS REFLECTED IN THE WORKFORCE AND THE COMMUNITIES IN WHICH WE LIVE AND OPERATE.



Employee Benefits and Remuneration

Each employee received a monthly basic salary and allowances subject to the prevailing statutory requirements including the Income Tax Act 1967, the Employees Provident Fund Act 1991 and the Employees' Social Security Act 1969.

Matrix's salary scheme is in the highest category in Malaysia, based on a scale in which 75 percentile is above the market rate. Annual increments were previously awarded on the 1st January of each year. This has changed to 1st April in line with the new financial year end of the Group. The annual increments are practised unless this increment has been deferred or stopped. The amount awarded is based on each employee's individual performance or whether the upper limit of the salary range has been reached.

Matrix subsidises the fees of employees' children attending Matrix Global Schools. Matrix also provides complimentary memberships at d'Tempat Country Club in Bandar Sri Sendayan to the employees and their immediate family members. This encourages employees to interact socially and during leisure time to attain a balanced life.

Nurturing Talent

Matrix's businesses are people-oriented and continue to face intense competition in the employment market. Becoming an employer of choice requires huge investments in human capital. Matrix offers both professional and personal development opportunities to motivate and upskill existing talents to align with our dynamic business needs. Talent development has become an increasingly important priority to create a conducive and happy working environment.

Employee Appreciation

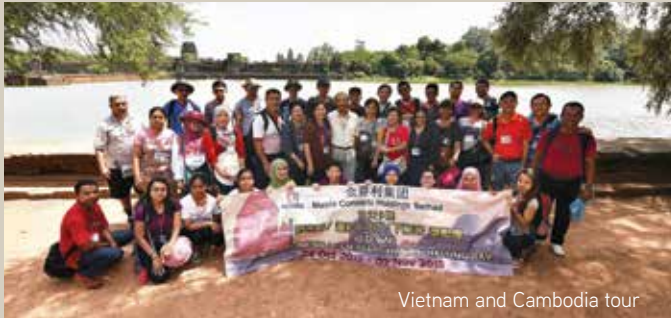
Appreciating employees' dedication and hard work is a fundamental part of our business. It is important to let our employees know that their work is valued. Showing our appreciation helps boost productivity and motivation.

Our annual overseas trips were introduced to inspire employees to perform and excel in their work. Employees feel motivated by being rewarded with a fantastic incentive travel vacation. The following 10/11-day all-expense paid trips were offered to deserving employees in 2015:

Senior Management	South Africa
Executives and General Employees	Vietnam and Cambodia

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD



Vietnam and Cambodia tour



South Africa tour

Health and Safety at Work

Occupational Safety and Health is fundamental to sustaining our human capital. Matrix is committed to providing a safe and healthy environment for all employees, customers and tenants. This commitment extends to workers at our construction sites who are employed by our builders. We believe that this approach will help our business operate in a sustainable manner.

The main components of health and safety initiatives consist of employee and expert consulting, training, record-keeping, communication and monitoring of relevant legislation and industry best practices.

Matrix understands the inherent risks from its operations, especially construction. Safety is of utmost importance and the Company provides workers with adequate accident prevention training and prepares them for a wide-range of emergencies. In-house induction training is mandatory for all new construction workers. Regular Toolbox Talks are held to discuss the safety and health concerns. These talks are effective two-way consultations at which employees can raise issues of safety with management. Other health and safety initiatives include an HSE weekly inspection, machinery inspection, firefighting equipment check, safety meeting and site safety committee meeting.

Personal Protective Equipment (PPE) Must be Worn by Our Workers



Safety Helmets



Gloves



Eye Protection



High-Visibility Clothing



Safety Footwear



Safety Harnesses



Respiratory Protective Equipment

Safety and Health Performance Statistics

Description	Number of cases
Fatalities Case	0
Lost Workday Case (LWC)	0
Restricted Workday Case (RWC)	0
First Aid Case (FAC)	0
Near Miss Case	0
Dangerous Occurrence Case	0
Fire Case	0
Property Damage Case	1
Vehicle Accident Case	0
No of Days Lost	0
Total Safe Man-hours Worked	1,953,878 (hours)

Notes: Statistics comprise the following project sites: Hijayu 3A, Hijayu 3B, Orang Asli Kampung Palebar, STP Upgrading, Suriaman 3, Sendayan Metropark 2A, Matrix Business Hotel, Residensi SIGC, Sendayan Merchant Square, Hijayu 2 – Resort Homes and Ara Sendayan.

Safety Committee Roles and Responsibilities

- 1 Discuss safety policies and recommend the adoption of these by the management
- 2 Identify unsafe conditions and practices and determine their remedies
- 3 Initiate safety promotion schemes and set targets for safety improvement campaigns
- 4 Make safety activities an integral part of operating policies and methods, and a function of operation

SUSTAINABILITY STATEMENT

MATRIX CONCEPTS HOLDINGS BERHAD

SOCIAL : Product Responsibility

Sustainable Supply Chain

Matrix promotes supply chain sustainability by choosing local suppliers wherever possible. This approach minimises carbon emissions and supports the local economy. In line with the requirements of ISO 14001 Environmental Management System, our procurement policies give priority to eco-friendly contractors and suppliers. Our supplier contracts include commitments to observing our environmental standards, which cover waste management, pollution prevention, materials sourcing and materials use.

Similarly, we expect our suppliers to operate with integrity, treat their people fairly and adhere to a code of conduct. They must adhere to our Environmental, Occupational Health and Safety policies, as well as strict standards on corporate governance.

Matrix builds long-term relationships with its suppliers to create the sense of belonging. This approach ensures we give the future business development of the organisations our full support. All subcontractors and suppliers are selected fairly and without bias or favour.

Matrix aims to procure the required materials at the optimum price and in a timely manner. All materials purchased must be of the highest quality to meet the Company's objectives. The Procurement Department conducts its own research to ascertain the best products and suppliers in terms of value, delivery and quality.

Ensuring the Highest Quality

Quality control is important as it ensures projects meet the required specification. One way of controlling quality is through inspecting or verifying the finished projects. The projects are checked by our Quality Assurance & Quality Control ("QAQC") team before delivery to the client, so that those failing our rigorous quality assurance can be repaired. Our quality assurance involves checking the final quality of products to avoid defects based on quality manuals and tools.

In addition to the checks performed by QAQC, we also conduct "Naked Eye" inspections prior to handover to our customers. The Naked Eye inspection involves staff who are not technically inclined to visually assess the workmanship and defects from a layman's perspective. These employees provide the QAQC department with a check list containing all defects sighted for follow up on rectifications prior to handover.

Matrix's inspection report is a full assessment of the quality and workmanship of the property's construction against acceptable industry standards. Our construction quality assurance inspection identifies observed building defects and area or items of poor workmanship. We are constantly working with contractors to reinforce the need to maintain the quality of workmanship and materials used in our repair and rebuild initiatives.

We have formal procedures that capture any non-compliance with regulations or codes relating to the health and safety of our development projects. We have a formal complaints procedure and all of our customers have at least one sales contact within the business. It is our intention to enhance this procedure to further embed it within our business. This will help us capture any issues or areas of potential risk.

Protecting Customer Information

Matrix respects the privacy rights of its online visitors and recognises the importance of protecting all collected information. The Company will not sell or share any customer information obtained by its website, telephone, email or other correspondence.

Customer information is mainly used to inform existing or prospective customers of any new project launches, promotions, contests and events of interest.

Matrix declares that personal information may be used for its own internal marketing and demographic studies. This ensures that visitors' and customers' needs are met. Matrix does all that it is able to safeguard the privacy of users.

The Board of Directors (“the Board”) of Matrix Concepts Holdings Berhad (“Matrix” or “the Company”) is committed to ensuring that high standard of corporate governance is practiced throughout the Company and its subsidiaries (“the Group”) as a fundamental part of discharging its responsibilities to safeguard shareholders’ investments and to protect the interests of all stakeholders.

The Board is of the view that it has complied with the Malaysia Code on Corporate Governance 2012 (“MCCG 2012”). Set out below is a statement, made pursuant to paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), on how the Group has applied the principles and recommendations set out in the MCCG 2012.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and Management

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

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

Clear roles and responsibilities

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

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

MATRIX CONCEPTS HOLDINGS BERHAD

Promote Sustainability

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

The sustainability statement is set out on page 50 to 62 of this Annual Report.

Access to Information and Advice

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

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

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

Qualified and Competent Company Secretary

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

Code of Conduct and Ethics

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

Board Charter

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

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

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

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

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

PRINCIPLE 2: STRENGTHENING COMPOSITION

Board Composition

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

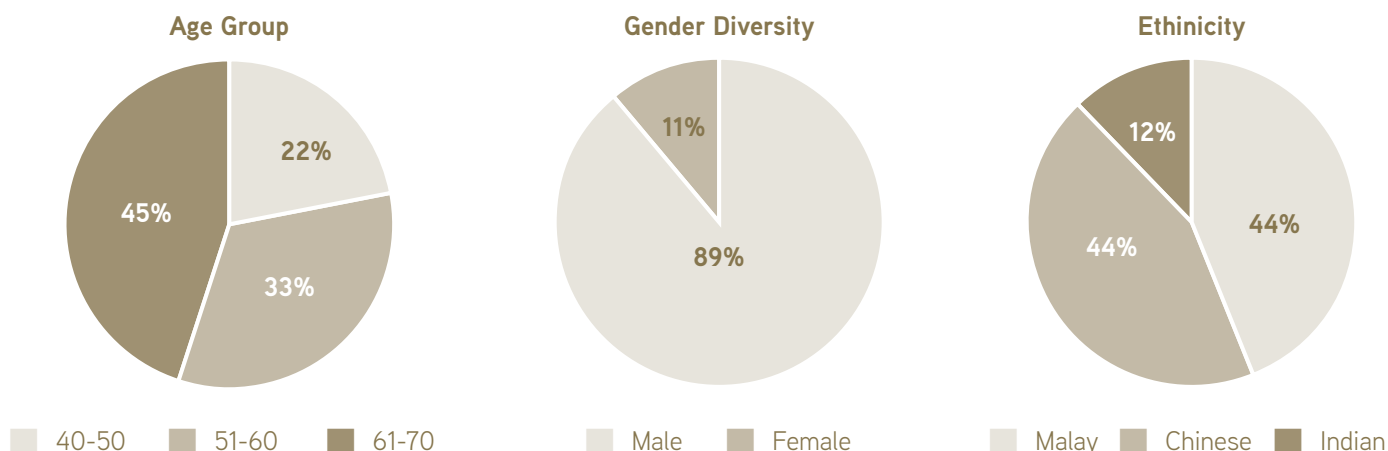
The Group practices the division of responsibility between the Chairman and GMD and there is a balance of Executive, Non-Executive and Independent Non-Executive Directors. The roles of the Chairman and GMD are separate and clearly defined, and are held individually by two (2) persons. The GMD is primarily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

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

STATEMENT ON CORPORATE GOVERNANCE

MATRIX CONCEPTS HOLDINGS BERHAD

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



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

Board Committees

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

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

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

Audit Committee

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

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

The terms of reference of the Audit Committee are available for viewing in the Company's corporate website, www.mchb.com.my.

Nomination Committee

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

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

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

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

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

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

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

Criteria for Recruitment

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

In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia their character, 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 of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

Board Assessment

During the financial period ended 31 March 2016, the Nomination Committee undertook an evaluation process involving self and peer assessment by individual director and an assessment of the independence of the Independent Directors. The Board of Directors including the executive directors are subject to the process of self and peer assessment annually.

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

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

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

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

The Nomination Committee upon its assessment of the above, is satisfied that the Board has met the policy on its composition.

Retirement of Directors

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

Board Remuneration Policies and Procedures

Remuneration Committee

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

- Dato' Hon Choon Kim (*Chairman- Independent Non-Executive Director*)
- Dato' Lee Tian Hock (*Group Managing Director*)
- Ho Kong Soon (*Group Deputy Managing Director*)
- Rezal Zain Bin Abdul Rashid (*Independent Non-Executive Director*)
- Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)

The Remuneration Committee's principle objective is to evaluate, deliberate and recommend to the Board a remuneration policy of Executive Directors that fairly guided by market norms and industry practice. The Remuneration Committee also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

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

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

The remuneration of the GMD, GDMD and the Executive Directors comprises a fixed salary and allowances, and a bonus approved by the Board. The remuneration for Non-Executive Directors comprises annual fees, meeting allowance and reimbursement of expenses for their services in connection with the Board and Board Committee meetings. Fees payable to Non-Executive Directors are deliberated and decided by the Board as a whole before they are presented for approval by shareholders at the Annual General Meeting.

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

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

Directors' Remuneration

The range of remuneration received by Directors who held office at the end of the financial period ended 31 March 2016 is set out below. The Company opts not to disclose the remuneration of individual Directors as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

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

	Non-Executive Directors RM'000	Executive Directors RM'000	Total RM'000
Directors' fees	1,665	-	1,665
Meeting allowances	72	-	72
Salaries	-	5,170	5,170
Bonuses	-	11,300	11,300
Employees provident fund contribution	-	2,475	2,475
Benefits in kind & allowances	602	607	1,209
Total	2,339	19,552	21,891

Other than the fees as stated above, there are no other fees payable for any other services rendered.

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2. Number of Directors whose remuneration fall into the following bands:

	Non-Executive Directors	Executive Directors
RM100,000 and below	3	–
RM100,001 to RM150,000	2	–
RM200,001 to RM250,000	1	–
RM1,500,001 to RM1,550,000	1	–
RM1,850,001 to RM1,900,000	–	1
RM8,050,001 to RM8,100,000	–	1
RM9,300,001 to RM9,350,000	–	1

Note: The above computation includes Salmah Binti Sharif (Demised)

PRINCIPLE 3: REINFORCE INDEPENDENCE

Annual Assessment of Independence

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

The Board assesses the independence of the Independent Non-Executive Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria as set out in the MMLR of Bursa Securities. Each year, the Independent Directors sign a declaration that they have fulfilled the criteria set by Bursa Securities in respect of independence judgement.

Based on the assessment carried out during the financial period ended 31 March 2016, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

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

Tenure of Independent Directors

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

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

Chairman and GMD

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

Non-Independent Chairman

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

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

PRINCIPLE 4: FOSTER COMMITMENT

Time Commitment

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

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

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Board Meetings

The Board meets at least five (5) times a year, with additional meetings for particular matters convened as and when necessary.

A total of seven (7) Board Meetings were held during the financial period ended 31 March 2016. The attendance record of each Director is as follows:

Name of Director	Designation	Status of Directorship	Attendance of Meetings
Dato' Haji Mohamad Haslah Bin Mohamad Amin	Chairman	Non-Independent and Non-Executive	7/7
Dato Lee Tian Hock	Group Managing Director	Executive Director	7/7
Ho Kong Soon	Group Deputy Managing Director	Executive Director	7/7
Dato' Lim Kiu Hock #	Director	Executive Director	4/4
Dato' Firdaus Muhammad Rom Bin Harun	Director	Independent and Non-Executive	7/7
Dato' (Ir.) Batumalai A/L Ramasamy	Director	Independent and Non-Executive	7/7
Dato' Hon Choon Kim #	Director	Independent and Non-Executive	4/4
Rezal Zain Bin Abdul Rashid	Director	Independent and Non-Executive	7/7
Salmah Binti Sharif (Demised) ^	Director	Independent and Non-Executive	1/7
Dato' Hajah Kalsom Binti Khalid @	Director	Independent and Non-Executive	Not Applicable

For the financial period under review:-

@ Dato' Hajah Kalsom Binti Khalid was appointed to the Board on 15 March 2016.

Dato' Lim Kiu Hock and Dato' Hon Choon Kim were appointed to the Board on 19 June 2015.

^ Salmah Binti Sharif demised on 13 June 2015.

All the Directors complied with the minimum 50% attendance in respect of Board meetings held during the financial period ended 31 March 2016 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

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

Directors' Training

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

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

During the financial period ended 31 March 2016, the Board had assessed the training needs of each Director and the Directors had attended the following programmes and seminars to keep abreast of relevant changes in law, regulations, business environment, risk management, general economic and industry developments:-

Name of Director	Topics of Courses Attended
Dato' Haji Mohamad Haslah Bin Mohamad Amin	<ul style="list-style-type: none"> • Forbes Global CEO Conference
Dato Lee Tian Hock	<ul style="list-style-type: none"> • Forbes Global CEO Conference • 2016 BNM Governor's Address On The Malaysian Economy & Panel Discussion
Ho Kong Soon	<ul style="list-style-type: none"> • GST For Property Developer – A Complete And Critical Review On GST Implementation Issues • Simplified Strategic Planning
Dato' Lim Kiu Hock	<ul style="list-style-type: none"> • 2016 BNM Governor's Address On The Malaysian Economy & Panel Discussion
Dato Firdaus Muhammad Rom Bin Harun	<ul style="list-style-type: none"> • Navigating The Political Economy Of Global Business – A Malaysian Insight • 19th Malaysian Banking Summit • Corporate Governance Breakfast Series With Directors – The Boards' Response In Light Of Rising Shareholder Engagement • The Interplay Between Corporate Governance, Non-Financial Information And Investment Decision - What Boards Of Listed Companies Need To Know • 2015 National Conference On Governance, Risks and Control – Gearing For Innovation • Corporate Governance Breakfast Series With Directors : Future Of Auditor Reporting – The Game Changer For Boardroom
Dato' (Ir.) Batumalai A/L Ramasamy	<ul style="list-style-type: none"> • Navigating The Political Economy Of Global Business – A Malaysian Insight • The Interplay Between Corporate Governance, Non-Financial Information And Investment Decision – What Boards Of Listed Companies Need To Know
Dato' Hon Choon Kim	<ul style="list-style-type: none"> • Project Evaluation
Rezal Zain Bin Abdul Rashid	<ul style="list-style-type: none"> • The Interplay Between Corporate Governance, Non-Financial Information And Investment Decision - What Boards Of Listed Companies Need To Know • Malaysia's Changing Business Landscape – Be Prepared • Corporate Governance Breakfast Series For Directors : Future Of Auditor Reporting – The Game Changer For Boardroom • 2016 BNM Governor's Address On The Malaysian Economy & Panel Discussion
Dato' Hajah Kalsom Binti Khalid	<ul style="list-style-type: none"> • Mandatory Accreditation Programme (MAP) For Directors Of Public Listed Companies

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

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Report Standards

In presenting the annual audited financial statements and interim financial result, the Board takes responsibilities to ensure that these financial statements are drawn up in accordance with the provision of the Companies Act 1965 and applicable financial reporting standards in Malaysia.

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Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed.

The Company has established an Audit Committee to review the integrity of the financial reporting and to oversee the independence of the external auditors. The role of the Audit Committee in the review and reporting of the financial information of the Group is outlined in the Audit Committee Report in this Annual Report.

Related Party Transactions

Directors recognize that they have to declare their respective interest in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter.

All related party transaction are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that causes questions of management integrity to arise.

Assessment of Sustainability and Independence of External Auditors

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

The Audit Committee considered the non-audit services provided by the external auditors during the financial period ended 31 March 2016 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors.

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

A summary of activities of the Audit Committee during the financial period under review is set out in the Audit Committee Report on page 80 to 82 of this Annual Report.

PRINCIPLE 6: RECOGNISE AND MANAGE RISK

Sound Risk Management Framework and Internal Controls System

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

The Risk Management Committee is to assist the Board in identifying, mitigating and monitoring critical risks highlighted by business units. The Risk Management Committee comprise the following members:

- Rezal Zain Bin Abdul Rashid (*Chairman, Independent Non-Executive Director*)
- Dato' Lim Kiu Hock (*Executive Director*)
- Dato' Firdaus Muhammad Rom Bin Harun (*Independent Non-Executive Director*)
- Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)
- Ho Kong Soon (*Group Deputy Managing Director*)

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

The statements on Risk Management and Internal Control as set out in page 83 to 87 of this Annual Report provides an overview of the management of risks and states of internal control within the Group.

Internal Audit Function

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

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

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

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

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

Whistle Blowing Policy

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

There were no concerns reported during the financial period ended 31 March 2016 or during the period from 1 April 2016 to the date of publication of this statement.

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PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies and Procedures

The Company is fully committed in maintaining a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders. The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders particularly through the annual report, announcements to Bursa Securities, media releases, quarterly results, analyst briefings, Company websites and investor relations. The Company recognizes the value of transparent and effective communication with the investment community and aims to build long-term relationships with its shareholders and investors through such appropriate channels for disclosure of information.

The annual report has comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investor with financial information. Apart from the mandatory public announcements through Bursa Malaysia, the Group's website at www.mchb.com.my provides corporate, financial and non-financial information. Through the website, shareholders are able to direct queries to the Company.

The Group's investor relation activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby enabling investors to make informed decision in valuing the Company's shares. The GMD and the senior management meet regularly with analysts, institutional shareholders and investors.

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

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

Leverage on Information Technology for Effective Dissemination of Information

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

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

The primary contact for investor relation matters is:

Carmen Loo
Head, Group Corporate Secretarial
Email : carmen@mchb.com.my

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Dividend Policy

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

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

Dialogue With Shareholders

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

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

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

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

Encourage Shareholder's Participation at General Meetings

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

Poll Voting

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

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded. Generally, resolutions will be put forth to the shareholders and the voting process shall either by show of hand or through polling session. For future general meetings with effect from 1 July 2016, in accordance with the MMLR, all resolutions as stated in the notice of meetings are intended to be voted solely by poll.

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Effective Communication and Practice Engagement With Shareholders

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

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

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

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

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

The Board of Directors of Matrix Concepts Holdings Berhad is pleased to present the report on the Audit Committee of the Board for the financial period ended 31 March 2016.

OBJECTIVE

The Audit Committee was established to act as a Committee of the Board of Directors to fulfill its fiduciary responsibilities in accordance with the Terms of Reference of the Audit Committee of Matrix Concepts Holdings Berhad and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration and reporting and internal control. The Terms of Reference of the Audit Committee are available for viewing in the Company's website, www.mchb.com.my

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:

Chairman

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

Members

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

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)

AUTHORITY

The Audit Committee is authorised by the Board:

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

AUDIT COMMITTEE REPORT

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MEETINGS

During the financial period ended 31 March 2016, there were seven (7) Audit Committee Meetings held and the attendance by the members are as shown below:-

Audit Committee Members Attendance

Rezal Zain Bin Abdul Rashid	7/7
Dato' Firdaus Muhammad Rom Bin Harun	7/7
Dato' (Ir.) Batumalai A/L Ramasamy [#]	4/4
Dato' Hon Choon Kim [#]	4/4
Salmah Binti Sharif [^]	1/7
Dato' Hajah Kalsom Binti Khalid [*]	N/A

During the financial period under review:-

[#] Dato (Ir.) Batumalai A/L Ramasamy and Dato' Hon Choon Kim were appointed as members of Audit Committee on 19 June 2015.

^{*} Dato' Hajah Kalsom Binti Khalid was appointed as a member of Audit Committee on 15 March 2016.

[^] Salmah Binti Sharif demised on 13 June 2015

SUMMARY OF WORK DONE

The Audit Committee has discharged its functions during the financial period ended 31 March 2016, the details of which are as described below:-

1. Reviewed with the internal auditors and report to the Board on the following matters:-
 - i) the Group's internal control procedures, including organizational and operational controls.
 - ii) the internal audit's scope of work, functions, competency and resources and that it has the necessary authority to carry out its work.
 - iii) the internal audit plan, scope of work and its finding at every quarter, and to highlight to the Board on any material findings.
 - iv) the assistance given by the Company's officers to the internal auditors.
 - v) the regular management information and to ensure that audit recommendations regarding management weaknesses are effectively implemented.
2. Reviewed with the external auditors and report to the Board on the following matters:-
 - i) the audit planning memorandum.
 - ii) evaluation of the system of internal controls.
 - iii) the audit reports, to ensure that their recommendations regarding management weaknesses are implemented.
 - iv) the annual financial statements and recommend the adoption of the financial statements.
 - v) the audit fees.
 - vi) the related party transactions and conflict of interest that may arise within the Company and the Group including any transaction, procedure or course of conduct that raise questions of management integrity.

3. The Audit Committee also reviewed the Group's quarterly financial results and year end financial statements, prior to the approval by the Board of Directors focusing particularly on:-
 - i) changes in or implementation of major accounting policy changes.
 - ii) significant and unusual events.
 - iii) compliance with accounting standards and other legal requirements.
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 adjustments or unusual events.
 - iii) Compliance with listing requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 and other regulatory requirements.
5. Make enquiry if there are any recurrent related party transactions and to review and to ensure the recurrent related party transactions, if any, are on ordinary commercial terms and are not favourable to the related party than is generally available to the public, and that the transactions are not detrimental to the minority party.
6. Reviewed the Employees Share Option Scheme's records every quarterly.

The Audit committee had met with the external auditors to discuss any material findings without the presence of management on 19 May 2016.

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL PERIOD

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

Administration and Projects:

- 1) Human Resources and Payroll Management;
- 2) Project Pre-Development;
- 3) Project Execution;
- 4) Project Closure;
- 5) Fixed Asset Sighting and Verification (at Project Site);
- 6) Payable Function;
- 7) Customer Service Management;
- 8) Related Party Transactions;

AUDIT COMMITTEE REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

Matrix Global Education Sdn Bhd

- Matrix Global Schools:

- 1) Human Resources and Payroll Management;
- 2) Customer Care and Complaint Management;
- 3) Facilities, Safety and Emergency Management;
- 4) Fixed Assets Management;
- 5) Student (Local and Overseas) Enrolment and Registration Management;
- 6) Revenue and Collection Management;
- 7) Quality Review of School Curriculum and Programs;
- 8) Financial Statement Close Processing Management;
- 9) Marketing Management; and
- 10) Information Technology Management.

The findings arising from the above reviews have been reported to management for their response and subsequently for Audit Committee deliberation. The total cost incurred for the internal audit function of the Group for the financial period ended 31 March 2016 was approximately RM453,514.

REPORT ON THE ALLOCATION OF EMPLOYEES SHARE OPTIONS

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MATRIX CONCEPTS HOLDINGS BERHAD

Risk Management Framework

The Risk Management framework outlines policy and practices for effective management and supervision of risks. Overall, it provides clear guidelines on the following:-

- The overall risk management policy of Matrix Group
- The key objectives of risk management;
- The risk management guiding principles;
- The risk appetite and how different magnitudes of risk exposures are to be managed and monitored;
- The risks which are unacceptable to the Group and should be avoided; and
- The roles of the Board, the Management, the Risk Management Committee, Risk Management Business Units and the Risk Owners

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

They are responsible for identifying business risks, implementing appropriate systems of internal controls to manage these risks and ensuring that there is an on-going programme to continuously assess, monitor and manage the principal risk of the Group.

The Board and Management ensure that the risk management and control framework is embedded into the culture, processes and structures of the Group. The framework is responsive to changes in the business environment and clearly communicated to all key management personnel.

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

The following are initiatives undertaken by the Risk Management Committee during the financial period-

- 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.
- Continuously review the level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets;
- Periodic testing of the effectiveness and efficiency of the internal control procedures and processes are conducted to ensure that the system is viable and robust

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 period ended 31 March 2016, internal audit function of the Group has been undertaken via the in-house internal auditor together with an independent consulting firm ("Internal Auditor") to assist the Audit Committee and the Board primarily in formalising the Internal Audit Plan based on the established risk profile of the Group and carries out continuous internal controls reviews on the business processes that manages the principal risks identified on a quarterly basis based on the Internal Audit Plan prepared and approved by the Audit Committee.

Audit Reviews are carried out on areas that are identified through a risk-based approach, taking into consideration input from Senior Management and Board.

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

Administration and Projects:

- 1) Human Resources and Payroll Management.
- 2) Project Pre-Development;
- 3) Project Execution;
- 4) Project Closure;
- 5) Fixed Asset Sighting and Verification (at Project Site);
- 6) Payable Function;
- 7) Customer Service Management
- 8) Related Party Transactions

Matrix Global Schools:

- 1) Human Resources and Payroll Management;
- 2) Customer Care and Complaint Management;
- 3) Facilities, Safety and Emergency Management;
- 4) Fixed Assets Management;
- 5) Student (Local and Overseas) Enrolment and Registration Management;
- 6) Revenue and Collection Management;
- 7) Quality Review of School Curriculum and Programs;
- 8) Financial Statement Close Processing Management;
- 9) Marketing Management; and
- 10) Information Technology Management.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MATRIX CONCEPTS HOLDINGS BERHAD

OTHER KEY INTERNAL CONTROL ELEMENTS

Other key internal control elements are as described below:-

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.
- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to senior management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in the regular management meetings attended by division and business unit heads. The Group Managing Director/Group Deputy Managing Director meet regularly with senior management to consider the Group's financial performance, business initiatives and other management and corporate issues.
- There are regular Board meetings and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.
- The Audit Committee reviews the effectiveness of the Group's system of internal controls on behalf of the Board. The Audit Committee comprise of Non-Executive members of the Board, who are Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- Review by the Audit Committee of internal control issues identified by the external and internal auditors and actions taken by Management in respect of the findings arising there from. The Internal Audit function reports directly to the Audit Committee. All findings are communicated to Management and the Audit Committee with recommendations for improvements and are followed up to confirm that all agreed recommendations are implemented. The Internal Audit Plan is structured on risk based approach and is reviewed and approved by the Audit Committee.
- Review of all proposals for material capital and investment opportunities by the management committee and approval for the same by the Board prior to expenditure being committed.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management Accounts are prepared timely and on a monthly basis and is reviewed by the Group Managing Director and senior management.
- The professionalism and competency of staff are enhanced through a structured training and development program. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.
- In the course of conducting annual statutory audit, the external auditor will highlight any significant audit, accounting and internal controls matters which require attention to the Board and Audit and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the external auditor without the Executive Directors and management being present. This year, the Audit Committee met once with the external auditor without the Executive Directors and management being present.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW BY BOARD

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

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

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

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

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial period ended 31 March 2016, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of risk management and internal controls within the Group.

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

STATEMENT OF RESPONSIBILITY BY DIRECTORS

IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

(Pursuant to Paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

MATRIX CONCEPTS HOLDINGS BERHAD

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

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2016, 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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MATRIX®

DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial period	260,850	138,582
Attributable to: Owners of the Company	260,850	138,582

DIVIDENDS

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

	RM'000
<u>In respect of the financial year ended 31 December 2014:-</u>	
- 4 th interim single tier dividend of 5.25 sen per ordinary share, paid on 9 April 2015	24,226
- Special interim dividend of 1.25 sen per ordinary share, paid on 9 April 2015	5,768
<u>In respect of the financial period ended 31 March 2016:-</u>	
- 1 st interim single tier dividend of 4.25 sen per ordinary share, paid on 9 July 2015	19,711
- 2 nd interim single tier dividend of 3.50 sen per ordinary share, paid on 9 October 2015	19,261
- 3 rd interim single tier dividend of 3.50 sen per ordinary share, paid on 8 January 2016	19,268
- 4 th interim single tier dividend of 3.75 sen per ordinary share, paid on 8 April 2016	21,148
	109,382

DIVIDENDS (CONT'D)

Subsequent to the end of financial period, the directors, on 19 May 2016 declared a fifth interim single tier dividend of 4.40 sen per ordinary share amounting to RM24,873,000 in respect of the current financial period, payable on 1 July 2016 to shareholders whose names appeared in the record of depositors on 17 June 2016. The financial statements for the current financial period 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 2017.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial period,

- (a) there were no changes in the authorised capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM457,084,000 to RM563,957,000 by way of:-
 - (i) issuance of 9,461,000 new ordinary shares of RM1 each pursuant to the Company's employee share option scheme at an average exercise price of RM1.98 per share. The new shares were issued for cash consideration;
 - (ii) a bonus issue of 77,325,000 new ordinary shares of RM1 each ("Bonus issue") by capitalisation of the share premium and retained profits accounts on the basis of one (1) bonus share for every six (6) existing ordinary shares held;
 - (iii) issuance of 20,087,000 new ordinary shares of RM1 each from the exercise of warrant at an exercise price of RM2.40 per Warrant. The new shares were issued for cash consideration.

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

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

DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, 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.

WARRANTS

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

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

The salient features of the Warrants are as follows:-

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

WARRANTS (CONT'D)

The movements in the Warrants since the listing and quotation thereof are as follows:-

	Entitlement For Ordinary Shares of RM1 each			At 31.3.2016
	At 1.1.2015	Issued	Exercised	
Number of unexercised Warrants	-	77,325,585	(20,087,550)	57,238,035

EMPLOYEE SHARE OPTION SCHEME

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

The main features of the ESOS are disclosed in Note 17 to the financial statements.

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

	Number Of Options Over Ordinary Shares Of RM1 Each			At 31.3.2016
	At 1.1.2015	Bonus Issue	Exercised	
1. Tan Say Kuan	490,000	45,665	(216,000)	319,665
2. Tiong Ting Hap	490,000	45,665	(216,001)	319,664
3. Zazali Bin Alias	294,500	49,081	-	343,581

DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 37 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 period 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 period 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 period 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 period.

DIRECTORS

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

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
DATO' LEE TIAN HOCK
HO KONG SOON
DATO' LIM KIU HOCK (APPOINTED ON 19.6.2015)
REZAL ZAIN BIN ABDUL RASHID
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN
DATO' (IR.) BATUMALAI A/L RAMASAMY
DATO' HON CHOON KIM (APPOINTED ON 19.6.2015)
DATO' HAJAH KALSOM BINTI KHALID (APPOINTED ON 15.3.2016)
SALMAH BINTI SHARIF (DEMISED ON 13.6.2015)

Pursuant to Article 97 of the Articles of Association of the Company, Ho Kong Soon and Dato' (Ir.) Batumalai A/L Ramasamy retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Pursuant to Article 103 of the Articles of Association of the Company, Dato' Hon Choon Kim and Dato' Hajah Kalsom Binti Khalid shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. Dato' Lim Kiu Hock who also retires under Article 103 of the Articles of Association of the Company, has given notice that he is not seeking re-election and henceforth he shall retain office until the conclusion of the forthcoming annual general meeting of the Company.

DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

DIRECTORS' INTERESTS

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

<i>The Company</i>	Number of Ordinary Shares of RM1 Each					
	At 1.1.2015	Bought	Bonus Issue	Warrant conversion	Sold/ Transfer	At 31.3.2016
Direct Interests						
Dato' Haji Mohamad Haslah Bin Mohamad Amin	540,000	430,001	132,500	-	-	1,102,501
Dato' Lee Tian Hock	85,141,078	405,001	12,591,014	20,000,000	(10,000,000)	108,137,093
Ho Kong Soon	3,450,428	789,999	642,572	-	-	4,882,999
Dato' Firdaus Muhammad Rom Bin Harun	165,000	127,499	29,583	-	(173,333)	148,749
Rezal Zain Bin Abdul Rashid	217,500	379,999	70,000	-	-	667,499
Dato' (Ir.) Batumalai A/L Ramasamy	342,500	172,501	85,834	-	(100,000)	500,835

Indirect Interest in the Company

Dato' Lee Tian Hock	113,321,053	-	18,886,843	-	-	132,207,896
Ho Kong Soon	19,996,830	-	3,332,805	-	-	23,329,635
Dato' (Ir.) Batumalai A/L Ramasamy	18,000	-	3,000	-	-	21,000

<i>The Company</i>	Number of Warrants			
	At 1.1.2015	Acquired	Exercised	At 31.3.2016
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	-	132,500	-	132,500
Dato' Lee Tian Hock	-	24,674,941	(20,000,000)	4,674,941
Ho Kong Soon	-	642,572	-	642,572
Dato' Firdaus Muhammad Rom Bin Harun	-	29,583	-	29,583
Rezal Zain Bin Abdul Rashid	-	70,000	-	70,000
Dato' (Ir.) Batumalai A/L Ramasamy	-	85,834	-	85,834

DIRECTORS' INTERESTS (CONT'D)

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

	Number of Options over Ordinary Shares of RM1 Each			
	At 1.1.2015	Bonus Issue	Exercised	At 31.3.2016
Share Options of the Company				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	934,998	113,332	(430,001)	618,329
Ho Kong Soon	934,998	88,332	(789,999)	233,331
Dato' Lee Tian Hock	934,998	88,332	(405,001)	618,329
Dato' Firdaus Muhammad Rom Bin Harun	435,000	51,249	(127,499)	358,750
Rezal Zain Bin Abdul Rashid	397,500	32,498	(359,999)	69,999
Dato' (Ir.) Batumalai A/L Ramasamy	367,500	32,498	(172,501)	227,497

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 period to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

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

DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS BERHAD

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial period 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.

SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 6(a) and 39 to the financial statements.

AUDITORS

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 4 JULY 2016**

Dato' Lee Tian Hock

Ho Kong Soon

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

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 102 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial period ended on that date.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 4 JULY 2016**

Dato' Lee Tian Hock

Ho Kong Soon

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Tan Say Kuan, I/C No. 740912-01-5787, being the officer primarily responsible for the financial management of Matrix Concepts Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 180 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Tan Say Kuan, I/C No. 740912-01-5787, at Seremban in the state of Negeri Sembilan
on this 4 July 2016

Tan Say Kuan

Before me

Rodiah Bt Mohamed (No 83)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD

(Incorporated In Malaysia)

Company No : 414615-U

MATRIX CONCEPTS HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of Matrix Concepts Holdings Berhad, which comprise the statements of financial position as at 31 March 2016 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 102 to 180.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD

FINANCIAL STATEMENTS

(Incorporated In Malaysia)
Company No : 414615-U

MATRIX CONCEPTS HOLDINGS BERHAD

- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 41 on page 181 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Crowe Horwath
Firm No. : AF 1018
Chartered Accountants

Piong Yew Peng
Approval No : 3070/06/17(J)
Chartered Accountant

4 July 2016

Melaka

STATEMENTS OF FINANCIAL POSITION

At 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

	NOTE	THE GROUP		THE COMPANY	
		31.3.2016 RM'000	31.12.2014 RM'000 (RESTATED)	31.3.2016 RM'000	31.12.2014 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	–	–	221,298	23,194
Property, plant and equipment	7	218,113	190,512	–	–
Investment properties	8	1,000	1,092	–	–
Goodwill	9	*	*	–	–
Inventories	10	459,907	470,867	–	–
Deferred tax assets	11	6,662	7,155	–	–
		685,682	669,626	221,298	23,194
CURRENT ASSETS					
Inventories	10	358,008	154,802	–	–
Trade receivables and contract assets	12	165,835	124,569	–	–
Other receivables, deposits and prepayments	13	14,424	11,608	31	35
Amount owing by subsidiaries	14	–	–	501,692	680,612
Fixed deposits with licensed bank	15	44,786	36,849	34,241	34,133
Cash and bank balances	16	33,074	59,890	456	38
		616,127	387,718	536,420	714,818
TOTAL ASSETS		1,301,809	1,057,344	757,718	738,012

* - Less than RM1,000

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

STATEMENTS OF FINANCIAL POSITION

At 31 March 2016

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

	NOTE	THE GROUP		THE COMPANY	
		31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	563,957	457,084	563,957	457,084
Retained profits	18	284,792	199,186	131,209	167,871
Other reserves	19	36,445	7,487	36,601	7,487
Equity attributable to owners of the Company		885,194	663,757	731,767	632,442
Non-controlling interests		*	*	-	-
TOTAL EQUITY		885,194	663,757	731,767	632,442
NON-CURRENT LIABILITIES					
Long-term borrowings	20	107,669	28,409	-	-
Deferred tax liabilities	11	275	645	-	-
Other payables and accruals	24	28,492	-	-	-
		136,436	29,054	-	-
CURRENT LIABILITIES					
Trade payables and contract liabilities	23	65,760	156,351	-	-
Other payables, deposits and accruals	24	100,311	138,518	21,906	17,642
Amount owing to subsidiaries	14	-	-	760	85,270
Bank overdrafts	25	32,558	38,316	1,502	2,606
Short-term borrowings	26	64,192	11,475	-	-
Current tax liabilities		17,358	19,873	1,783	52
		280,179	364,533	25,951	105,570
TOTAL LIABILITIES		416,615	393,587	25,951	105,570
TOTAL EQUITY AND LIABILITIES		1,301,809	1,057,344	757,718	738,012

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

	NOTE	THE GROUP		THE COMPANY	
		1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000	1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000
REVENUE	27	912,201	598,842	125,000	311,506
COST OF SALES		(360,296)	(270,921)	-	-
GROSS PROFIT		551,905	327,921	125,000	311,506
OTHER OPERATING INCOME		13,204	3,919	21,667	1,376
		565,109	331,840	146,667	312,882
SELLING AND MARKETING EXPENSES		(64,859)	(26,156)	-	-
ADMINISTRATIVE EXPENSES		(139,329)	(58,377)	(2,563)	(1,509)
FINANCE COSTS		(5,184)	(2,721)	(527)	(128)
PROFIT BEFORE TAXATION	28	355,737	244,586	143,577	311,245
INCOME TAX EXPENSE	29	(94,887)	(62,350)	(4,995)	(340)
PROFIT AFTER TAXATION		260,850	182,236	138,582	310,905
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES		(156)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		260,694	182,236	138,582	310,905

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FINANCIAL STATEMENTS

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

	NOTE	THE GROUP		THE COMPANY	
		1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000	1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		260,850	182,236	138,582	310,905
Non-controlling interests		-	-	-	-
		260,850	182,236	138,582	310,905
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		260,694	182,236	138,582	310,905
Non-controlling interests		-	-	-	-
		260,694	182,236	138,582	310,905
EARNINGS PER SHARE (SEN)					
Basic	30(a)	47.8	34.2		
Diluted	30(b)	47.4	33.9		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

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	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000			
At 1.1.2014										
- As previously reported		301,174	69,229	899	303	179,424	551,029	*	551,029	
- Prior year adjustment		-	-	-	(303)	(21,587)	(21,890)	-	(21,890)	
- As restated		301,174	69,229	899	-	157,837	529,139	*	529,139	
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	182,236	182,236	-	182,236	
Contribution by and distribution to owners of the Company:-										
- Bonus issue	17, 19(b)	152,167	(75,890)	-	-	(76,277)	-	-	-	
- Share options to employees		-	-	7,485	-	-	7,485	-	7,485	
- Employees' share option Exercised	17, 19(b)	3,743	7,879	(2,095)	-	-	9,527	-	9,527	
- Dividends	31	-	-	-	-	(64,630)	(64,630)	-	(64,630)	
- ESOS lapsed		-	-	(20)	-	20	-	-	-	
Total transactions with owners		155,910	(68,011)	5,370	-	(140,887)	(47,618)	-	(47,618)	
Balance at 31.12.2014		457,084	1,218	6,269	-	199,186	663,757	*	663,757	

* - Less than RM1,000

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

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2015 to 31 March 2016

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

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 RESERVE RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000			
At 1.1.2015		457,084	1,218	6,269	-	199,186	663,757	*	663,757	
- As previously reported		-	-	-	-	260,850	260,850	-	260,850	
Profit after taxation										
Other comprehensive income for the financial period										
- Foreign currency translation differences	19(c)	-	-	-	(156)	-	(156)	-	(156)	
Total comprehensive income for the financial period		-	-	-	(156)	260,850	260,694	-	260,694	
Contribution by and distribution to owners of the Company:-										
- Bonus issue	17, 19(b)	77,325	(10,835)	-	-	(66,490)	-	-	-	
- Share options to employees		-	-	3,194	-	-	3,194	-	3,194	
- Employees' share options exercised	17, 19(b)	9,461	13,436	(4,178)	-	-	18,719	-	18,719	
- Dividends	31	-	-	-	-	(109,382)	(109,382)	-	(109,382)	
- ESOS lapsed		-	-	(628)	-	628	-	-	-	
- Warrant exercised		20,087	28,125	-	-	-	48,212	-	48,212	
Total transactions with owners		106,873	30,726	(1,612)	-	(175,244)	(39,257)	-	(39,257)	
Balance at 31.3.2016		563,957	31,944	4,657	(156)	284,792	885,194	*	885,194	

* - Less than RM1,000

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

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

THE COMPANY	Note	NON-DISTRIBUTABLE				DISTRIBUTABLE	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000	
At 1.1.2014							
- As previously reported		301,174	69,229	899	303	19,440	391,045
- Prior year adjustment		-	-	-	(303)	(21,587)	(21,890)
- As restated		301,174	69,229	899	-	(2,147)	369,155
Profit after taxation/ Total comprehensive income for the financial year							
		-	-	-	-	310,905	310,905
Contribution by and distribution to owners of the Company:-							
- Bonus issue	17, 19(b)	152,167	(75,890)	-	-	(76,277)	-
- Share options to employees		-	-	7,485	-	-	7,485
- Employees' share options exercised	17	3,743	7,879	(2,095)	-	-	9,527
- Dividends	31	-	-	-	-	(64,630)	(64,630)
- ESOS lapsed		-	-	(20)	-	20	-
Total transactions with owners		155,910	(68,011)	5,370	-	(140,887)	(47,618)
Balance at 31.12.2014		457,084	1,218	6,269	-	167,871	632,442

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

STATEMENTS OF CHANGES IN EQUITY

FINANCIAL STATEMENTS

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

THE COMPANY	Note	NON-DISTRIBUTABLE				DISTRIBUTABLE		TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	CAPITAL RESERVE RM'000	RETAINED PROFITS RM'000		
At 1.1.2015		457,084	1,218	6,269	–	167,871	632,442	
Profit after taxation/ Total comprehensive income for the financial period		–	–	–	–	138,582	138,582	
Contribution by and distribution to owners of the Company:-								
- Bonus issue	17, 19(b)	77,325	(10,835)	–	–	(66,490)	–	
- Share options to employees		–	–	3,194	–	–	3,194	
- Employees' share options exercised	17	9,461	13,436	(4,178)	–	–	18,719	
- Dividends	31	–	–	–	–	(109,382)	(109,382)	
- ESOS lapsed		–	–	(628)	–	628	–	
- Warrant exercised		20,087	28,125	–	–	–	48,212	
Total transactions with owners		106,873	30,726	(1,612)	–	(175,244)	(39,257)	
Balance at 31.3.2016		563,957	31,944	4,657	–	131,209	731,767	

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

STATEMENTS OF CASH FLOWS

For the financial period from 1 January 2015 to 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

	THE GROUP		THE COMPANY		
	1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000	1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000	
	NOTE				
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		355,737	244,586	143,577	311,245
Adjustments for:-					
Depreciation of property, plant and equipment		9,831	2,550	-	-
Depreciation of investment properties		33	308	-	-
ESOS expenses		3,194	7,485	200	452
Interest expenses		5,184	2,721	527	128
Property development cost written off		-	102	-	-
Interest income		(10,381)	(2,859)	(21,667)	(1,376)
Gain on disposal of investment property		(92)	-	-	-
Gain on disposal of property, plant and equipment		(81)	(227)	-	-
Operating profit before working capital changes		363,425	254,666	122,637	310,449
Increase in inventories		(192,246)	(76,847)	-	-
(Increase)/Decrease in trade and other receivables		(44,082)	11,649	4	18,000
(Decrease)/Increase in trade and other payables		(97,561)	9,518	257	(191)
CASH FROM OPERATIONS		29,536	198,986	122,898	328,258
Interest received		3,629	2,859	21,667	1,376
Tax paid		(97,279)	(62,929)	(3,264)	(667)
Interest paid		(5,184)	(2,721)	(527)	(128)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(69,298)	136,195	140,774	328,839

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

STATEMENTS OF CASH FLOWS

For the financial period from 1 January 2015 to 31 March 2016

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

	NOTE	THE GROUP		THE COMPANY	
		1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000	1.1.2015 To 31.3.2016 RM'000	1.1.2014 To 31.12.2014 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Investment in subsidiary companies		-	-	(198,104)	(10,150)
Withdrawal of unit trust		-	15,000	-	15,000
Placements of pledged deposits with licensed banks		(218)	(163)	(154)	(40)
Proceeds from disposal of property, plant and equipment		2,892	1,682	-	-
Proceeds from disposal of investment property		151	-	-	-
Purchase of property, plant and equipment		(40,243)	(116,352)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(37,418)	(99,833)	(198,258)	4,810
CASH FLOW FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		(105,375)	(77,606)	(105,375)	(77,606)
Drawdown of term loans		112,867	38,000	-	-
Drawdown of revolving credit		30,000	-	-	-
Proceeds from issuance of shares		66,931	9,527	66,931	9,527
Repayment from/(to) related parties		-	-	97,404	(313,515)
Repayment of term loans		(10,790)	(16,597)	-	-
Repayment of hire purchase		(100)	(217)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		93,533	(46,893)	58,960	(381,594)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(13,183)	(10,531)	1,476	(47,945)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		(156)	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		52,950	63,481	28,849	76,794
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	32	39,611	52,950	30,325	28,849

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

1. GENERAL INFORMATION

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 4 July 2016.

2. CHANGE OF FINANCIAL YEAR

During the current financial period, the Company has changed its financial year end from 31 December to 31 March.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

4. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

4. BASIS OF PREPARATION (CONT'D)

4.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above mentioned accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Income Taxes

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

(c) Recognition of Property Development Profits

The Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on direct measurements of the value transferred by the Group to the customer and 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;
- the extent of the costs incurred.

Substantial changes in cost estimates can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists.

There is no estimation required in determining the transaction prices as revenue from property development are based on contracted prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Construction Contracts

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

(i) Contract Revenue

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

(ii) Contract Costs

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

(e) Impairment of Non-Financial Assets

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

(f) Write-down of Inventories

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

(g) Classification between Investment Properties and Owner occupied Properties

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(h) Impairment of Trade and Other Receivables

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

(i) 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.

(j) 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.

(k) 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.

(l) Held-to-maturity Financial Assets

The Group classifies fixed deposits with licensed bank as held-to-maturity investments when it has a positive intention and ability to hold the investments to maturity. Management exercises judgement based on the Group's treasury objective and financial risk management policy to determine whether the financial assets are to be classified as held-to-maturity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

5.3 GOODWILL

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 CONTRACT ASSETS/CONTRACT LIABILITIES

Where property development revenue recognised in the income statement 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 income statement, the balances is shown as contract liabilities under current liabilities.

5.5 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) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the 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 are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

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.

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

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

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

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

(a) Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

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

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

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

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.

(iii) Loans and Receivables Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

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

Ordinary Shares

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

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

(d) Derecognition

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

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

5.7 INVESTMENTS IN SUBSIDIARIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 INVESTMENT PROPERTIES

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

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

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

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

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

5.10 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

(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 the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets (Cont'd)

An impairment loss is recognised in profit or loss.

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

5.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the correspondence obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

5.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

(a) Property Development Costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The asset is subsequently recognised as an expense in income statements when or as the control of the asset is transferred to the customer.

(b) Unsold Properties

The cost of unsold properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 INVENTORIES (CONT'D)

(c) Club 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.

5.13 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.

5.14 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 INCOME TAXES (CONT'D)

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

5.15 BORROWING COSTS

Borrowing costs that 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 incurred.

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

5.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.17 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.

5.18 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.18 EMPLOYEE BENEFITS (CONT'D)

(b) Defined Contribution Plans

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

(c) Share-based Payment Transactions

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

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

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

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

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

5.19 RELATED PARTIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 RELATED PARTIES (CONT'D)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

5.20 CONTINGENT LIABILITIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.21 FAIR VALUE MEASUREMENTS

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

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.

5.22 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 transfer 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 Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.22 REVENUE AND OTHER INCOME (CONT'D)

(a) Revenue from contracts with customers (Cont'd)

Revenue from property development

Revenue from property development is recognised when or as the control of the asset is transferred to the customer. Depending on the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards completed satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer (e.g. surveys or appraisals of the performance completed to date); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. 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).

(b) Sale of Goods

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

(c) Services

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

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

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MATRIX CONCEPTS HOLDINGS BERHAD

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.22 REVENUE AND OTHER INCOME (CONT'D)

(e) Dividend Income

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

(f) Rental income

Rental income is accounted for on a straight-line method over the lease term.

5.23 OPERATING SEGMENTS

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

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000
Unquoted shares, at cost		
- in Malaysia	221,294	23,194
- outside Malaysia	4	-
	221,298	23,194

(a) During the financial period, the Company incorporated three (3) wholly-owned subsidiaries namely Matrix Property Services Sdn. Bhd., Matrix Healthcare Sdn. Bhd. and Matrix Concepts (Australia) Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) The details of the subsidiaries are as follows:-

Name of subsidiaries	Principal Place of Business	Effective Equity Interest		Principal Activities
		31.3.2016 %	31.12.2014 %	
Pembinaan Juwasan Sdn. Bhd.	Malaysia	100	100	Project management, temporarily ceased business operation during the period
Matrix Concepts (Central) Sdn. Bhd.	Malaysia	100	100	Property development
Riverine Projects Sdn. Bhd.	Malaysia	100	100	Property development
Matrix Global Education Sdn. Bhd.	Malaysia	100	100	Provision of education services
Masuda Corporation Sdn. Bhd.	Malaysia	100	100	Property development
Matrix Concepts Sdn. Bhd.	Malaysia	100	100	Sales of land and property development
Seventech Sdn. Bhd.	Malaysia	100	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	100	100	Landscape management, temporarily ceased business operation during the period
BSS Development Sdn. Bhd.	Malaysia	100	100	Sales of land and property development
MCHB Properties Sdn. Bhd.	Malaysia	100	100	Investment in properties
Insani Utama Sdn. Bhd.	Malaysia	100	100	Sales of land and property development
Matrix IBS Sdn. Bhd.	Malaysia	100	100	Dormant company
Matrix Property Services Sdn. Bhd.	Malaysia	100	-	Dormant company
Matrix Healthcare Sdn. Bhd.	Malaysia	100	-	Dormant company
Matrix Concepts (Australia) Pty Ltd [@]	Australia	100	-	Sales of property development

[@] This subsidiary was audited by other firm of chartered accountant.

NOTES TO THE FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Subsidiaries of Pembinaan Juwasan Sdn. Bhd.

Name of subsidiaries	Principal Place of Business	Effective Equity Interest		Principal Activities
		31.3.2016 %	31.12.2014 %	
Matrix Excelcon Sdn. Bhd. (formerly known as Juwasan Maju Sdn. Bhd.)	Malaysia	100	100	Project management and procurement of building materials
Juwasan Trading Sdn. Bhd.	Malaysia	100	100	General contractor and trading in materials, temporarily ceased business operation during the period

Subsidiary of Masuda Corporation Sdn. Bhd.

MCHB Management Services Sdn. Bhd.	Malaysia	100	100	Provision of management and administration services
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Subsidiaries of Matrix Concepts Sdn. Bhd.

Matrix Country Club Sdn. Bhd.	Malaysia	100	100	Clubhouse operator
Matrix Hotels Management Sdn. Bhd. (formerly known as Kris Benua Sdn. Bhd.)	Malaysia	100	100	Project management, administrative services and rental of motor vehicle, temporarily ceased business operation during the period.

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.1.2015 RM'000	ADDITIONS RM'000	RECLASSIFICATION RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2016 RM'000
NET BOOK VALUE						
Freehold land	1,257	-	-	-	-	1,257
Buildings	38,303	20,703	142,913	-	(6,005)	195,914
Leasehold land and buildings	144	-	-	-	(2)	142
Office equipment, furniture and fittings	3,063	8,398	-	-	(2,042)	9,419
Plant and machinery	839	3	-	-	(162)	680
Motor vehicles	3,993	5,445	-	(2,811)	(1,620)	5,007
Building in progress	142,913	5,694	(142,913)	-	-	5,694
Total	190,512	40,243	-	(2,811)	(9,831)	218,113

THE GROUP	AT 1.1.2014 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2014 RM'000
NET BOOK VALUE					
Freehold land	1,257	-	-	-	1,257
Buildings	7,471	31,170	-	(338)	38,303
Leasehold land and buildings	146	-	-	(2)	144
Office equipment, furniture and fittings	186	3,483	-	(606)	3,063
Plant and machinery	929	48	-	(138)	839
Motor vehicles	6,513	401	(1,455)	(1,466)	3,993
Building in progress	61,663	81,250	-	-	142,913
Total	78,165	116,352	(1,455)	(2,550)	190,512

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31 MARCH 2016			
Freehold land	1,257	–	1,257
Buildings	202,793	(6,879)	195,914
Leasehold land and buildings	173	(31)	142
Office equipment, furniture and fittings	13,107	(3,688)	9,419
Plant and machinery	1,492	(812)	680
Motor vehicles	11,226	(6,219)	5,007
Building in progress	5,694	–	5,694
Total	235,742	(17,629)	218,113

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31 DECEMBER 2014			
Freehold land	1,257	–	1,257
Buildings	39,177	(874)	38,303
Leasehold land and buildings	173	(29)	144
Office equipment, furniture and fittings	5,397	(2,334)	3,063
Plant and machinery	1,489	(650)	839
Motor vehicles	14,282	(10,289)	3,993
Building in progress	142,913	–	142,913
Total	204,688	(14,176)	190,512

Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM136,000 (31.12.2014 – RM255,000), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

8. INVESTMENT PROPERTIES

THE GROUP NET BOOK VALUE	At 1.1.2015 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	At 31.3.2016 RM'000
Houses	1,092	(59)	(33)	1,000

THE GROUP NET BOOK VALUE	AT 1.1.2014 RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2014 RM'000
Houses	1,400	(308)	1,092

THE GROUP AT 31.3.2016	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
Houses	1,325	(325)	1,000

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

The estimated fair value of the Group investment properties as at the end of the reporting period approximates RM2,400,000 (31.12.2014: RM2,400,000).

9. GOODWILL

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Goodwill arising from consolidated	18	18
Accumulated impairment losses	(18)	(18)
At 31 March/31 December	*	*

* - Less than RM1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

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MATRIX CONCEPTS HOLDINGS BERHAD

10. INVENTORIES

	Note	THE GROUP	
		31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
<u>Non-current</u>			
Property development costs	10(a)	459,907	470,867
<u>Current</u>			
Property development costs	10(b)	351,795	153,022
Unsold properties	10(c)	5,985	1,780
Trading goods	10(d)	228	–
		358,008	154,802

Certain development properties have been pledged to secure term loans as disclosed in Note 21 to the financial statements.

Included in the development costs are interest capitalised during the period of RM21,204,000 (31.12.2014: RM734,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

10. INVENTORIES (CONT'D)

(a) Property development costs (non-current)

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
Land, at cost		
At beginning of the period/year	368,072	313,121
Costs incurred during the period/year	112,314	89,678
Transfer to property development costs (current)	(119,301)	(33,212)
Disposal during the period/year	–	(1,515)
At the end of the period/year	361,085	368,072
Development costs		
At beginning of the period/year	102,795	90,442
Costs incurred during the period/year	43,959	31,877
Transfer to property development costs (current)	(47,932)	(19,524)
At the end of the period/year	98,822	102,795
Cumulative cost/Carrying amount	459,907	470,867

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

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MATRIX CONCEPTS HOLDINGS BERHAD

10. INVENTORIES (CONT'D)

(b) Property development costs (current)

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
Land, at cost		
At beginning of the period/year	55,582	14,071
Costs incurred during the period/year	122,440	31,445
Transfer from property development costs (Non-current)	119,301	33,212
Reversal of completed project	(40,914)	(23,146)
At the end of the period/year	256,409	55,582
Development costs		
At beginning of the period/year	420,414	347,690
Costs incurred during the period/year	307,279	233,499
Transfer from property development costs (Non-current)	47,932	19,524
Reversal of completed project	(326,768)	(180,299)
At the end of the period/year	448,857	420,414
Cumulative cost	705,266	475,996
Cumulative cost recognised in income statement		
At beginning of the period/year	(322,974)	(237,182)
Recognised during the period/year	(393,324)	(287,457)
Unsold completed unit transfer to inventories	(4,855)	(1,780)
Reversal of completed project	367,682	203,445
At the end of the period/year	(353,471)	(322,974)
Carrying amount	351,795	153,022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

10. INVENTORIES (CONT'D)

(c) Unsold properties

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
At cost:-		
Unsold completed development properties	5,985	1,780

(d) Trading goods

As at 31.3.2016, all trading goods for the Group are stated at cost.

11. DEFERRED TAX (ASSETS)/LIABILITIES

	Recognised in Profit or Loss		Recognised in Profit or Loss		At 31.3.2016 RM'000
	At 1.1.2014 RM'000	(Note 29) RM'000	At 1.1.2015 RM'000	(Note 29) RM'000	
The Group					
<i>Deferred tax liability</i>					
Property, plant and equipment	857	(212)	645	(370)	275
<i>Deferred Tax Assets</i>					
Unabsorbed business losses	-	-	-	(32)	(32)
Unutilised capital allowances	-	-	-	(148)	(148)
Provisions	(34)	(238)	(272)	(795)	(1,067)
Unrealised profits	(6,506)	(377)	(6,883)	1,468	(5,415)
	(6,540)	(615)	(7,155)	493	(6,662)
	(5,683)	(827)	(6,510)	123	(6,387)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

12. TRADE RECEIVABLES AND CONTRACT ASSETS

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
Trade receivables	93,911	40,205
Contract assets in relation to property development	71,924	84,364
	165,835	124,569

(a) The credit terms of the Group range from 14 to 60 (31.12.2014: 14 to 21) days.

(b) Other credit terms are assessed and approved on a case-by-case basis.

Contract assets

The contract assets and contract liabilities as at 31 March 2016 and 31 December 2014 were not impacted by significant changes in contract terms.

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
Net carrying amount of contract assets and liabilities is analysed as follows:		
At 1.1.2015 / 1.1.2014		
- contract assets	84,364	96,722
- contract liabilities	(82,697)	(12,052)
Property development revenue recognised during the financial period/year	889,565	595,553
Less: Billings during the financial period/year	(832,641)	(678,556)
At 31.3.2016 / 31.12.2014	58,591	1,667
At 31.3.2016 / 31.12.2014		
- contract assets	71,924	84,364
- contract liabilities	(13,333)	(82,697)
	58,591	1,667

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)	31.3.2016 RM'000	31.12.2014 RM'000
Other receivables	8,185	5,051	30	30
Deposits	3,731	2,150	1	5
Goods and services tax refundable	1,962	-	-	-
Prepayment	546	4,407	-	-
	14,424	11,608	31	35

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000
Amount owing by:-		
Non-trade balances	501,692	680,612
Amount owing to:-		
Non-trade balances	(760)	(85,270)

The non-trade balances represent payments made on behalf which bear an interest of 5% per annum (31.12.2014 – Nil). The amounts owing have no fixed terms of repayment.

15. FIXED DEPOSITS WITH LICENSED BANK

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.60% to 3.43% (31.12.2014 – 3.15% to 3.30%) per annum and 3.15% to 3.43% (31.12.2014 – 3.15% to 3.30%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (31.12.2014 - 30 to 365) days and 30 to 365 (31.12.2014 - 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 RM5,691,000 (31.12.2014 – RM5,473,000) and RM2,870,000 (31.12.2014 – RM2,716,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

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16. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM15,530,000 (31.12.2014 – RM24,174,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

17. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	THE GROUP		THE COMPANY	
	31.3.2016	31.12.2014	31.3.2016	31.12.2014
	Number of shares ('000)		RM'000	RM'000
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	2,000,000	2,000,000	2,000,000	2,000,000
ISSUED AND FULLY PAID-UP				
At 1.1.2015/2014	457,084	301,174	457,084	301,174
New shares issued:				
- bonus shares	77,325	152,167	77,325	152,167
- ESOS exercised	9,461	3,743	9,461	3,743
- warrant conversion	20,087	-	20,087	-
At 31.3.2016/31.12.2014	563,957	457,084	563,957	457,084

- (i) The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.
- (ii) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

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17. SHARE CAPITAL (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME

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

The principal features of the ESOS are as follows:-

- (i) The maximum number of new shares under the Scheme shall not exceed in aggregate 10%, or any such amount or percentage may be permitted by relevant authorities of the issue and paid-up share capital of the Company at any one time during the existence of the Scheme.
- (ii) Eligible directors or employees of the Group are directors or employees of the Group who have been confirmed in the service of the Group prior to the offer or, if the employee is serving under an employment contract, the contract should be for a duration of at least one (1) year. The maximum allowable allotments for the directors have been approved by the shareholders of the Company in a general meeting.
- (iii) Not more than 10% of the shares available under the Scheme is allocated to any individual director or employee who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) The option price may be subjected to a discount of not more than ten percent (10%) from the weighted average market price of the Company's shares for the five (5) trading days preceding the date of the offer or such maximum discount as may be permitted by Bursa Malaysia Securities Berhad, whichever is higher.
- (v) All new ordinary shares issued upon exercise of the options granted under the Scheme will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so acquired and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.
- (vi) The unexercised option granted to eligible employees will lapse when they are no longer in employment with the Group unless a claim was made that is subjected to the discretion of the Option Committee.

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17. SHARE CAPITAL (CONT'D)

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

Date of Offer	Exercise period	Exercise price per ordinary share before bonus issue RM	Exercise price per ordinary share after bonus issue RM	During the period			Balance at 31 March 2016	
				Balance at 1 January 2015	Bonus issue	Exercised		Lapsed
6.5.2013	1.7.2013 – 2.1.2015	1.46	1.23	3,066,889	88,257	(2,355,041)	(236,302)	563,803
29.1.2014	7.2.2014 – 1.1.2016	2.17	1.83	8,337,064	806,274	(4,413,568)	(713,499)	4,016,271
9.12.2014	1.1.2015 – 1.1.2017	2.46	2.08	9,708,479	1,247,210	(2,692,128)	(797,439)	7,466,122
				21,112,432	2,141,741	(9,460,737)	(1,747,240)	12,046,196

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

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

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18. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

19. OTHER RESERVES

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
Non-distributable:-				
Employee Share option reserve	(a) 4,657	6,269	4,657	6,269
Share premium	(b) 31,944	1,218	31,944	1,218
Translation reserves	(c) (156)	-	-	-
	36,445	7,487	36,601	7,487

(a) EMPLOYEE SHARE OPTION RESERVE

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	THE GROUP/ THE COMPANY ESOS GRANTED ON		
	9.12.2014	29.1.2014	6.5.2013
Fair value of share options at the grant date (RM)	0.52	0.78	0.43
Weighted average share price (RM)	2.36	3.57	2.57
Exercise price (RM)	2.46	3.26	2.20
Expected volatility (%)	43.73	29.10	20.49
Expected life (years)	3.43	4.32	5.00
Risk free rate (%)	3.98	3.96	3.41
Expected dividend yield (%)	8.59	6.53	-

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19. OTHER RESERVES (CONT'D)

(b) SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
At 1.1.2015/2014	1,218	69,229	1,218	69,229
New shares issued under the employee share option scheme	13,436	7,879	13,436	7,879
Bonus issues of new shares	(10,835)	(75,890)	(10,835)	(75,890)
Warrant issues	28,125	-	28,125	-
At 31.3.2016/31.12.2014	31,944	1,218	31,944	1,218

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(c) TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary.

20. LONG-TERM BORROWINGS

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Term loans (Note 21)	107,669	28,362
Hire purchase payables (Note 22)	-	47
	107,669	28,409

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21. TERM LOANS (SECURED)

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Term loans	141,834	39,757
Less: Portion repayable within twelve months (Note 26)	(34,165)	(11,395)
Portion repayable after twelve months (Note 20)	107,669	28,362
Current portion:-		
- repayable within 1 year	34,165	11,395
Non-current portion:-		
- repayable between 1 and 2 years	29,087	10,699
- repayable between 2 and 5 years	56,320	17,159
- repayable more than 5 years	22,262	504
Total non-current portion	107,669	28,362
	141,834	39,757

The bank term loans are repayable over 60 to 84 (31.12.2014 – 60 to 180) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 25 to the financial statements.

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22. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Minimum hire purchase payments:-		
- Not later than 1 year	30	90
- Later than 1 year and not later than 5 years	-	52
	30	142
Less: Future finance charges	(3)	(15)
Present value of hire purchase payables	27	127

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Current (Note 26)		
- not later than 1 year	27	80
Non-current (Note 20)		
- later than 1 year and not later than 5 years	-	47
	27	127

The term for hire-purchase is 4 (31.12.2014 : 3 - 6) years. In respect of the financial period ended 31 March 2016, the borrowing rate is 2.43% (31.12.2014 : 2.18% - 3.50%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangements.

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MATRIX CONCEPTS HOLDINGS BERHAD

23. TRADE PAYABLES AND CONTRACT LIABILITIES

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)
Trade payables	51,836	73,193
Retention sum	591	461
Contract liabilities in relation to property development	13,333	82,697
	65,760	156,351

The normal trade credit terms granted to the Group range from 30 days to 120 days (31.12.2014 – 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
<u>Current</u>				
Other payables	8,189	15,185	4	3
Goods and services tax payables	351	–	–	–
Deposits	13,797	740	–	–
Accruals	52,651	103,957	754	498
Dividend payables	21,148	17,141	21,148	17,141
Deferred income	4,175	1,495	–	–
	100,311	138,518	21,906	17,642
<u>Non-Current</u>				
Other payables and accruals	28,492	–	–	–
	128,803	138,518	21,906	17,642

The fair value of other payables and accruals of RM40,662,000 (31.12.2014 – Nil) was estimated by calculating the present value of the future expected cash flows based on a discount rate of 5% (31.12.2014 – Nil).

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25. BANK OVERDRAFTS (SECURED)

	THE GROUP		THE COMPANY	
	31.3.2016 %	31.12.2014 %	31.3.2016 %	31.12.2014 %
Bank overdrafts	7.69	7.61	8.35	8.35

The bank overdrafts and term loans are secured by the following:-

- (i) Facilities agreements;
- (ii) Legal charge over certain development properties and properties of certain subsidiary companies;
- (iii) Guaranteed jointly and severally by certain directors of the Company and of certain subsidiary companies;
- (iv) Pledge of fixed deposits of the Company and of certain subsidiary companies;
- (v) Corporate guarantee on principal sums plus interest thereon by the Company;
- (vi) The Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad under Working Capital Guarantee Scheme; and
- (vii) A specific debenture over certain charged properties of subsidiaries companies.

26. SHORT-TERM BORROWINGS

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Revolving credit	30,000	–
Term loans (Note 21)	34,165	11,395
Hire purchase payables (Note 22)	27	80
	64,192	11,475

The weighted average effective interest rates at the reporting period for the borrowings, excluding hire purchase payables were as follows:

	THE GROUP	
	31.3.2016 %	31.12.2014 %
Revolving credit	8.60	–
Term loans	7.06	7.52

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27. REVENUE

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Contract with customers :-				
- Sales of development properties	889,565	595,553	-	-
- Sales of completed properties	-	476	-	-
- Leisure and recreation services	11,028	-	-	-
- Education services	11,608	734	-	-
Dividend income	-	-	125,000	311,506
Other	-	2,079	-	-
	912,201	598,842	125,000	311,506

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28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- Statutory audit				
- current period/year	485	423	68	60
- over provision in prior year	(6)	-	-	-
- Other services	80	-	55	-
Depreciation of investment properties	33	308	-	-
Depreciation of property, plant and equipment	9,831	2,550	-	-
Director remuneration	27,906	14,168	764	895
Interest expenses	5,184	2,721	527	128
Property development cost written off	-	102	-	-
Rental of equipment	348	7	-	-
Rental of land	3	3	-	-
Rental of premises	1,080	461	-	-
Staff costs	64,295	28,354	-	-
Staff ESOS expenses	2,081	5,068	-	-
Gain on disposal of property, plant and equipment	(81)	(227)	-	-
Gain on disposal of investment property	(92)	-	-	-
Interest income	(10,381)	(2,859)	(21,667)	(1,376)
Rental income	(384)	(247)	-	-

Included in staff costs is EPF contribution of RM4,962,000 (31.12.2014 – RM3,925,000) of the Group.

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29. TAXATION

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Current tax expenses:-				
Malaysian Income Tax for the current financial period/year	96,052	62,640	5,060	340
(Over)/Under provision in the previous financial year	(1,288)	537	(65)	-
	94,764	63,177	4,995	340

Deferred tax expenses (Note 11):-

- origination and reversal of temporary differences	660	(817)	-	-
- over provision in the previous financial year	(537)	(10)	-	-
	123	(827)	-	-
	94,887	62,350	4,995	340

Subject to agreement with the tax authorities, at the end of the reporting period, the unabsorbed losses and unutilised capital allowances of the Group are as follows:

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Unabsorbed tax losses	16,827	4,179
Unutilised capital allowances	2,934	350
	19,761	4,529

No deferred tax assets are recognised in the Group in respect of the following items:-

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Unabsorbed tax losses	30,668	4,179
Unutilised capital allowances	1,536	187
Provision	5,587	-
	37,791	4,366

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29. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to the profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Profit before taxation	355,737	244,586	143,577	311,245
Tax at the applicable corporate Tax rate of 24% (31.12.2014 - 25%)	85,377	61,146	34,458	77,811
Tax effects of:-				
Non-deductible expenses	3,124	2,962	205	474
Non-taxable income	(1,248)	(104)	(29,603)	(77,945)
Deferred tax assets not recognised during the financial period/year	8,022	1,649	-	-
Utilised/(Reversal) of deferred tax assets not recognised in previous financial year	1,454	(3,830)	-	-
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	(17)	-	-	-
(Over)/Under provision of Malaysian Income Tax in the previous financial period/year	(1,288)	537	(65)	-
Over provision of deferred tax in the previous financial period/year	(537)	(10)	-	-
Tax charge for the financial period/year	94,887	62,350	4,995	340

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30. EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company and divided by the weighted average number of ordinary shares in issue during the period under review.

	THE GROUP	
	1.1.2015 to 31.3.2016	1.1.2014 to 31.12.2014
Profit attributable to owners of the Company (RM'000)	260,850	182,236
Weighted average number of ordinary shares ('000)	545,863	533,128*
Basic earnings per share (Sen)	47.8	34.2

(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 share that would have been issued at fair value during the period under review.

	THE GROUP	
	1.1.2015 to 31.3.2016	1.1.2014 to 31.12.2014
Profit attributable to owners of the Company (RM'000)	260,850	182,236
Weighted average number of ordinary shares for basic earnings per share ('000)	545,863	533,128*
Effect of potential exercise of ESOS ('000)	2,490	4,821
Effect of potential exercise of warrants ('000)	1,549	-
Weighted average number of ordinary share for diluted earnings per share computation ('000)	549,902	537,949
Diluted earnings per share (Sen)	47.4	33.9

* The comparative basic and diluted earnings per share have been restated taken into account the effect of bonus issue on the basis of one share for every six existing ordinary share held in financial period 2016.

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31. DIVIDENDS

	THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
<u>In respect of the financial year ended 31 December 2013:-</u>		
- 4 th interim single tier dividend of 5 sen per ordinary share, paid on 11 April 2014	-	15,148
<u>In respect of the financial year ended 31 December 2014:-</u>		
- 1 st interim single tier dividend of 5 sen per ordinary share, paid on 10 July 2014	-	15,208
- 2 nd interim single tier dividend of 3.75 sen per ordinary share, paid on 16 October 2014	-	17,133
- 3 rd interim single tier dividend of 5 sen per ordinary share, paid on 15 January 2015	-	17,141
<u>In respect of the financial year ended 31 December 2014:-</u>		
- 4 th interim single tier dividend of 5.25 sen per ordinary share, paid on 9 April 2015	24,226	-
- Special interim dividend of 1.25 sen per ordinary share, paid on 9 April 2015	5,768	-
<u>In respect of the financial period ended 31 March 2016:-</u>		
- 1 st interim single tier dividend of 4.25 sen per ordinary share, paid on 9 July 2015	19,711	-
- 2 nd interim single tier dividend of 3.50 sen per ordinary share, paid on 9 October 2015	19,261	-
- 3 rd interim single tier dividend of 3.50 sen per ordinary share, paid on 8 January 2016	19,268	-
- 4 th interim single tier dividend of 3.75 sen per ordinary share, paid on 8 April 2016	21,148	-
	109,382	64,630

Subsequent to the end of financial period, the directors, on 19 May 2016 declared a fifth interim single tier dividend of 4.40 sen per ordinary share amounting to RM24,873,000 in respect of the current financial period, payable on 1 July 2016 to shareholders whose names appeared in the record of depositors on 17 June 2016.

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32. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
Fixed deposits with licensed banks	44,786	36,849	34,241	34,133
Cash and bank balances	33,074	59,890	456	38
Bank overdrafts (Note 25)	(32,558)	(38,316)	(1,502)	(2,606)
	45,302	58,423	33,195	31,565
Less: Fixed deposits pledged to licensed banks	(5,691)	(5,473)	(2,870)	(2,716)
	39,611	52,950	30,325	28,849

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33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial period are as follows:-

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Directors				
Directors of the Company				
<i>Executive Directors:</i>				
- non-fee emoluments	18,945	6,680	-	-
- ESOS expense	346	637	-	-
- Benefit in kind	261	306	-	-
	19,552	7,623	-	-
<i>Non-executive Directors:</i>				
- fee	1,665	770	315	230
- non-fee emoluments	72	512	72	62
- ESOS expense	373	770	200	452
- Benefit in kind	229	286	177	151
	2,339	2,338	764	895

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33. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(a) The key management personnel compensation during the financial period are as follows (Cont'd):-

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Directors (Cont'd)				
<u>Directors of the subsidiaries</u>				
<i>Executive Directors:</i>				
- fee	1,134	626	-	-
- non-fee emoluments	4,205	2,309	-	-
- ESOS expense	394	872	-	-
- Benefit in kind	282	400	-	-
	6,015	4,207	-	-
Total directors' remuneration	27,906	14,168	764	895
Other Key Management Personnel				
- non-fee emoluments	-	537	-	-
- ESOS expense	-	138	-	-
- Benefit in kind	-	58	-	-
	-	733	-	-
	27,906	14,901	764	895

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33. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	THE GROUP	
	1.1.2015 to 31.3.2016	1.1.2014 to 31.12.2014
Executive Directors:-		
RM1,850,001 – RM1,900,000	1	–
RM3,350,001 – RM3,400,000	–	1
RM3,950,001 – RM4,000,000	–	1
RM8,050,001 – RM8,100,000	1	–
RM9,300,001 – RM9,350,000	1	–
	3	2
Non-executive directors:-		
RM1 – RM50,000	2	–
RM50,001 – RM100,000	1	1
RM100,001 – RM150,000	2	–
RM200,001 – RM250,000	1	3
RM1,300,001 – RM1,350,000	–	1
RM1,500,001 – RM1,550,000	1	–
	7	5

34. SIGNIFICANT 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.

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MATRIX CONCEPTS HOLDINGS BERHAD

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial period:-

	THE GROUP		THE COMPANY	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Subsidiaries				
Dividend income	–	–	(125,000)	(311,506)
Interest income	–	–	(19,634)	–
Interest expenses	–	–	308	–
Persons connected to directors of the Company				
Sales of development properties	(17,598)	(14,700)	–	–
Rental paid	168	92	–	–
Lead architect and architectural consultancy services	540	–	–	–
Development management and sales and marketing services	372	–	–	–
Persons connected to directors of the subsidiary Company				
Rental paid	42	24	–	–
Corporations connected to directors of the Company and of certain subsidiary companies				
Purchases of building materials and sub-contract charges	55,073	46,932	–	–
Director sale of mote vehicles	(110)	–	–	–

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MATRIX CONCEPTS HOLDINGS BERHAD

35. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

- (a) Property Development – involves in development of commercial and residential properties
- (b) Education - involves in managing and administering a private and international school
- (c) Leisure and Recreation – involves in managing and operating a clubhouse.

BUSINESS SEGMENTS

	Property Development RM'000	Education RM'000	Leisure and Recreation RM'000	Group RM'000
31.3.2016				
Revenue				
External revenue	889,565	11,608	11,028	912,201
Inter-segment revenue	433,402	–	–	433,402
	1,322,967	11,608	11,028	1,345,603
Adjustments and eliminations				(433,402)
Consolidated revenue				912,201
Results				
Segment results	372,792	(7,927)	(1,300)	363,565
Interest income	10,381	–	–	10,381
	383,173	(7,927)	(1,300)	373,946
Depreciation	(2,426)	(5,007)	(2,398)	(9,831)
Finance costs	(5,156)	–	(28)	(5,184)
Share options to employees	(3,194)	–	–	(3,194)
Profit before taxation	372,397	(12,934)	(3,726)	355,737
Income tax expense	(94,887)	–	–	(94,887)
Consolidated profit after taxation	277,510	(12,934)	(3,726)	260,850

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MATRIX CONCEPTS HOLDINGS BERHAD

35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Education RM'000	Leisure and Recreation RM'000	Group RM'000
31.12.2014				
Revenue				
External revenue	598,108	734	-	598,842
Inter-segment revenue	738,340	-	-	738,340
	1,336,448	734	-	1,337,182
Adjustments and eliminations				(738,340)
Consolidated revenue				598,842
Results				
Segment results	259,873	(4,566)	(824)	254,483
Interest income	2,859	-	-	2,859
	262,732	(4,566)	(824)	257,342
Depreciation	(2,076)	(456)	(18)	(2,550)
Finance costs	(2,721)	-	-	(2,721)
Share options to employees	(7,485)	-	-	(7,485)
Profit before taxation	250,450	(5,022)	(842)	244,586
Income tax expense	(62,350)	-	-	(62,350)
Consolidated profit after taxation	188,100	(5,022)	(842)	182,236

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35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Education RM'000	Leisure and Recreation RM'000	Group RM'000
31.3.2016				
<u>Assets</u>				
Segment assets	1,073,121	149,783	72,243	1,295,147
Unallocated assets	6,662	–	–	6,662
Consolidated total assets				<u>1,301,809</u>
<u>Liabilities</u>				
Segment liabilities	388,037	6,527	4,418	398,982
Unallocated liabilities	17,663	–	–	17,633
Consolidated total liabilities				<u>416,615</u>
Other Segment Items				
Additions to non-current assets other than financial instruments:				
- property and equipment	6,451	3,402	30,390	40,243
31.12.2014				
<u>Assets</u>				
Segment assets	961,885	83,329	4,975	1,050,189
Unallocated assets	7,155	–	–	7,155
Consolidated total assets				<u>1,057,344</u>
<u>Liabilities</u>				
Segment liabilities	367,286	5,578	205	373,069
Unallocated liabilities	20,518	–	–	20,518
Consolidated total liabilities				<u>393,587</u>
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments:				
- property and equipment	2,764	76,413	37,175	116,352

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MATRIX CONCEPTS HOLDINGS BERHAD

35. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

36. CAPITAL COMMITMENTS

	THE GROUP	
	31.3.2016 RM'000	31.12.2014 RM'000
Contracted but not provided for:-		
- Land held for property development	63,409	117,526

37. 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 GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
Unsecured				
Corporate guarantee given to licensed banks and a third party for credit facilities granted to subsidiaries	24,424	6,806	218,894	86,590

NOTES TO THE FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

MATRIX CONCEPTS HOLDINGS BERHAD

38. 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.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any significant transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 21, 22 and 25 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	
	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000	1.1.2015 to 31.3.2016 RM'000	1.1.2014 to 31.12.2014 RM'000
Effects on Profit After Taxation				
Increase of 25 basis points (2014 : 25 basis points)	(178)	62	117	(3)
Decrease of 25 basis points (2014 : 25 basis points)	178	(62)	(117)	3

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investment and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing Analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

THE GROUP	THE GROUP		THE COMPANY	
	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
31.3.2016				
Not past due	56,958	-	-	56,958
Past due:-				
- less than 1 month	8,376	-	-	8,376
- 1 to 2 months	6,502	-	-	6,502
- more than 2 months	22,075	-	-	22,075
	36,953	-	-	36,953
	93,911	-	-	93,911
31.12.2014				
Not past due	31,625	-	-	31,625
Past due:-				
- less than 1 month	3,873	-	-	3,873
- 1 to 2 months	2,078	-	-	2,078
- more than 2 months	2,629	-	-	2,629
	8,580	-	-	8,580
	40,205	-	-	40,205

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 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.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	CONTRACTUAL 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
31.3.2016						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables and contract liabilities	-	65,760	65,760	65,760	-	-
Other payables, deposits and accruals	5.00	128,452	136,667	100,492	24,000	12,175
Hire-purchase payables	2.43	27	30	30	-	-
Term loans	7.06	141,834	168,569	34,864	113,018	20,687
Bank overdrafts	7.69	32,558	32,558	32,558	-	-
Revolving credit	8.60	30,000	30,000	30,000	-	-
		398,631	433,584	263,704	137,018	32,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

THE GROUP	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000 (Restated)	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000 (Restated)	WITHIN 1 YEAR RM'000 (Restated)	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
31.12.2014						
Trade payables and contract liabilities	-	156,351	156,351	156,351	-	-
Other payables, deposits and accruals	-	138,518	138,518	138,518	-	-
Hire-purchase payables	2.18 – 3.50	127	142	90	52	-
Term loans	7.52	39,757	57,323	11,623	39,805	5,895
Bank overdrafts	7.61	38,316	38,316	38,316	-	-
		373,069	390,650	344,898	39,857	5,895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2016

MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

THE COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000
31.3.2016				
Other payables and accruals	-	21,906	21,906	21,906
Amounts owing to subsidiaries	5.00	760	760	760
Bank overdrafts	8.35	1,502	1,502	1,502
		24,168	24,168	24,168
31.12.2014				
Other payables and accruals	-	17,642	17,642	17,642
Amounts owing to subsidiaries	-	85,270	85,270	85,270
Bank overdrafts	8.35	2,606	2,606	2,606
		105,518	105,518	105,518

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 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	
	31.3.2016	31.12.2014
	RM'000	RM'000
Term loans	141,834	39,757
Hire purchase liabilities	27	127
Bank overdrafts	32,558	38,316
Revolving credit	30,000	-
	204,419	78,200
Less: Deposits with licensed banks	44,786	36,849
Less: Cash and bank balances	33,074	59,890
	77,860	96,739
Net debt	126,559	(18,539)
Total equity	885,194	663,757
Debt-to-equity ratio (times)	0.14	(0.03)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000 (Restated)	31.3.2016 RM'000	31.12.2014 RM'000
Financial Assets				
<u>Loans and Receivables Financial Assets</u>				
Trade receivables (Note 12)	93,911	40,205	–	–
Other receivables and deposits (Note 13)	11,916	7,201	31	35
Amount owing by subsidiaries (Note 14)	–	–	501,692	680,612
Fixed deposits with licensed bank (Note 15)	39,095	31,376	31,371	31,417
Cash and bank balances (Note 16)	33,074	59,890	456	38
	177,996	138,672	533,550	712,102
<u>Held-to-maturity Financial Assets</u>				
Fixed deposits with licensed bank (Note 15)	5,691	5,473	2,870	2,716
Financial Liabilities				
<u>Other Financial Liabilities</u>				
Trade payables and contract liabilities (Note 23)	65,760	156,351	–	–
Other payables, deposits and accruals (Note 24)	128,452	138,518	21,906	17,642
Amount owing to subsidiaries (Note 14)	–	–	760	85,270
Bank overdrafts (Note 25)	32,558	38,316	1,502	2,606
Hire-purchase payables (Note 22)	27	127	–	–
Term loans (Note 21)	141,834	39,757	–	–
Revolving credit	30,000	–	–	–
	398,631	373,069	24,168	105,518

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MATRIX CONCEPTS HOLDINGS BERHAD

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value of Financial Instruments not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.3.2016					
<u>Financial liabilities</u>					
Other payables and accruals	–	40,662	–	40,662	33,910
Term loans	–	141,834	–	141,834	141,834
Hire-purchase payables	–	27	–	27	27

31.12.2014

Financial liabilities

Term loans	–	39,757	–	39,757	39,757
Hire-purchase payables	–	127	–	127	127

(a) The fair values of level 2 above are for disclosure purposes and have been determined using the following basis:-

(i) The fair values of term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	31.3.2016 %	31.12.2014 %
Term loans	7.06	7.52
Hire-purchase payables	2.43	2.18 – 3.50

(ii) There has been no transfer from level 2 to level 1 during the financial period.

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MATRIX CONCEPTS HOLDINGS BERHAD

39. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

There were no significant events of the Group during the financial period other than as follows:-

- (a) On 21 April 2015, Matrix Concepts (Central) Sdn. Bhd. (“MCCSB”), a wholly owned subsidiary entered into a Sale and Purchase Agreement (“SPA”) with a third party to acquire a parcel of land held under HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor measuring 2.33 hectares for a cash consideration of RM95,000,000.

Further to the above, the Company had announced that it entered into first and second Supplemental Agreement respectively to mutually agree to extend the completion of SPA, free of interest to 15 January 2016 and submit the transfer and other relevant documents to the land office for the registration of MCCSB as the registered proprietor of the land stated.

On 4 January 2016, the Company had announced that the balance purchase price less retention sum has been fully paid to the vendor, and as such the acquisition is deemed completed.

Premised on the SPA as well as the first and second Supplemental Agreements, the vendor was required to apply to the relevant authorities for an increase in the density of the development on the land. However, both parties agreed not to continue with this obligation and as such on 6 April 2016, the Company had announced that it had entered into a third Supplemental Agreement whereby a portion of the retention sum, namely RM1,250,000 is released to the vendor as final settlement.

- (b) On 29 October 2015, BSS Development Sdn. Bhd. (“BSSD”), a wholly owned subsidiary entered into a SPA with Menteri Besar Negeri Sembilan (Incorporation) to acquire 392 pieces of land under 392 qualified titles measuring 14.99 hectares for a cash consideration of RM18,200,000. All those pieces of land are situated in Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan. At the end of the financial period, only RM1,820,000 deposit was paid for the purchase.
- (c) Between 21 January 2015 to 12 May 2015, BSSD entered into several SPA with individual owners of the lands to acquire 6 pieces freehold land situated in the Mukim of Labu, District of Seremban, Negeri Sembilan Darul Khusus measuring in total 14.97 hectares for a cash consideration of RM10,156,562.

At the end of the financial period, land title for 2 pieces of land have been transferred to BSSD while for the remaining 4 pieces of land, only RM352,000 deposit and RM65,000 retention sum were paid and pending completion.

NOTES TO THE FINANCIAL STATEMENTS

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MATRIX CONCEPTS HOLDINGS BERHAD

40. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial period:-

	As Restated RM'000	As Previously Reported RM'000
Statement of Financial Position (Extract):-		
Non-current Assets		
Property development cost	-	38,540
Inventories	470,867	-
Current Assets		
Inventories	154,802	2,093
Property development cost	-	565,029
Trade receivables and contract assets	124,569	112,714
Other receivables, deposits and prepayment	11,608	22,637
Current Liabilities		
Trade payables	156,351	135,518

The Group has changed its financial year end from 31 December to 31 March. Consequently, the comparatives figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 15 months period ended 31 March 2016.

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MATRIX CONCEPTS HOLDINGS BERHAD

41. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	31.3.2016 RM'000	31.12.2014 RM'000	31.3.2016 RM'000	31.12.2014 RM'000
Total retained profits Of the Company and its subsidiaries:				
- realised	315,532	224,716	131,209	167,871
- unrealised	6,388	6,510	-	-
	321,920	231,226	131,209	167,871
Less: Consolidation adjustments	(37,128)	(32,040)	-	-
At 31.3.2016/31.12.2014	284,792	199,186	131,209	167,871

ADDITIONAL INFORMATION

For the Financial Period Ended 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

Options, Warrants or Convertible Securities

During the financial period, save for the Employees' Share Option Scheme and Warrants 2015/2020, there were no issuance of options, warrants and convertible securities.

Utilisation of Proceeds

There was no new proceeds raised during the financial period ended 31 March 2016. The utilization of proceeds arising from the listing of Matrix on the Main Market of Bursa Malaysia Securities had been fully completed.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the external auditors by Matrix for the financial period ended 31 March 2016 as shown below:-

Company		Subsidiary Companies	
Audit Fees	Non-Audit Fees*	Audit Fees	Non-Audit Fees*
68,000	55,000	411,493	25,000

* Non-Audit Fees comprise taxation services, project review fees incurred

Information on Employees' Share Option Scheme

Information on Employees' Share Option Scheme (including adjustments from Bonus Issue) during the financial period ended 31 March 2016 as follows:-

Total No. of Options Vested	Bonus Adjustment	Total No. of Options Exercised/Lapsed	Total No. of Outstanding Unexercised Options
21,112,432	2,141,741	11,207,977	12,046,196

Information on Warrants 2015/2020

Information on Warrants 2015/2020 during the financial period ended 31 March 2016 as follows:-

Total No. of Warrants Issued	Total No. of Warrants Exercised	Total No. of Unexercised Warrants
77,325,585	20,087,550	57,238,035

ADDITIONAL INFORMATION

For the Financial Period Ended 31 March 2016

OTHER INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

The breakdown of aggregated options granted to the Directors and senior management for as at financial period ended 31 March 2016 as shown below :-

Name	Maximum amount and percentage of Options allocated	Aggregate amount and percentage of Options granted/vested (IPO Grant)	Aggregate amount and percentage of Options granted/vested (ESOS 1/2014)	Bonus Issue Adjustment	Aggregate amount and percentage of Options granted/vested (ESOS 2/2014)	Aggregate amount of Options exercised	Aggregate amount of Options outstanding
Dato' Haji Mohamad Haslah Bin Mohamad Amin (Chairman Non-Independent Non-Executive Director)	1,000,000 (0.18%)	200,000 (0.04%)	300,000 (0.05%)	258,330 (0.05%)	500,000 (0.09%)	640,001 (0.11%)	618,329 (0.11%)
Dato' Lee Tian Hock (Group Managing Director)	1,000,000 (0.18%)	200,000 (0.04)	300,000 (0.05%)	233,330 (0.04%)	500,000 (0.09%)	615,001 (0.11%)	618,329 (0.11%)
Ho Kong Soon (Group Deputy Managing Director)	1,000,000 (0.18%)	200,000 (0.04)	300,000 (0.05%)	308,330 (0.05%)	500,000 (0.09%)	1,074,999 (0.19%)	233,331 (0.04%)
Dato' Lim Kiu Hock (Executive Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Dato' Firdaus Muhammad Rom Bin Harun (Independent Non-Executive Director)	500,000 (0.09%)	100,000 (0.02%)	150,000 (0.03%)	146,247 (0.03%)	150,002 (0.03%)	187,499 (0.03%)	358,750 (0.06%)
Dato' (Ir.) Batumalai A/L Ramasamy (Independent Non-Executive Director)	500,000 (0.09%)	100,000 (0.02%)	150,000 (0.03%)	127,496 (0.02%)	150,002 (0.03%)	300,001 (0.05%)	227,497 (0.04%)
Rezal Zain Bin Abdul Rashid (Independent Non-Executive Director)	500,000 (0.09%)	100,000 (0.02%)	150,000 (0.03%)	142,496 (0.03%)	150,002 (0.03%)	472,499 (0.08%)	69,999 (0.01%)
Dato' Hon Choon Kim (Independent Non-Executive Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Dato' Hajah Kalsom Binti Khalid (Independent Non-Executive Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Tan Say Kuan (Chief Financial Officer)	NA	100,000 (0.02%)	200,000 (0.04%)	135,663 (0.02%)	220,002 (0.04%)	336,000 (0.06%)	319,665 (0.06%)

ADDITIONAL INFORMATION

For the Financial Period Ended 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

Recurrent Related Party Transactions (“RRPT”)

Pursuant to the shareholders’ mandate granted on 10 June 2015, the RRPT incurred with the Related Parties during the financial period are as detailed below :-

No.	Subsidiary Company involved	Transacting Related Party	Nature of transaction	Actual value transacted As at 31 March 2016 (RM)	Nature of relationship
1.	Matrix Excelcon Sdn Bhd <i>(formerly known as Juwasan Maju Sdn Bhd)</i> (“Matrix Excelcon”)	Y&Y Mix Sdn Bhd	Purchase of ready mix concrete	28,799,037	Datin Yong Chou Lian, who is a major shareholder of Y&Y Mix Sdn Bhd, is a shareholder of Matrix and the spouse of Dato’ Lee Tian Hock. Yong Moi Noi, who is a Director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato’ Lee Tian Hock. Yong Ghee Kiat, Yong Ah Chek and Yong Hwah Kiat who are major shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law of Dato’ Lee Tian Hock.
2.	Matrix Excelcon	T&T Cahaya Murni Sdn Bhd	Purchase of cements, ceiling, steel bar, steel mesh ceramic tiles, reinforced concrete piles	26,108,428	Tung Kwi Hoiu and Tung Kew Tiong, who are major shareholders and Directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a Director of Pembinaan Juwasan Sdn Bhd, Matrix Excelcon (Formerly known as Juwasan Maju Sdn Bhd) and Juwasan Trading.
3.	Matrix Excelcon and Juwasan Trading Sdn Bhd (“Juwasan Trading”)	Y & N Hardware Trading Sdn Bhd	Transportation	165,529	Nyo Eng Kiak, who is the joint-owner of Y&N Hardware Trading Sdn Bhd, is the brother-in-law of Dato’ Lee Tian Hock.

ADDITIONAL INFORMATION

For the Financial Period Ended 31 March 2016

OTHER INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

No.	Subsidiary Company involved	Transacting Related Party	Nature of transaction	Actual value transacted As at 31 March 2016 (RM)	Nature of relationship
4.	BSS Development Sdn Bhd (“BSS Development”)	Low Kim Fong	Rental of single-storey shop office by BSS Development from Low Kim Fong utilised as the Bandar Sri Sendayan site office.	42,000	Low Kim Fong is the sister-in-law of Lee Tian Onn, who is the Director of Juwasan Trading, Matrix Excelcon and Pembinaan Juwasan Sdn Bhd.
5.	BSS Development	Takrif Maksimum Sdn Bhd	Rental of a retail space by BSS Development from Takrif Maksimum Sdn Bhd utilised as its sales gallery.	75,000	Dato’ Lee Tian Hock, who is a major shareholder and Director of Takrif Maksimum Sdn Bhd, is the major shareholder and Group Managing Director of Matrix Group. Datin Yong Chou Lian, who is a major shareholder and a Director of Takrif Maksimum Sdn Bhd, is the spouse of Dato’ Lee Tian Hock.
6.	Matrix Global Education Sdn Bhd (“MGE”)	Dato’ Lee Tian Hock	Rental of single-storey semi detached by MGE from Dato’ Lee Tian Hock utilised as the accommodation for MGE staff.	27,000	Dato’ Lee Tian Hock is the major shareholder and Group Managing Director of Matrix Group.
		Datin Yong Chou Lian	Rental of fully furnished double storey terrace house by MGE from Datin Yong Chou Lian utilised as the accommodation for MGE staff.	52,500	Datin Yong Chou Lian is the spouse of Dato’ Lee Tian Hock.

ADDITIONAL INFORMATION

For the Financial Period Ended 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

Revaluation of Landed Property

The Group adopts the fair value approach for its investment property and valuations are done as and when applicable.

Share Buy-Backs

There was no share buy-backs.

Sanctions and/or Penalties

In the financial period ended 31 March 2016, there were no sanctions and/or penalties imposed on Matrix and its subsidiaries, Directors or management by any regulatory body.

Variations of Results, Profit Estimates, Forecasts or Projections

There were no significant variances noted between the reported results and the unaudited results announced. Matrix did not make any release on the profit estimate, forecasts or projections for the financial period ended 31 March 2016.

Profit Guarantees

There were no profit guarantees.

Material Contracts Involving Directors and Substantial Shareholders

Matrix and its subsidiary companies have not entered into any material contracts outside the ordinary course of business, involving Directors and substantial shareholders for the financial period ended 31 March 2016.

LIST OF PROPERTIES

For the Financial Period Ended 31 March 2016

OTHER INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

PROPERTIES OWNED BY MATRIX GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2016 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold/Perpetuity	26.1	School and clubhouse	189,348	5 July 2013

DEVELOPMENT PROPERTIES

1.	Bandar Sri Sendayan	Freehold/Perpetuity			157,969	11 August 2011
(i)	Lot No. PT 6450-6730, 6733-6751, 6753-6854, 8391-9707, 10919-10985, 10987-11589 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		343.3	On-going and/or future mixed residential and commercial development		
(ii)	Lot No. PT 1018-1049, Bandar Sri Sendayan, Seremban, Negeri Sembilan		2.5	On-going and/or future commercial development		
(iii)	Lot No. PT 7148-7194 and 7196-7298, Bandar Sri Sendayan, Seremban, Negeri Sembilan		15.0	On-going and/or future commercial development		
(iv)	Lot No. PT 4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan		18.4	On-going commercial development		
(v)	Lot No. PT 6140-6163, 6165-6173, 6175-6186, 6189-6214, 6216-6253, 6255, 6257-6284, 10271-10278 and 12671, Bandar Sri Sendayan, Seremban, Negeri Sembilan		46.4	Future mixed commercial and industrial development		
(vi)	Lot No. PT 6336, 6337, 11633 and 10279, Bandar Sri Sendayan, Seremban, Negeri Sembilan		33.5	On-going industrial development		
(vii)	Lot No. PT 6394, 6396, 6409, 11650-11680, 12630, 12678, 12682-12683, 12685 and 12690-12691, Bandar Sri Sendayan, Seremban, Negeri Sembilan		134.9	On-going industrial and commercial development		

LIST OF PROPERTIES

For the Financial Period Ended 31 March 2016

MATRIX CONCEPTS HOLDINGS BERHAD

DEVELOPMENT PROPERTIES (CONT'D)

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2016 (RM'000)	Date of acquisition
(ix)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		
(x)	Lot No. PT 8196-8320, 8328-8329, 8339, 10690-10865, and 12655-12660 Bandar Sri Sendayan, Seremban, Negeri Sembilan		81.3	On-going and future mixed commercial development		
2.	Lot No. PT 11691-11814, 11820-12595 Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold/ Perpetuity	101.7	Future mixed residential and commercial development	44,540	1 August 2012
3.	PT24225-27856, Mukim Labu, Seremban, Negeri Sembilan	Freehold/ Perpetuity	294.6	Future mixed residential and commercial development	51,594	31 October 2013
4.	Grant 43406 Lot 1191, Grant 65449 Lot 1637, Both in Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	Future mixed residential and commercial development	51,161	24 December 2013
5.	PTD25635-26918, Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	194.4	Future residential development	71,536	28 November 2013
6.	HS(D) 176671, PT17805, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	52,384	10 April 2014
7.	Geran No. 110843, Lot 16378, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	Future industrial development	80,784	13 February 2015
8.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.76	Future residential development	121,239	4 January 2016

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

OTHER INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

Authorised Share Capital	: RM2,000,000,000 divided into 2,000,000,000 ordinary shares of RM1.00 each
Paid-up Share Capital	: RM565,289,972 divided into 565,289,972 ordinary shares of RM1.00 each
Class of Shares	: Ordinary shares of RM1.00 each fully paid.
Voting Right	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Share Holdings	No. of Shareholders	Holdings	Total Holdings %
Less Than 100 shares	247	10,757	0.00
100 To 1,000 shares	590	380,355	0.07
1,001 To 10,000 shares	3,288	13,994,935	2.48
10,001 To 100,000 shares	1,389	38,371,255	6.79
100,001 To Less Than 5 % of issued shares	310	319,808,091	56.57
5% and above of issued shares	4	192,724,579	34.09
Total	5,828	565,289,972	100.00

SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under Section 69L of the Companies Act, 1965, ("the Act") the following are the substantial shareholders of Matrix

Name of Substantial Shareholder		No. of Shares			
		Direct	%	Indirect	%
1.	Dato' Lee Tian Hock	108,137,093	19.13	⁽ⁱ⁾ 132,207,896	23.39
2.	Shining Term Sdn Bhd	84,587,486	14.96	–	–
3.	Datin Yong Chou Lian	1,875,175	0.33	⁽ⁱⁱⁱ⁾ 88,212,661	15.60

Notes:

(i) Deemed interested by virtue of his shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134 (12)(c) of the Act.

a)	Shining Term Sdn Bhd	84,587,486
b)	Ambang Kuasa Sdn Bhd	26,159,348
c)	Magnitude Point Sdn Bhd	15,960,712
d)	Yakin Teladan Sdn Bhd	3,625,175
e)	Datin Yong Chou Lian	1,875,175
Total		132,207,896

(ii) Deemed interested by virtue of her shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act

a)	Shining Term Sdn Bhd	84,587,486
b)	Yakin Teladan Sdn Bhd	3,625,175
Total		88,212,661

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

MATRIX CONCEPTS HOLDINGS BERHAD

DIRECTOR'S SHAREHOLDINGS

As per Register of Director's record

Name of Director		No. of Shares			
		Direct	%	Indirect	%
1.	Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,102,501	0.20	–	–
2.	Dato' Lee Tian Hock	108,137,093	19.13	⁽ⁱ⁾ 132,207,896	23.39
3.	Dato' Firdaus Muhammad Rom Bin Harun	332,497	0.06	–	–
4.	Dato' (Ir.) Batumalai A/L Ramasamy	505,833	0.09	⁽ⁱⁱⁱ⁾ 21,000	0.004
5.	Rezal Zain Bin Abdul Rashid	567,499	0.10	–	–
6.	Ho Kong Soon	4,882,999	0.86	⁽ⁱⁱ⁾ 23,329,635	4.13
7.	Dato' Lim Kiu Hock	–	–	–	–
8.	Dato' Hon Choon Kim	–	–	^(iv) 14,000	0.002
9.	Dato' Hajah Kalsom Binti Khalid	–	–	–	–

Notes:

(i) Deemed interested by virtue of his shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.

a)	Shining Term Sdn Bhd	84,587,486
b)	Ambang Kuasa Sdn Bhd	26,159,348
c)	Magnitude Point Sdn Bhd	15,960,712
d)	Yakin Teladan Sdn Bhd	3,625,175
e)	Datin Yong Chou Lian	1,875,175
Total		132,207,896

(ii) Deemed interested by virtue of his shareholdings in Supreme Interest Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 134(12)(c) of the Act.

a)	Supreme Interest Sdn Bhd	23,084,635
b)	Alice Tan Khiam Chow	245,000
Total		23,329,635

(iii) Deemed interested of shares held by spouse and child respectively pursuant to Section 134(12)(c) of the Act.

a)	Dr. Santha A/P Sockalingam	3,500
b)	Dr. Navin Kumar A/L Batumalai	17,500
Total		21,000

(iv) Deemed interested of shares held by spouse and child respectively pursuant to Section 134(12)(c) of the Act.

a)	Datin Lee Siow Kian @ Lee Siow Kian	7,000
b)	Hon Woei Tatt	7,000
Total		14,000

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

OTHER INFORMATION

MATRIX CONCEPTS HOLDINGS BERHAD

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	% of Total Issued Shares
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Tian Hock</i>	70,166,667	12.41
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Shining Term Sdn Bhd</i>	48,000,000	8.49
3.	Lee Tian Hock	37,970,426	6.72
4.	Shining Term Sdn. Bhd.	36,587,486	6.47
5.	Ambang Kuasa Sdn. Bhd.	26,159,348	4.63
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	24,689,442	4.37
7.	Supreme Interest Sdn. Bhd.	23,084,635	4.08
8.	Lembaga Tabung Haji	16,309,900	2.89
9.	Magnitude Point Sdn. Bhd.	15,960,712	2.82
10.	Fine Approach Sdn. Bhd.	10,792,913	1.91
11.	Target Venue Sdn. Bhd.	9,959,635	1.76
12.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 12)</i>	6,673,333	1.18
13.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Eastspring Investments Berhad</i>	6,639,983	1.17
14.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Tian Hock (E-SRB/PDN)</i>	5,833,333	1.03
15.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 14)</i>	5,409,600	0.96
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	5,122,300	0.91
17.	Ho Kong Soon	4,882,999	0.86
18.	Meridian Effect Sdn. Bhd.	4,792,680	0.85
19.	PM Nominees (Tempatan) Sdn. Bhd. <i>For Bank Kerjasama Rakyat Malaysia Berhad</i>	4,068,133	0.72
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham</i>	3,839,083	0.68
21.	Yakin Teladan Sdn. Bhd.	3,625,175	0.64
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Affin-HWG)</i>	3,266,667	0.58
23.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koh Kin Lip</i>	3,033,333	0.54
24.	Kumpulan Wang Persaraan (Diperbadankan)	3,027,267	0.54
25.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CEP for PHEIM SICAV-SIF</i>	3,026,417	0.54
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	2,999,933	0.53
27.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund</i>	2,741,217	0.48
28.	Amanahraya Trustees Berhad <i>Affin Hwang Growth Fund</i>	2,608,700	0.46
29.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ting Siew Pin (CEB)</i>	2,463,825	0.44
30.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CBNY For Emerging Market Core Equity Portfolio DFA Investments Dimensions Group Inc</i>	2,369,050	0.42
	Total	396,104,192	70.08

ANALYSIS OF WARRANT HOLDINGS

AS AT 30 JUNE 2016

MATRIX CONCEPTS HOLDINGS BERHAD

No. of Unexercised Warrants	:	57,236,918
Exercise Price	:	RM2.40 per warrant
Warrants Issued Date	:	21 July 2015
Expiry Date	:	20 July 2020

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	Holdings	Total Holdings %
Less Than 100 warrants	392	15,884	0.03
100 To 1,000 warrants	2,129	1,055,605	1.84
1,001 To 10,000 warrants	1,212	4,288,570	7.50
10,001 To 100,000 warrants	352	10,984,740	19.19
100,001 To Less Than 5 % of issued warrants	59	21,611,214	37.76
5% and above of issued warrants	5	19,280,905	33.68
Total	4,149	57,236,918	100.00

DIRECTOR'S WARRANT HOLDINGS

As per Register of Director's record

Name of Director		No. of Warrants			
		Direct	%	Indirect	%
1.	Dato' Haji Mohamad Haslah Bin Mohamad Amin	132,500	0.23	-	-
2.	Dato' Lee Tian Hock	4,674,941	8.17	⁽ⁱ⁾ 6,802,916	11.89
3.	Dato' Firdaus Muhammad Rom Bin Harun	29,583	0.05	-	-
4.	Dato' (Ir.) Batumalai A/L Ramasamy	85,834	0.15	⁽ⁱⁱⁱ⁾ 3,000	0.005
5.	Rezal Zain Bin Abdul Rashid	70,000	0.12	-	-
6.	Ho Kong Soon	642,572	1.12	⁽ⁱⁱ⁾ 3,332,805	5.82
7.	Dato' Lim Kiu Hock	-	-	-	-
8.	Dato' Hon Choon Kim	-	-	^(iv) 2,000	0.003
9.	Dato' Hajah Kalsom Binti Khalid	-	-	-	-

MATRIX CONCEPTS HOLDINGS BERHAD

Notes:

- (i) Deemed interested by virtue of his shareholdings in Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.

a)	Ambang Kuasa Sdn Bhd	3,737,050
b)	Magnitude Point Sdn Bhd	2,280,102
c)	Yakin Teladan Sdn Bhd	517,882
d)	Datin Yong Chou Lian	267,882
Total		6,802,916

- (ii) Deemed interested by virtue of his shareholdings in Supreme Interest Sdn Bhd pursuant to Section 6A of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 134(12)(c) of the Act.

a)	Supreme Interest Sdn Bhd	3,297,805
b)	Alice Tan Khiam Chow	35,000
Total		3,332,805

- (iii) Deemed interested of shares held by spouse and child respectively pursuant to Section 134(12)(c) of the Act.

a)	Dr. Santha A/P Sockalingam	500
b)	Dr. Navin Kumar A/L Batumalai	2,500
Total		3,000

- (iv) Deemed interested of shares held by spouse and child respectively pursuant to Section 134(12)(c) of the Act.

a)	Datin Lee Siow Kian @ Lee Siew Kian	1,000
b)	Hon Woei Tatt	1,000
Total		2,000

ANALYSIS OF WARRANT HOLDINGS

AS AT 30 JUNE 2016

MATRIX CONCEPTS HOLDINGS BERHAD

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Warrant holders	No. of Warrants Held	% of Total Warrants Issued
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Tian Hock</i>	5,508,274	9.62
2.	Ambang Kuasa Sdn. Bhd.	3,737,050	6.53
3.	Ho Siew Heng	3,691,100	6.45
4.	Supreme Interest Sdn. Bhd.	3,297,805	5.76
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	3,046,676	5.32
6.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kong Goon Khing (E-BTR)</i>	2,763,000	4.83
7.	Magnitude Point Sdn. Bhd.	2,280,102	3.98
8.	Fine Approach Sdn. Bhd.	1,541,845	2.69
9.	Target Venue Sdn. Bhd.	1,422,805	2.49
10.	Ng Tiow Min	691,000	1.21
11.	Meridian Effect Sdn. Bhd.	684,669	1.20
12.	Ho Kong Soon	642,572	1.12
13.	Tan Boon Kiat	610,267	1.07
14.	P & L Nichi Trade Sdn. Bhd.	521,500	0.91
15.	Yakin Teladan Sdn. Bhd.	517,882	0.90
16.	Dan Yoke Pyng	443,000	0.77
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (PHEIM)</i>	437,117	0.76
18.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koh Kin Lip</i>	433,333	0.76
19.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CEP For PHEIM SICAV-SIF</i>	403,417	0.70
20.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Len Book Learn (M66002)</i>	380,700	0.67
21.	Tan Seng	380,600	0.66
22.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ting Siew Pin (CEB)</i>	351,975	0.61
23.	Lau Feng Mey	300,000	0.52
24.	Ling Sew Sing	300,000	0.52
25.	Yong Siew Ngee	298,300	0.52
26.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Foo Sang @ Wong Chin Lim</i>	280,000	0.49
27.	Yong Chou Lian	267,882	0.47
28.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lai Cheng Kuan</i>	250,000	0.44
29.	Ooi Ling Hock	238,800	0.42
30.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Tan Seng</i>	227,400	0.40
	Total	35,949,071	62.79

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (“19th AGM”) of Matrix Concepts Holdings Berhad (“the Company”) will be held at Halia Room, d’Tempat Country Club, PT 12653, Jalan Pusat Dagangan Sendayan 1, 71950 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia on Thursday, 18 August 2016 at 10.30 am for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- | | |
|--|---------------------------------------|
| 1. To receive the Audited Financial Statements for the financial period ended 31 March 2016 together with the Reports of the Directors and Auditors thereon. | [Please refer to Explanatory Note(i)] |
| 2. To approve the payment of Directors’ fees of RM 315,000 for the financial period ended 31 March 2016. | (Ordinary Resolution 1) |
| 3. To re-elect the following Directors retiring in accordance with Article 97 and 103 of the Company’s Articles of Association: | |
| (i) Ho Kong Soon (<i>Article 97</i>) | (Ordinary Resolution 2) |
| (ii) Dato’ (Ir.) Batumalai A/L Ramasamy (<i>Article 97</i>) | (Ordinary Resolution 3) |
| (iii) Dato’ Hon Choon Kim (<i>Article 103</i>) | (Ordinary Resolution 4) |
| (iv) Dato’ Hajah Kalsom Binti Khalid (<i>Article 103</i>) | (Ordinary Resolution 5) |
| 4. To re-appoint Messrs Crowe Horwath as the Auditors of the Company and to authorize the Board of Directors to fix their remuneration. | (Ordinary Resolution 6) |

AS SPECIAL BUSINESS

- | | |
|--|-------------------------|
| 5. To grant authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 | (Ordinary Resolution 7) |
|--|-------------------------|

“**THAT**, subject always to the Companies Act, 1965 (“the Act”), the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

6. **Proposed Allocation of Additional Options under Employees' Share Option Scheme to Dato' Haji Mohamad Haslah Bin Mohamad Amin** (Ordinary Resolution 8)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' Haji Mohamad Haslah Bin Mohamad Amin, the Non-Independent Non-Executive Chairman of the Company, additional options to subscribe for 1,500,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

-
- Proposed Allocation of Additional Options under Employees' Share Option Scheme to Dato' Lee Tian Hock** (Ordinary Resolution 9)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' Lee Tian Hock, the Group Managing Director of the Company, additional options to subscribe for 1,500,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

-
- Proposed Allocation of Additional Options under Employees' Share Option Scheme to Ho Kong Soon** (Ordinary Resolution 10)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Ho Kong Soon, the Group Deputy Managing Director of the Company, additional options to subscribe for 1,500,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

-
- Proposed Allocation of Additional Options under Employees' Share Option Scheme to Rezal Zain Bin Abdul Rashid** (Ordinary Resolution 11)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Rezal Zain Bin Abdul Rashid, the Independent Non-Executive Director of the Company, additional options to subscribe for 300,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

Proposed Allocation of Additional Options under Employees' Share Option Scheme to Dato' Firdaus Muhammad Rom Bin Harun (Ordinary Resolution 12)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' Firdaus Muhammad Rom Bin Harun, the Independent Non-Executive Director of the Company, additional options to subscribe for 250,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

Proposed Allocation of Additional Options under Employees' Share Option Scheme to Dato' (Ir.) Batumalai A/L Ramasamy (Ordinary Resolution 13)

"**THAT** in addition to the existing allocation, the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' (Ir.) Batumalai A/L Ramasamy, the Independent Non-Executive Director of the Company, additional options to subscribe for 250,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

Proposed Allocation of Options under Employees' Share Option Scheme to Dato' Hon Choon Kim (Ordinary Resolution 14)

"**THAT** the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' Hon Choon Kim, the Independent Non-Executive Director of the Company, options to subscribe for up to 500,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

Proposed Allocation of Options under Employees' Share Option Scheme to Dato' Hajah Kalsom Binti Khalid (Ordinary Resolution 15)

"**THAT** the Board of Directors of the Company be and is hereby authorised, at any time during the duration of the ESOS, to offer and to grant Dato' Hajah Kalsom Binti Khalid, the Independent Non-Executive Director of the Company, options to subscribe for up to 500,000 new ordinary shares of the Company under the ESOS, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS"

NOTICE OF ANNUAL GENERAL MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

7. Proposed Shareholders' Mandate

(Ordinary Resolution 16)

"**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Section 2.1.4 and 2.1.5 of the Circular to Shareholders dated 26 July 2016 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such proposal shall continue to be in force until:-

- a) The conclusion of the next Annual General Meeting of the Company following the 19th AGM at which such Proposed Shareholders' Mandate will lapse, unless by ordinary resolution passed at an AGM whereby the authority is renewed, either unconditionally or subject to conditions;
- b) The expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) Revoked or varied by resolution passed by the shareholders in a general meeting ;

whichever is earlier.

AND THAT the Directors of the Company be authorized to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for the period from the 19th AGM to the next Annual General Meeting.

-
8. To transact any other business of which due notice shall have been given.

By Order of the Board

LOO KAH BOON
(MAICSA 0784630)
Company Secretary
26 July 2016
Negeri Sembilan

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

Notes:

- (1) *For the purpose of determining a member who shall be entitled to attend and vote at the 19th AGM, the Company shall be requesting the Record of Depositors as at 10 August 2016. Only a depositor whose name appears on the Record of Depositors as at 10 August 2016 shall be entitled to attend the said meeting or appoint proxies to attend and vote in his/her stead.*
- (2) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Sections 149(1)(b) of the Companies Act 1965 shall not apply to the Company.*
- (3) *A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 19th AGM. Where a member appoints more than one (1) proxy to attend at the same meeting the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (4) *Where a member is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) it may appoint multiple proxies in respect of each omnibus account it holds.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if the appointor is a corporation, either its common seal or under the hand of an officer or attorney duly authorized.*
- (6) *The Proxy Form must be deposited at the Company’s Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- (7) *All the resolutions as set out in the notice of 19th AGM will be put to vote by poll.*

Explanatory notes on Item 1 and 3 of the Agenda and Special Business:-

i) Item 1 of the Agenda

This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statement. Hence this Agenda is not put forward for voting.

ii) Item 3 of the Agenda

Dato’ Lim Kiu Hock who retires in accordance with Article 103 of the Articles of Association of the Company, has given notice that he is not seeking re-election. Henceforth, he will retain office until the conclusion of the 19th AGM and thereupon, his office of directorship shall cease.

NOTICE OF ANNUAL GENERAL MEETING

MATRIX CONCEPTS HOLDINGS BERHAD

Special Business:-

iii) Ordinary Resolution 7 - Authority to issue shares

The proposed Ordinary Resolution 7 is primarily to give authority to the Board of Directors to allot and issue up to 10% of the issued share capital at any time in their absolute discretion and for such purpose as they consider would be in the best interest of the Company without convening a general meeting. This authority, if granted, is a renewal of the earlier authority granted at the Eighteenth Annual General Meeting held on 10 June 2015 and unless revoked or varied at a general meeting, shall expire at the 19th Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares. The Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when the needs may arise during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purpose.

iv) Ordinary Resolution 8 to 15 – Proposed Allocation of Options under the Employees' Share Option Scheme ("ESOS") to Directors of the Company

The proposed Ordinary Resolution 8 to Ordinary Resolution 15 are made pursuant to the ESOS which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 April 2013 ("EGM"). The ESOS was implemented on 28 May 2013 and is currently in force for a period of five (5) years from the effective date.

The shareholders at the EGM had earlier approved the allocation of options and/or grant of options to the following Directors ("the said Directors") of the Company for subscribing up to a maximum of new one million (1,000,000) or five hundred thousand (500,000) shares in the Company, whichever is applicable, subject to any adjustments in accordance with the provisions of the By-Laws of the ESOS and the said Directors wish to seek approval for allocation of new or additional options as described in the respective resolution:-

<u>Name of Director</u>	<u>Existing Allocation of Options</u>	<u>New/Additional Allocation of Options</u>
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,000,000	1,500,000
Dato' Lee Tian Hock	1,000,000	1,500,000
Ho Kong Soon	1,000,000	1,500,000
Rezal Zain Bin Abdul Rashid	500,000	300,000
Dato' Firdaus Muhammad Rom Bin Harun	500,000	250,000
Dato' (Ir.) Batumalai A/L Ramasamy	500,000	250,000
Dato' Hon Choon Kim	-	500,000
Dato' Hajah Kalsom Binti Khalid	-	500,000

The maximum number of ordinary shares of RM1.00 each in the Company available under the ESOS should not exceed 10% of the total number of issued and paid-up capital of the Company at any point of time during the duration of the ESOS.

iv) **Ordinary Resolution 8 to 15 – Proposed Allocation of Share Options under the Employees Share Option Scheme (“ESOS”) to Directors of the Company (cont’d)**

The proposed Ordinary Resolutions 8 to 15, are to approve the allocation of options or additional options to subscribe for new ordinary shares of the Company under the ESOS to the Board of Directors, subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provision of the By-Laws of the ESOS. Therefore, any terms as defined in the By-Laws which are mentioned in the Ordinary Resolution 8 to 15 or this explanatory note shall have the same meaning as stated herein.

The respective Director had abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to the allocation of ESOS which relate to his/her entitlement under the ESOS at the board meeting and will continue to abstain from voting in respect of his/her direct and/or indirect shareholdings in the Company (if any) on the resolution pertaining to proposed allocation to him/her under the ESOS to be tabled at this Annual General Meeting. The respective Director shall also ensure that persons connected to him/her will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution approving the proposed allocation to him/her under the ESOS to be tabled at this Annual General Meeting.

v) **Ordinary Resolution 16 – Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”) and Proposed New Shareholders’ Mandate for RRPT (collectively referred to as “ Proposed Shareholders’ Mandate”)**

The Proposed Shareholders’ Mandate under Ordinary Resolution 16 is intended to seek shareholders’ approval on the new recurrent related party transactions incurred during the financial period as well as to renew the earlier mandate granted by the shareholders of the Company at the Eighteenth Annual General Meeting held on 10 June 2015.

The Proposed Shareholders’ Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries (“the Group”) which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm’s length basis and on the Group’s normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders’ mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed Shareholders’ Mandate is set out in the Circular to Shareholders of the Company which is dispatched together with this Annual Report of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

MATRIX CONCEPTS HOLDINGS BERHAD

1. Directors who are standing for re-election at the 19th AGM of Matrix Concepts Holdings Berhad are as follows:-
 - a) Ho Kong Soon (Ordinary Resolution 2)
 - b) Dato' (Ir.) Batumalai A/L Ramasamy (Ordinary Resolution 3)
 - c) Dato' Hon Choon Kim (Ordinary Resolution 4)
 - d) Dato' Hajah Kalsom Binti Khalid (Ordinary Resolution 5)
2. The profiles of the Directors who are standing for re-election are set out on page 18 to 24 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 190 of this Annual Report.

4. Authority to issue shares

The shareholders had, at the Eighteenth Annual General Meeting held on 10 June 2015, granted the authority to the Directors of the Company for the issuance of shares up to 10% of the issued share capital of the Company and such authority shall expire at the conclusion of the 19th 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 19th 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 19th AGM on page 200 of this Annual Report.

5. Proposed Allocation of Share Option to Directors

The Proposed Allocation of Share Option to Directors if approved will allow the Company to offer and grant to Directors of the Company, share options under the existing Employees' Share Options Scheme in accordance with its By-Laws. The details of the Proposed Allocation are further explained in the Explanatory Notes attached with the Notice of 19th AGM on page 200 and 201 of this Annual Report.

6. Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate if approved by shareholder, will renew the earlier mandate granted by the shareholders at the earlier Eighteenth Annual General Meeting held on 10 June 2015 as well as approval on the new RRPT. The details of which are further described in the Explanatory Notes attached with the Notice of 19th AGM on page 201 of this Annual Report.



MATRIX CONCEPTS HOLDINGS BERHAD
(Company No.: 414615-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Proxy Form

No. of shares	CDS Account No.

(Before completing this form please refer to the notes below)

*I/*We _____

NRIC /Passport No./Company No _____
(Full name in Block Letters)

of _____
(Full address)

Being a member/members of Matrix Concepts Holdings Berhad ("Matrix" or "the Company") hereby appoint the following person(s):-

Name of Proxy / NRIC No.	No. of shares to be represented by proxy
1.	
2.	

Or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Nineteenth Annual General Meeting ("19th AGM") of Matrix to be held on Thursday, 18 August 2016 at Halia Room, d'Tempat Country Club, PT12653, Jalan Pusat Dagangan Sendayan 1, 71950 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia at 10.30 am and at any adjournment thereof.

Ordinary Business			
Item	Agenda	Resolution	For
1.	To receive the Audited Financial Statements for the financial period ended 31 March 2016 together with the Reports of the Directors and the Auditors thereon		Against
2.	To approve the payment of Directors' Fees	1	
3.	i) To re-elect Ho Kong Soon as Director of the Company	2	
	ii) To re-elect Dato' (Ir.) Batumalai A/L Ramasamy as Director of the Company	3	
	iii) To re-elect Dato' Hon Choon Kim as Director of the Company	4	
	iv) 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 issue shares pursuant to Section 132D of the Companies Act 1965	7	
6.	Proposed allocation of additional options to Dato' Haji Mohamad Haslah Bin Mohamad Amin	8	
7.	Proposed allocation of additional options to Dato' Lee Tian Hock	9	
8.	Proposed allocation of additional options to Ho Kong Soon	10	
9.	Proposed allocation of additional options to Rezal Zain Bin Abdul Rashid	11	
10.	Proposed allocation of additional options to Dato' Firdaus Muhammad Rom Bin Harun	12	
11.	Proposed allocation of additional options to Dato' (Ir.) Batumalai A/L Ramasamy	13	
12.	Proposed allocation of options to Dato' Hon Choon Kim	14	
13.	Proposed allocation of options to Dato' Hajah Kalsom Binti Khalid	15	
14.	Proposed New Shareholders' Mandate and Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	16	

(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 _____ 2016.

Signature/Common Seal of Shareholder(s)

Notes:

- For the purpose of determining a member who shall be entitled to attend and vote at the 19th AGM, the Company shall be requesting the Record of Depositors as at 10 August 2016. Only a depositor whose name appears on the Record of Depositors as at 10 August 2016 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Sections 149(l)(b) of the Companies Act 1965 shall not apply to the Company.
- A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 19th 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.
- Where a member is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus account") it may appoint multiple proxies in respect of each Omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if the appointor is a corporation, either its common seal or under the hand of an officer or attorney duly authorized.
- The Proxy Form must be deposited at the Company's Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- All the resolutions as set out in the notice of 19th AGM will be put to vote by poll.

FOLD THIS FLAP TO SEAL

2ND FOLD HERE

AFFIX
STAMP
HERE

The Group Company Secretary
MATRIX CONCEPTS HOLDINGS BERHAD (414615-U)
Wisma Matrix, No. 57, Jalan Tun Dr. Ismail,
70200 Seremban,
Negeri Sembilan,
Malaysia.

1ST FOLD HERE

www.mchb.com.my

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



COVER RATIONALE

The theme of the cover design, "Achieving Growth And Developing Landmarks", highlights our roles in shaping the future. Our corporate achievements stem from our core activities in the arena of Property Development, Construction, Education and Hospitality. On the cover, there is a delightful illustration that epitomizes the type of contemporary and integrated community that we take great pride in developing.