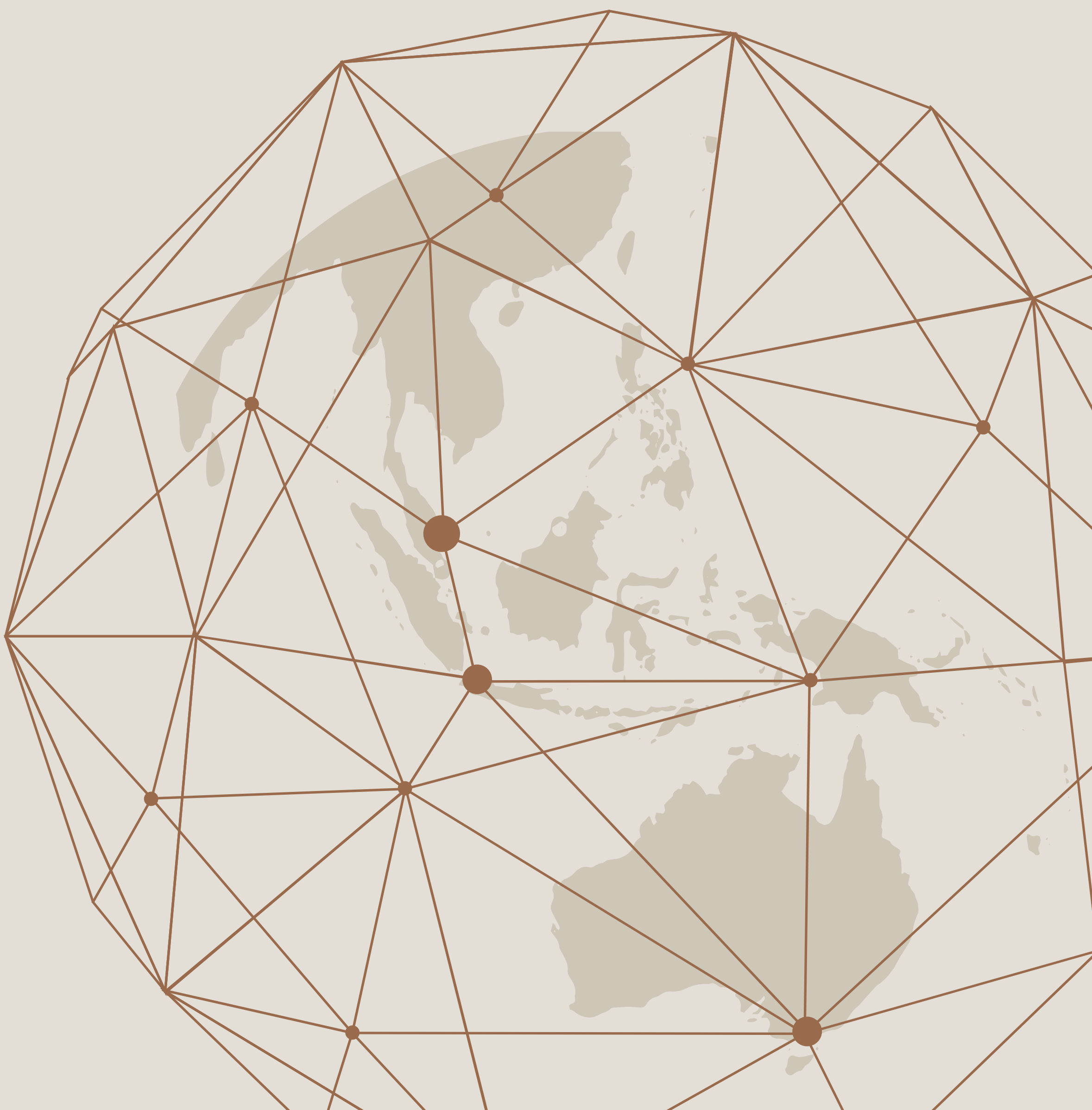
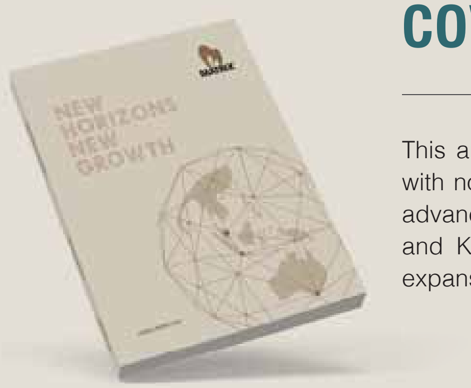
NEW HORIZONS NEW GROWTH



ANNUAL REPORT 2019

FTSE4Good

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



COVER RATIONALE

This annual report's cover features a globe circumscribed by a distinct geometrical shape with nodes that indicate Matrix Concepts Holdings Berhad's ("Matrix") sustainable vision for advancing growth globally. This is reflected in Matrix's strong foothold in Negeri Sembilan and Kluang as well as our venture into Australia and Indonesia. The cover depicts our expansion growth into new horizon.

MATRIX®

22ND ANNUAL GENERAL MEETING

Halia Room, d'Tempat Country Club
PT 12653, Jalan Pusat Dagangan Sendayan 1
71950 Bandar Sri Sendayan
Negeri Sembilan Darul Khusus
Malaysia

Wednesday, 21 August 2019

10.30 a.m.

To contact us, please refer to page 003 for Corporate Information and back cover of this Annual Report.

The financial statements are available in the Financial Statements on page 137 to page 235 of the Annual Report 2019

This annual report is available on the website at www.mchb.com.my

Run the QR Code Reader app and point your camera at the QR Code.

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COMPANY VISION AND MISSION

OUR 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.

OUR MISSION

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

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

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

COMPANY HIGHLIGHTS

GROUP REVENUE
FY2019
RM1.045 BIL

GROUP NET PROFIT
FY2019
RM218.23 MIL

GROUP PRE-TAX PROFIT
FY2019
RM297.77 MIL

MARKET CAPITALISATION
(AS AT 30 JUNE 2019)
RM1.495 BIL

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman
Non-Independent
Non-Executive Director

DATO' LEE TIAN HOCK
Group Executive Deputy Chairman
Non-Independent Executive Director

HO KONG SOON
Group Managing Director
Non-Independent Executive Director

REZAL ZAIN BIN ABDUL RASHID
Senior Independent
Non-Executive Director

DATO' LOGENDRAN A/L K NARAYANASAMY
Non-Independent
Non-Executive Director

DATO' FIRDAUS MUHAMMAD ROM BIN HARUN
Independent Non-Executive Director

DATO' (IR.) BATUMALAI A/L RAMASAMY
Independent Non-Executive Director

DATO' HON CHOON KIM
Independent Non-Executive Director

DATO' HAJAH KALSOM BINTI KHALID
Independent Non-Executive Director

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

REMUNERATION COMMITTEE
Dato' Hon Choon Kim (Chairman)
Rezal Zain Bin Abdul Rashid
Dato' Hajah Kalsom Binti Khalid

NOMINATION COMMITTEE
Dato' Firdaus Muhammad Rom Bin Harun (Chairman)
Dato' (Ir.) Batumalai A/L Ramasamy
Dato' Hon Choon Kim
Dato' Hajah Kalsom Binti Khalid

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

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

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

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market
Property Sector

STOCK NAME AND CODE
MATRIX (5236)

STOCK NAME AND CODE FOR WARRANTS
MATRIX-WA (5236WA)

COMPANY SECRETARY
Carmen Loo Kah Boon
(MAICSA 0784630)

AUDITORS
Crowe Malaysia PLT
(formerly known as Crowe Malaysia)
(LLP0018817- LCA & AF 1018)
52, Jalan Kota Laksamana 2/15,
Taman Kota Laksamana,
Seksyen 2,
75200 Melaka.
Tel : +606-2825 995
Fax : +606-2836 449

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

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

BANKERS
AmBank Islamic Berhad
AmBank Berhad
Maybank Islamic Berhad
CIMB Islamic Bank Berhad
CIMB Bank Berhad
RHB Islamic Bank Berhad

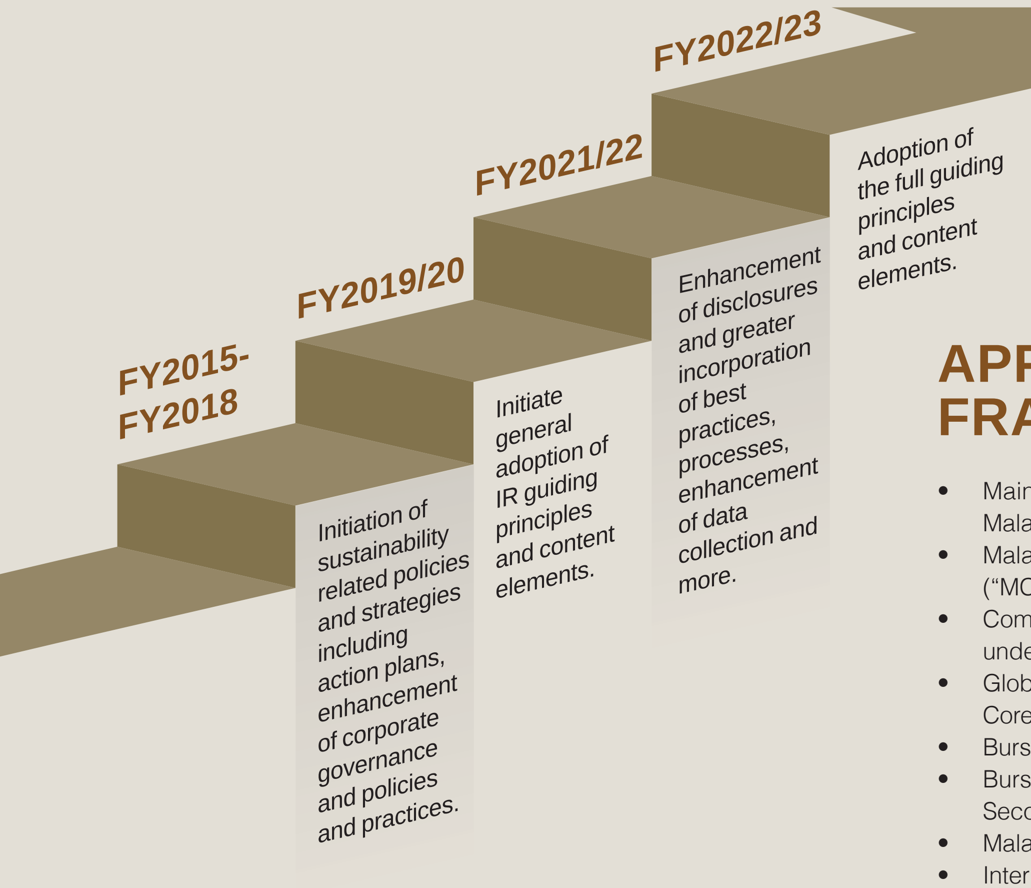
ABOUT THIS REPORT

As we continue to enhance our annual reporting process and overall disclosure, Matrix Concepts Holdings Berhad ("Matrix" or "the Group") has chosen to progressively align its reporting to an Integrated Reporting ("IR") framework based on the guiding principles and the content elements prescribed by the International Integrated Reporting Council ("IIRC"). This is also in line with Practice 11.2 of the Corporate Governance Report ("CG Report") which recommends public listed issuers to adopt an IR format based on globally recognised frameworks.

Our adoption of IR is driven by Matrix's desire to provide stakeholders on more comprehensive disclosure on the Group's performance which encompasses both financial and non-financial resources used and the values created during financial year ended 31 March 2019 ("FY2019").

Management is of the view that by adopting IR guiding principles and content elements, Matrix is able to better capture the total impact of its business strategies and operations. This includes economic, environment and social ("EES") impacts and future prospects.

Given that this is our first year, our incorporation of IR is at an initial stage of adoption. Going forward, we will endeavour to improve our reporting in line with best reporting practices as recommended by the IIRC.



APPLIED FRAMEWORKS

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017 ("MCCG 2017")
- Compliance with Malaysian legal requirements under the Companies Act 2016
- Global Reporting Initiative ("GRI") Standards 2016: Core option
- Bursa Malaysia FTSE4Good Index
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

ABOUT THIS REPORT

MATERIAL SCOPE AND BOUNDARY

The Group's material scope and boundary is limited to Matrix's business operations, activities, processes and employees within Malaysia. Where pertinent, this includes relevant Group's subsidiary companies. This report focuses on material matters that are or would/could impact Matrix's value creation capability across the short, medium and long-term horizons.

The decision to exclude our overseas operations is due to the lack of meaningful data collected given that said overseas operations are still at a relatively early stage of development. Likewise, we have also excluded our value chain comprising third party contractors and suppliers.

The Group is cognisant that there may be material impacts caused by our value chain. Going forward, we will endeavour to strengthen data collection towards extend our reporting disclosure to include overseas operations and value chain towards providing an enriched narrative of our value creation journey.

RELATED INFORMATION

This report is supplemented with additional online disclosures for our stakeholders. These include consolidated and quarterly financial statements, policies and structures of governance, and other pertinent information.

Matrix's business model and operations are based on a robust framework of corporate governance and the various policies we have established since our inception. Both the Group's latest corporate announcements and our corporate policies are available for viewing on our website: https://www.mchb.com.my/investor-relations/.

Sustainability related information is given via: https://www.mchb.com.my/sustainability/.

The Group's corporate governance policies including Board Charter and Terms of Reference, Code-of-Conduct and Whistle Blowing Policy can be viewed at: https://www.mchb.com.my/investor-relations/corporate-governance/.

FORWARD LOOKING STATEMENTS

This report contains statements that relate to future operations and performance (i.e. market outlook and targets) of the Group. These statements are/may be based on assumptions which may or may not materialise going forward. Hence, such statements do not serve as guarantees of future operational, financial or any other results as they rely on future circumstances and uncertainties– some of which may be beyond our control. Therefore, ultimate results and outcomes may differ.

Matrix does not publicly update any and all forward-looking statements issued to reflect the latest information. Forward-looking statements issued in this report have not been reviewed or audited by an external auditor.

DISTRIBUTION AND AVAILABILITY

This report and past annual reports is available for download from our corporate website at https://www.mchb.com.my/investor-relations/downloads/ as well as Bursa Securities Malaysia Berhad's website.

ASSURANCE

The financial statements are audited by Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia), were prepared according to Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

FEEDBACK

The Group welcomes feedback, comments or suggestions with regards to our adoption of the IR approach to annual reporting. The Group's Corporate Governance/Sustainability and Investor Relations personnel are as follows:

Carmen Loo (Corporate Governance/Sustainability)
Fadzli Suhaimi (Investor Relations)
Tel : 606-764 2688 / 603-2711 1391
Email: carmen@mchb.com.my /
mohdfadzli@mchb.com.my /
mchb@investor.net.my

KEY MILESTONES

Matrix has gone a long way since its inception on 24 December 1996. For more than 2 decades, we have grown from strength to strength, redefining the property landscape for Malaysia meeting the housing needs of the nation.

The following are hightlights of the Group's major milesotnes:-

OUR JOURNEY STARTS

1996

Matrix Concepts commenced operation as a property development company.

1997

Our maiden project, Taman Bahau in Negeri Sembilan comprising 595 units of mixed residential and commercial development.

1999

Joint Venture (JV) with Menteri Besar Incorporated of Negeri Sembilan to develop Taman Andalas on 39 acres of land.

2005

The first JV flagship development was Taman Seri Impian, Kluang, Johor followed by Bandar Sri Sendayan as the second flagship project.

Bandar Sri Sendayan Seremban

BANDAR SERI IMPIAN KLUANG

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

Matrix Concepts Holdings Berhad awarded Nobel Excellence Award National Best Township Development of the Year 2016.

NOBLE EXCELLENCE AWARDS 2016

NATIONAL BEST TOWNSHIP DEVELOPMENT OF THE YEAR (GOLD)

Elymus @ Resort Home awarded Best Housing Development (Central Malaysia) by South East Asia Property Awards (Malaysia).

Matrix Concepts Holdings Berhad awarded Best Township Developer by Property Insight Prestigious Developer Awards (PIPDA).

Opening of d'Sora Boutique Business Hotel.

d'SORA BOUTIQUE BUSINESS HOTEL

2017

Y.Bhg Dato' Lee Tian Hock, Founder and Group Managing Director awarded Outstanding Property Entrepreneur of the year by The Edge Malaysia.

THE EDGE MALAYSIA Outstanding Property Entrepreneur Award 2017

Matrix Concepts Holdings Berhad awarded Silver in Highest Returns to Shareholders & Gold in Highest Return on Equity Over 3 Years by The Edge Billion Ringgit Club.

GOLD Highest Return On Equity Over Three Years

SILVER Highest Returns To Shareholders Over Three Years

Elymus @ Resort Homes awarded The Cornerstone Award, Best Landed Development by The Star Property Malaysia Award 2017.

starproperty.my AWARDS2017 HONOURS THE CORNERSTONE AWARD

Bandar Sri Sendayan awarded Best Sustainable Township Development & Residensi SIGC awarded Best Family Living Development by Property Insight Prestigious Developer Awards (PIPDA).

2018

Matrix Concepts Holdings Berhad awarded Gold – Governance, Environmental Responsibility and Social Responsibility from The Asset Awards 2018, Hong Kong.

THE ASSET CORPORATE AWARDS 2018 ESG

Matrix Concepts Holdings Berhad were awarded Best Township Development (Bandar Sri Sendayan), Special Recognition in CSR, Special Recognition in Sustainable Development Special Recognition for Building Communities, and Special Recognition for Industrial/Logistic Development – Sendayan TechValley by PropertyGuru Asia Property Malaysia Award 2019.

starproperty.my AWARDS2019 HONOURS THE LONG LIFE AWARD

starproperty.my AWARDS2019 EXCELLENCE THE HAPPY BUYER AWARD

starproperty.my AWARDS2019 THE ALL-STAR AWARD TOP RANKED DEVELOPERS OF THE YEAR

Matrix Concepts Holdings Berhad were awarded The All-Star Award Top Ranked Developers of the Year; Ara Sendayan The Neighborhood Award (Best Boutique Township); Lunaria 3 @ Resort Home The Long Life Award (Best Health & Wellness Development); Alwinix & Alconix The Happy Buyer Award (Highest ROI Development); Casadia @ Tiara Sendayan The Starter Home Award (Best Affordable Home); Bandar Sri Sendayan The Five Elements Award (Best Comprehensive Township Above 1800 acres) by The Star Property Malaysia Award.

starproperty.my AWARDS2019 HONOURS THE FIVE ELEMENTS AWARD (BEST COMPREHENSIVE TOWNSHIP)

starproperty.my AWARDS2019 HONOURS THE NEIGHBOURHOOD AWARD (BEST BOUTIQUE TOWNSHIP)

starproperty.my AWARDS2019 HONOURS THE STARTER HOME AWARD (BEST AFFORDABLE HOME)

OUR JOURNEY CONTINUES...

KEY MILESTONES

2009

Being accredited from Quality Management System ISO 9001:2000 to ISO 9001:2008 by BM TRADE Certification LTD.

2011

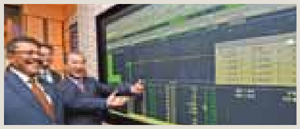
Disposed of 750 acres of land for setting up a new academy and training centre for the Royal Malaysian Air Force and the relocation of the Sungai Besi base.

2012

Signed a Memorandum of Understanding with six foreign companies from Japan, Taiwan, Hong Kong and France for the purchase of industrial lots at Sendayan TechValley (STV).

2013

Matrix Concepts Holdings Berhad listed on Main Market of Bursa Malaysia Securities Berhad on 28 May 2013.



Bandar Sri Sendayan awarded "Sustainable Township of the Year" by World Sense of Place.

d'Tempat Country Club certified Gold Standard (Provisional) on Green Building Index (GBI).

2016

Matrix Concepts Holdings Berhad launched its first oversea project, M.Carnegie Boutique Apartment in Melbourne, Australia.

Opening of d'Tempat Country Club, the premier business and family club.

2015

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

Matrix Concepts Holdings Berhad awarded the coveted 'Forbes Asia's 200 Best Under A Billion' Award 2014.

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

2014

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

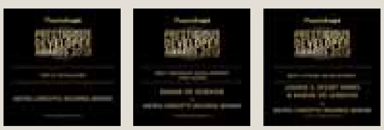
Matrix Concepts Holdings Berhad was awarded The All-Star Award, Top Ranked Developers of the Year and Adira @ Ara Sendayan Honours The Cornerstone Award, Best Landed Development; Allysum @ Resort Homes, Honours The Safe and Sound Award, The Best Safety Feature Development by The Star Property Malaysia Award.

Matrix Concepts Holdings Berhad being included into FTSE4Good Bursa Malaysia ("F4GBM") Index effective 18 June 2018.

Matrix Concepts Holdings Berhad awarded Top 10 Developer; Lunaria 3 @ Resort Homes awarded Best Family Resort Homes Development; Elynix @ Impiana Damai, Bandar Seri Impian awarded Best Inspired Landed Development and Elminia @ Impiana Casa, Bandar Seri Impian awarded Best Greenery Harmonious Development by Property Insight Prestigious Developer Awards (PIPDA).

2019

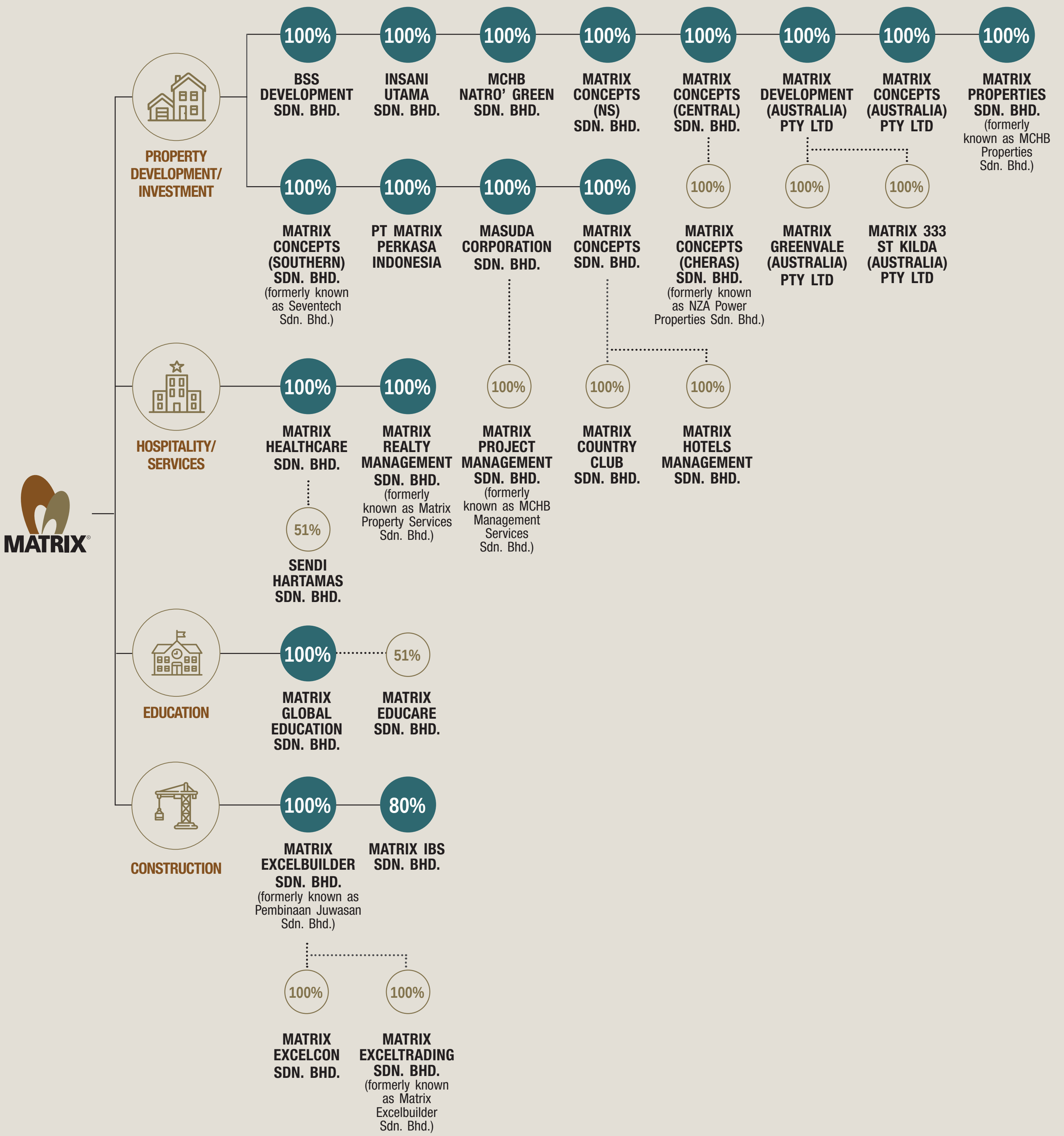
Matrix Concepts Holdings Berhad being awarded Top 10 Developer, Best Township Development (Bandar Sri Sendayan), Best Landed Development (Lunaria 3 @ Resort Homes) by Property Insight Prestigious Developer Awards (PIPDA) 2019.



Matrix Concepts Holdings Berhad awarded Top 10 People's Choice Award, The Progressive Developer Award, Best Township Development Award – Bandar Sri Sendayan; Best Affordable Development Award – Astania & Astana, Tiara Sendayan; Best Residential Landed Development Award – Cadena Terraces @ Ara Sendayan and Best Transit – Oriented Development – Chamber Kuala Lumpur by iProperty Development Excellence Awards (iDEA) 2018.

Matrix Concepts Holdings Berhad awarded the Highest Return on Equity Over 3 Years by The Edge Billion Ringgit Club.

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

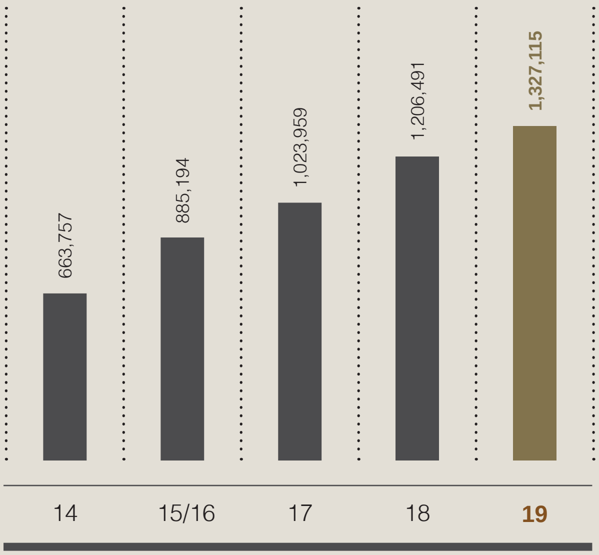
In RM'000	Audited 31 Mar 2019	Audited 31 Mar 2018 (Restated)	Audited 31 Mar 2017	Audited 31 Mar 2016 (15 months period)	Audited 31 Dec 2014
Revenue	**1,045,531**	818,477	774,978	912,201	598,842
Cost of sales	**(523,314)**	(350,990)	(339,181)	(361,608)	(270,921)
Operating expenses	**(237,037)**	(174,631)	(176,543)	(204,188)	(84,533)
Operating profit	**285,180**	292,856	259,254	346,405	243,388
Other income	**15,883**	7,470	8,567	13,204	3,919
Finance cost	**(3,296)**	(5,098)	(7,509)	(3,872)	(2,721)
Profit before taxation	**297,767**	295,228	260,312	355,737	244,586
Taxation	**(79,538)**	(81,947)	(75,034)	(94,887)	(62,350)
Profit after taxation	**218,229**	213,281	185,278	260,850	182,236
Profit attributable to owners of the company	**218,389**	213,280	185,278	260,850	182,236
Shareholders' equity	**1,327,115**	1,206,491	1,023,959	885,194	663,757
Earnings per share (sen)*	**29.0**	32.0	28.7	37.0	28.1
Return on equity	**16.5%**	17.7%	18.1%	29.5%	27.5%

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

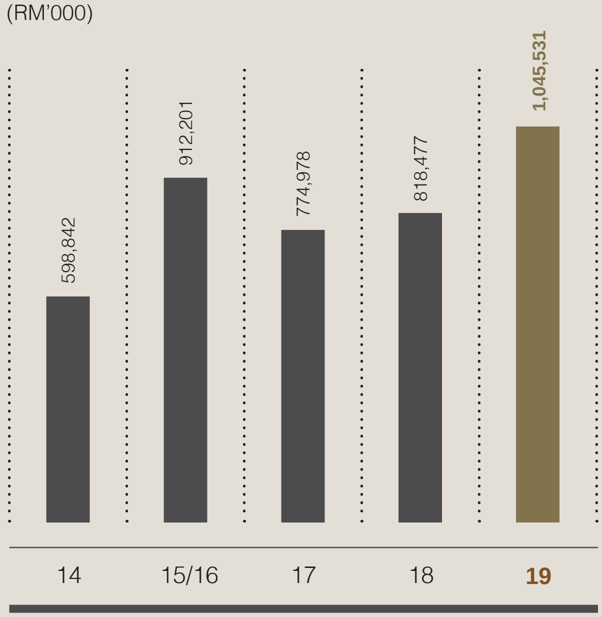
(i) bonus issue on the basis of 1 new ordinary share for every 2 existing ordinary shares held in FY2014;
(ii) bonus issue on the basis of 1 new ordinary share for every 6 existing ordinary shares held in FP2016; and
(iii) bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary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

FINANCIAL HIGHLIGHTS

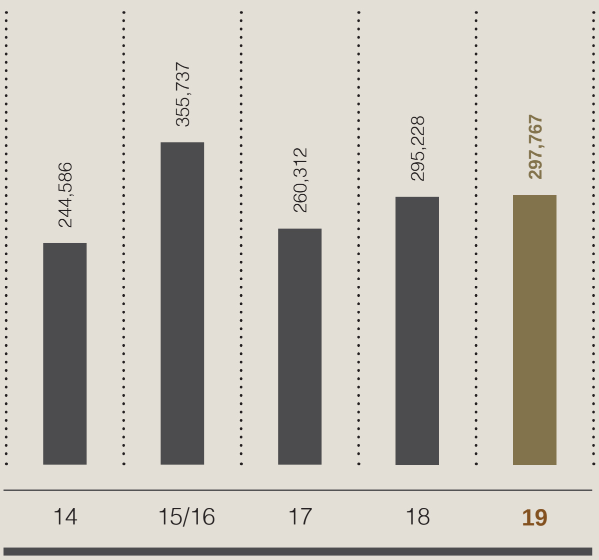
SHAREHOLDERS' EQUITY
(RM'000)



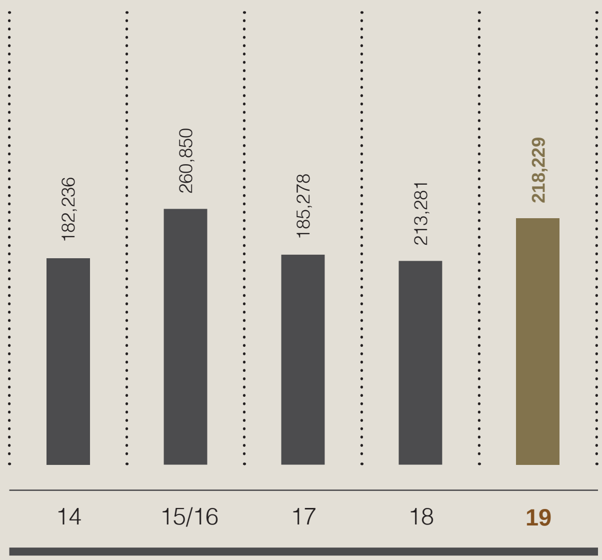
REVENUE
(RM'000)



PROFIT BEFORE TAXATION
(RM'000)

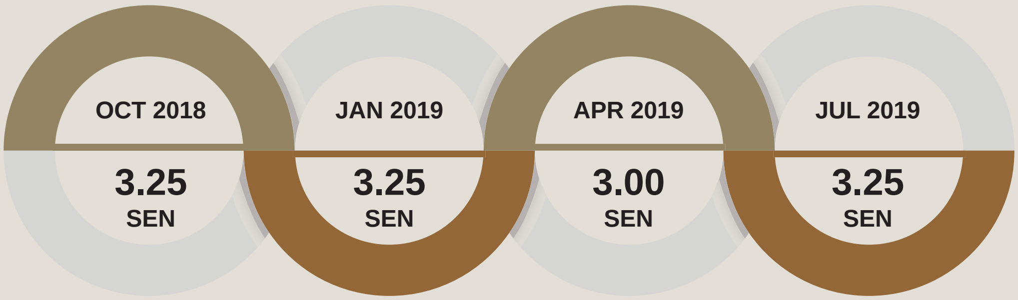


PROFIT AFTER TAXATION
(RM'000)

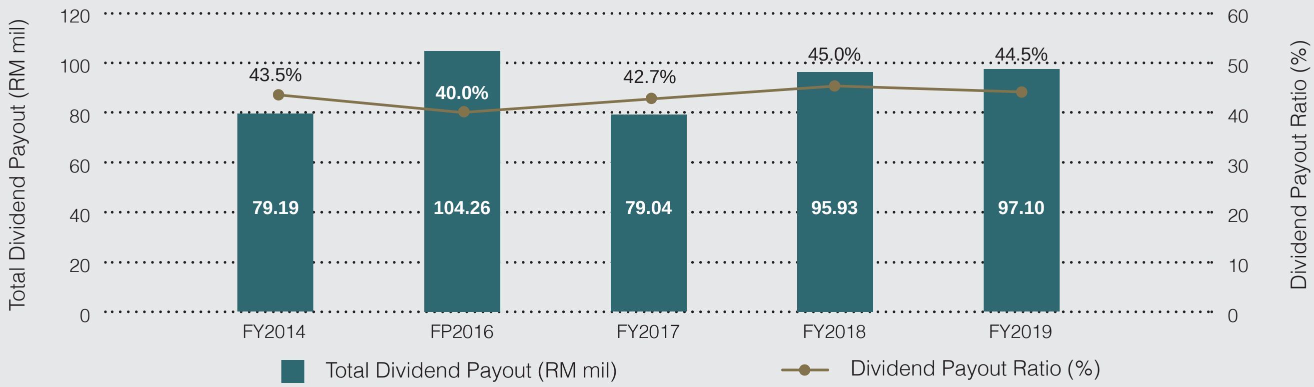


DIVIDEND HIGHLIGHTS

DIVIDEND PAYMENT PER ORDINARY SHARE FOR THE LAST 4 QUARTERS



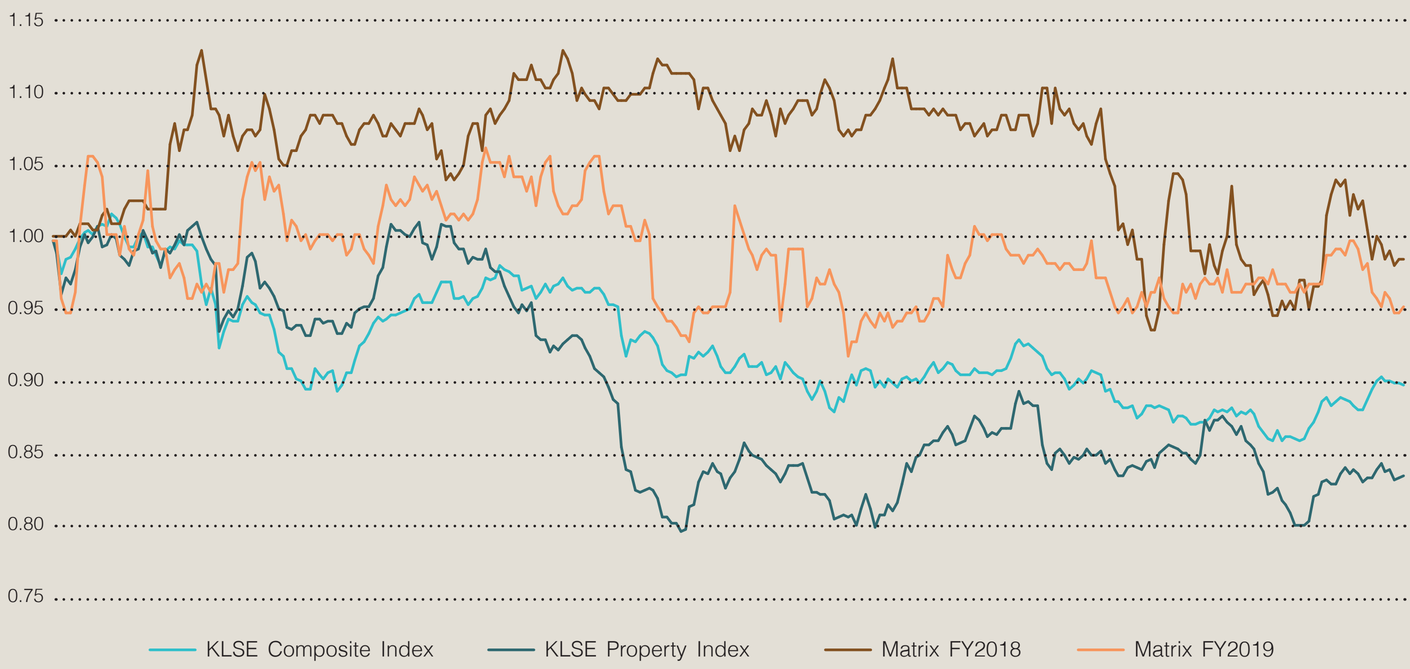
SUMMARY OF DIVIDEND PAYOUT FOR FY2014 TO FY2019



Financial Year	Financial Peiod	Date of Payment	Type of Dividend	Net Dividend (sen)	Dividend Paid (RM mil)	Total Dividend Payout (RM mil)	Dividend Payout (%)
2019	4Q19	10-Jul-19	Special Dividend	0.25	1.97	97.10	44.5%
			Interim Dividend	3.00	23.60		
	3Q19	10-Apr-19	Interim Dividend	3.00	22.59		
	2Q19	9-Jan-19	Interim Dividend	3.25	24.47		
	1Q19	10-Oct-18	Interim Dividend	3.25	24.47		
2018	4Q18	11-Jul-18	Interim Dividend	3.50	26.33	95.93	45.0%
	3Q18	11-Apr-18	Interim Dividend	3.50	26.28		
	2Q18	10-Jan-18	Interim Dividend	3.25	24.15		
	1Q18	11-Oct-17	Interim Dividend	3.25	19.17		
2017	4Q17	20-Jun-17	Interim Dividend	3.75	21.79	79.04	42.7%
	3Q17	12-Apr-17	Interim Dividend	3.50	20.10		
	2Q17	12-Jan-17	Interim Dividend	3.25	18.60		
	1Q17	6-Oct-16	Interim Dividend	3.25	18.55		
2016 (15 months period)	5Q16	1-Jul-16	Interim Dividend	4.40	24.87	104.26	40.0%
	4Q16	8-Apr-16	Interim Dividend	3.75	21.15		
	3Q16	8-Jan-16	Interim Dividend	3.50	19.27		
	2Q16	9-Oct-15	Interim Dividend	3.50	19.26		
	1Q16	9-Jul-15	Interim Dividend	4.25	19.71		
2014	4Q14	9-Apr-15	Special Dividend	1.25	5.71	79.19	43.5%
			Interim Dividend	5.25	24.00		
	3Q14	15-Jan-15	Interim Dividend	3.75	17.14		
	2Q14	16-Oct-14	Interim Dividend	3.75	17.13		
	1Q14	10-Jul-14	Interim Dividend	5.00	15.21		

SHARE PRICE PERFORMANCE

SHARE PRICE PERFORMANCE 1 APRIL 2018 - 30 JUNE 2019 (INDEXING METHOD)



Summary of benchmark index movement

	Matrix Shares 1 April 2018 - 30 June 2019 (RM)	Matrix shares 1 April 2017 - 30 June 2018 (RM)	Variance (%)	KLSE Composite Index	KLSE Property Index
Opening	1.99	2.02	-1.5%	1,858.35	1,077.95
Closing	1.90	1.99	-4.5%	1,672.13	900.92
Movement	**-0.09**	**-0.03**		**-186.22**	**-177.03**
Average	1.97	2.14	-7.9%	1,720.23	964.83
Lowest	1.83	1.89	-3.2%	1,598.32	858.72
Highest	2.12	2.28	-7.0%	1,895.18	1,093.07
Range	1.83 - 2.12	1.89 - 2.28		1,598.32 - 1,895.18	858.72 - 1,093.07
Median	**1.97**	**2.17**	**-9.2%**	**1,694.18**	**932.39**
	Matrix Shares 1 April 2018 - 30 June 2019 (units)	**Matrix Shares 1 April 2017 - 30 June 2018 (units)**	**Variance (%)**	**KLSE Composite Index**	**KLSE Property Index**
Average volume	472,470.00	722,233.35	-34.6%	135,012,318	120,252,018
Volume median	314,250.00	455,400.00	-31.0%	118,132,200	100,242,250

Notes:

Opening	Value on 1 April	Average	Average value for the whole period (Total/no.of days)
Closing	Value on 30 June	Range	The gap between lowest and highest value
Movement	Difference of value between opening and closing	Median	Middle value for the preriod

CHAIRMAN'S STATEMENT

TO OUR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors of Matrix Concepts Holdings Berhad ("Matrix" or "the Group"), I am pleased to present the annual report for the financial year ended 31 March 2019 ("FY2019").

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman

We are delighted by our performance in FY2019 in spite of another challenging year for Matrix, as the Group continued to face various headwinds, which impacted both the property sector and the nation.

Malaysia's economy reported a lower gross development product ("GDP") growth of 4.7% in 2018 (2017: 5.9%) as the country went through certain recalibration following the changing political landscape subsequent to the 14th General Election. The slowdown in Malaysia's economic growth was exacerbated on the back of escalating US-China trade tensions, normalisation of interest rates by major economies, waning fiscal stimulus and tighter global financial conditions.

The property sector in Malaysia has been experiencing some consolidation over the past few years and is perceived to be close to its bottom cycle. This follows the record level of property overhang, mismatch of house prices and affordability, as well as limited access to credit or mortgage by potential homebuyers, which are seen as the main cause to the property sector quandary the past few years. It is refreshing to see the property sector, particularly the affordable segment, being given its due attention through various initiatives announced by the new Administration.

CHAIRMAN'S STATEMENT

Despite the challenging operating environment faced by property players, Matrix has demonstrated resilience to register a continued track record of revenue and earnings growth since its listing on Bursa Malaysia in 2013.

In FY2019, Group revenue breached the RM1 billion mark, registering RM1.045 billion, 27.74% higher year-on-year ("y-o-y"). Profit before tax improved marginally by 0.86% in FY2019 to RM297.77 million (FY2018: RM295.23 million) whilst PAT was 2.32% higher at RM218.23 million (FY2018: RM213.28 million). The full details and further analysis of our financial performance is given in the Management Discussion and Analysis section of this annual report.

On the back of our financial performance, Matrix has declared a total dividend of 12.75 sen for FY2019. Total dividend paid-out during FY2019 amounted to RM101.55 million a 19.19% increase y-o-y (FY2018: RM85.20 million).

We draw a measure of pride and satisfaction that since our listing on the Main Market of Bursa Malaysia in 2013, Matrix has delivered a steady growth trajectory and has continued to declare dividends of 40% of earnings to shareholders.

STRONG BUSINESS FUNDAMENTALS, SUSTAINABLE LONG-TERM SUCCESS

Leveraging on our inherent strengths as a township developer, Matrix has achieved sustained growth and improvement across its business operations in FY2019. Our strategy to offer more affordable homes in our property mix has enabled the Group to meet real market demand and thereby register robust sales performance, while bringing the Matrix brand to a wider target market.

In continuing with our philosophy of providing value to our customers, we have gone beyond just building luxuriously spaced homes at great value. We have endeavoured to create vibrant, integrated and self-sustaining townships that emphasises liveability through better infrastructure planning and providing complete lifestyle propositions. Our flagship Bandar Sri Sendayan in Negeri Sembilan has seen growing demand from first time homebuyers and young families, offering the prospect of owning a quality landed home in Greater Klang Valley at affordable price points.

Our business strategy has focused on build quality and timely delivery to continue building on our growing brand profile and increasing acceptance of our products. Supported by aggressive marketing activities, our customer-centric approach has provided the impetus for Matrix to continue achieving growth and progress despite less than stellar operating conditions.

REVENUE

RM1.045 BIL

▲ **27.74%**

PROFIT AFTER TAXATION ("PAT")

RM218.23 MIL

▲ **2.32%**

Green Park

CHAIRMAN'S STATEMENT

Our growth is not just externally driven, but internally underpinned by a more efficient cost base, strengthened business processes and enhanced corporate governance, the incorporation of digitalisation and innovation and a clear vision and mission and a purposeful organisational culture.

We have initiated digitalisation transformation plan that will enable more precise decision making via the availability of real time information. Data can be shared seamlessly across the organisation to create a more empowered workforce that is better attuned to market development and on-ground operational conditions. The process has commenced in end FY2019 and is expected to be fully implemented by the 3rd quarter of FY2020.

Importantly, we remain well on track towards achieving our long-term targets. I wish to reiterate that Matrix's growth is sustainable and we continue to make headway despite the many headwinds faced.

HIGHLIGHTS AND ACHIEVEMENTS DURING THE FINANCIAL YEAR

In FY2019, Matrix launched approximately 2,600 residential and commercial properties with a cumulative gross development value ("GDV") of RM1.46 billion. The bulk of these launches were located at our Bandar Sri Sendayan ("BSS"), Ara Sendayan and Tiara Sendayan developments (collectively known as "Sendayan Developments"), which has proven to be a popular location among Malaysians. We are encouraged to see the strong take-up of the phases launched in FY2019.

Of note, our Chambers project, which is the Group's maiden high-end, high-rise development in the heart of Kuala Lumpur, has been well received. The success of Chambers, comes amidst a huge market overhang of high-end, high-rise residential development in the Klang Valley. Our performance in regards to this project is a clear validation of our development concept and overall marketing strategy, which has enabled Chambers to buck the trend and deliver strong sales.

In Australia, our maiden project, M.Carnegie has seen all 52 of its boutique apartments completed and handed over and has become a key placemaker. The development has proven Matrix's capability as an international developer and paves the way for more overseas projects to be undertaken by the Group going forward. On this note, we will soon be further expanding our footprint in Australia via two new projects: M.Greenvale and M.St. Kilda.

Beyond property launches, along with sustainability initiatives undertaken by the Group, we draw your attention to our initial steps towards adopting Industrialised Building Systems ("IBS"). In FY2019, the Group has established its IBS factory, located within BSS. The factory, capable of producing more than 700 units per year, will offer several potential benefits to the Group. Among these, include reduced labour cost, faster construction time and overall improvements in production efficiency.

However, our adoption of IBS is still at a very early phase and inevitably, there is a learning curve for all adopters of the technology. We will progress incrementally with IBS adoption, learning from other property players to avoid many of the potential challenges associated with IBS adoption. We are

Casadia, Tiara Sendayan – Artist impression

CHAIRMAN'S STATEMENT

committed to IBS as our adoption of the technology is in line with the aspirations of the Malaysian government, which is to have more property developers leveraging on the technology towards building more homes faster and at lower cost.

On the education front, we wish to highlight the Joint Venture ("JV") between Matrix Global Education Sdn Bhd and Bonanza Educare Sdn Bhd for the provision of efficient operations and management of Matrix Global Schools ("MGS"). The JV will enable MGS to benefit from specialised educational expertise and related experience towards enhancing the overall management of MGS.

Another groundbreaking JV agreement signed was with PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia, which marks our initial footprint into the up-and-coming Indonesian market. This JV represents a remarkable opportunity for Matrix to work hand in hand with one of Indonesia's largest property developers and a major conglomerate to establish the nation's prestigious, landmark project – Indonesia's first Islamic Financial District ("IFD"), located in the capital city of Jakarta.

AWARDS AND ACCOLADES

During the financial year, Matrix was selected for the CSR Award for its continued role and contribution towards corporate governance and for actively championing various environmental and social causes. We were also bestowed the highly prestigious Gold – Governance, Environmental Responsibility and Social Responsibility from The Asset Awards 2018, Hong Kong. This was followed by the Group being selected as the Highest Return on Equity Over 3 Years by The Edge Billion Ringgit Club.

We are also heartened with Matrix's inclusion as a Bursa Malaysia FTSE4Good index constituent, which is a clear endorsement of our long-standing efforts to embed sustainability and corporate governance within Matrix.

The Group also secured a string of property related awards from starproperty.com. These were The All-Star Award Top Ranked Developers of the Year for Ara Sendayan, The Neighborhood Award (Best Boutique Township) for Lunaria 3 @ Resort Home, The Long Life Award (Best Health and Wellness Development) for Alwinix and Alconix, The Happy Buyer Award (Highest ROI Development) for Casadia @ Tiara Sendayan, The Starter Home Award (Best Affordable Home) for Bandar Sri Sendayan and The Five Elements Award (Best Comprehensive Township Above 1800 acres).

LOOKING AHEAD

We are bullish of improved economic environment in FY2020 amid a more-settled Administration that is expected to focus on economic reforms with further rollout of major infrastructure projects nationally. Challenges remain due to prevailing market uncertainty as Malaysia's GDP in 2019 is expected to moderate further to 4.4% impacted by uncertainties in US monetary policies, the slowdown in China's economic growth, the ongoing trade tension between the US and China and overall uncertainty in global trade.

The property sector will require time for consolidation, despite growing pent-up demand and various government and industry initiatives to encourage home ownership, particularly within the mass, middle-income demographic. The Malaysian property market is facing a clear mismatch between demand and supply as many Malaysians, particularly from the B40 and M40 group, are priced out of the property market.

This mismatch provides an opportunity for Matrix. Since inception, we have been vindicated in our focus towards the affordable property segment and believe we are well-experienced and better positioned to capture a growing share of the market while endearing the Matrix brand to a larger number of homeowners.

TOTAL DIVIDEND OF

12.75 SEN

PER ORDINARY SHARE

TOTAL DIVIDEND PAID-OUT AMOUNTED TO

RM101.55 MIL

▲ 19.19%

On the home front, we shall continue to expand our landbanks at our townships as we look to capitalise on the growth and increasing recognition by the public. Although we are comfortable with our current landbank levels, which is expected to last beyond 2025, we are confident of further replenishing our Sendayan Developments landbank in FY2020.

Following up on the success of M.Carnegie, our maiden project in Australia, we look forward to the rollout of further two developments in Greenvale and St. Kilda in Melbourne, Australia. Both projects are expected to contribute positively to the Group's bottom line, while providing exposure to international best practices on project planning, design and building methodologies.

As for our venture into Indonesia, we are optimistic of a long and fruitful presence in Indonesia which represent fantastic prospect for property developers in view of Indonesia's population of 275 million with merely 15% home ownership rate. We are enthused to have a prestigious

Tiara Sendayan – Artist impression

CHAIRMAN'S STATEMENT


Islamic Financial District, Jakarta, Indonesia – Artist impression

maiden project, which has received overwhelming support from the Indonesian Federal Government, with the initial phase of the IFD development of 26-storey twin towers at an estimated GDV of USD500 million.

While we remain aggressive in our efforts to prolong our growth story, we shall take a conservative approach in our strategy as fair share of challenges looms in FY2020. However, drawing from our expertise, experience and strong business fundamentals, the Group is expected to register a comparable business and operational performance. We will continue to address real market demand with focus on the affordable to mid-range products and cater to a diverse demographic as the Matrix brand grows in appeal among homebuyers. We intend to further enhance and leverage on the unique value proposition of our townships and leverage on our strengths while further entrenching our reputation as a provider of value for money homes for Malaysians.

With our sizeable ongoing projects and growth plans, we are confident of achieving not only better profits, but continue rewarding our shareholders and maintain our consistant dividend payouts. Our strong earnings visibility will effectively sustain our ability to distribute good returns to our shareholders and maintain our status as one of the top dividend-yielding companies in Bursa Malaysia.

I wish to highlight that as part of the Group's strategy for succession planning, the Board welcomes and congratulates the re-designation of Dato' Lee Tian Hock as Group Executive Deputy Chairman, effective 1 September 2018 and the promotion of Mr. Ho Kong Soon as the Group Managing Director on the same date. With the full confidence of The Board, we look forward to a new dawn in the Matrix's journey as a top developer in Malaysia and beyond.

APPRECIATION AND ACKNOWLEDGEMENTS

I would like to extend my gratitude to all employees of Matrix and my fellow Board members for their continued believe and dedication towards maintaining our growth story and turning Matrix into a prominent Malaysian property developer.

Appreciation is also extended to our customers, business partners, bankers and vendors for their working partnership with Matrix and our many shareholders, for their continued vote of confidence in the Group during the financial year.

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman
30 June 2019

MANAGEMENT DISCUSSION AND ANALYSIS

HO KONG SOON
Group Managing Director

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Since listed in 2013 on the Main Market of Bursa Malaysia Securities Berhad, Matrix Concepts Holdings Berhad ("Matrix" or "the Group") continues to deliver stable growth as reflected in its financial performance and the many business highlights achieved in financial year ended 31 March 2019 ("FY2019"). This is shown in our earnings performance as the Group recorded a Profit After Tax of RM218.23 million in FY2019, a steady increase compared to RM151.56 million in FY2013.

Matrix has emerged as an award-winning developer, with a growing brand name centred on our developments in Bandar Sri Sendayan ("BSS"), Ara Sendayan and Tiara Sendayan (collectively known as "Sendayan Developments") as well as Bandar Seri Impian ("BSI") located in Kluang, Johor.

As at end FY2019, Matrix has established a credible track record of over 6,450 properties built in Malaysia and Australia with a total GDV of RM3.67 billion over the past five years. The Group has delivered stable and steady growth and continues to progress from strength to strength.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Sendayan Developments, which has become a highly-desired address in the southern Klang Valley, both for upgraders from nearby towns, as well as buyers from Klang Valley, looking for a quality home that offers a strong value proposition that is priced competitively within a growing township that offers many lifestyle possibilities. Once fully completed in the next 15 years, our Sendayan Developments is poised to have an estimated gross development value ("GDV") of RM15.8 billion and a self-contained population of 150,000.

The Group's other township, the 900-acre BSI, together with the recently acquired landbank of 309.5 acres located near Kluang, Johor has a GDV of RM3.60 billion. BSI is strategically located within close proximity to schools, hospitals and various facilities and amenities.

Matrix has also entered into high-rise developments, with its inaugural venture being the highly acclaimed Chambers Serviced Residence. Located in the heart of the KL city centre, Chambers has received over 65.0% sales, despite the present weak market conditions and the ongoing glut of high-rise residences in Kuala Lumpur. The project is slated for completion in Q1 2022.

On the international front, Matrix has successfully expanded into Australia via its sold-out M.Carnergie project in Melbourne. Following the success of M.Carnergie, Matrix recently launched M.Greenvale in Q4 FY2019, which features prime bungalow lots, located in the suburbs of Melbourne within close proximity to the Melbourne International Airport. Matrix has also expanded its international footprint into Indonesia via a Joint Venture ("JV") with a local partner to develop the USD500 million Islamic Financial District ("IFD") in Jakarta.

Apart from property development, Matrix's other business activities include construction, education, and hospitality, which enables Matrix to derive a unique synergy to enhance the value proposition of its townships.

At the heart of our Sendayan Developments is Matrix Global Schools ("MGS"). MGS comprises an international pre-school, an international school and a private school on a purpose-built campus situated at the centre of Bandar Sri Sendayan, Negeri Sembilan. Our recent strategic collaboration with Bonanza Educare Sdn Bhd will enhance MGS – towards enhancing overall operational efficiency and brand enhancement.

Meeting the Sendayan community's needs for leisure is the 380,000-sq ft d'Tempat Country Club is a leading, recreational club. Membership presently stands at 6,000 consisting of corporate and individual members. The club offers a string of recreational facilities. These include food and beverage outlets, an Olympic-sized swimming pool, aqua gym, bowling alley, tennis and squash courts, Meetings, Incentives, Conventions and Exhibitions ("MICE") facilities and more. d'Tempat Country Club is Green Building Index Gold Standard (Provisional) certified.

Catering to the needs of corporates, travellers and the business community of Seremban, d'Sora Boutique Business Hotel, a boutique hotel consisting of 72 guest rooms, is Matrix's first venture into the hotel industry complementing the full spectrum of lifestyle offerings at our Sendayan Developments.

Matrix Global Schools Aerial View

GROUP OBJECTIVES AND STRATEGIES

Following are the individual strategies for each business division:

PROPERTY DEVELOPMENT

As a township developer, Matrix intends to:

- Continue leveraging on its proven track record and the established award-winning brand name of our Sendayan Developments to tap the growing lifestyle trend among urbanites to reside in the suburbs with good infrastructure and convenient accessibility and connectivity, yet remaining close enough to commute daily to the city centre for work and other purposes.
- Reflecting its tagline of "Nurturing Environments, Enriching Lives", Matrix aspires to deliver sustainable, community living environments that meets buyers' aspirations while providing them with value and the opportunity to enjoy and aspire to better lifestyle experiences. In essence, beyond providing quality build and design, Matrix looks to deliver a complete lifestyle eco-system of work, play, dine, shop, learn and more.

HOSPITALITY (CLUB AND HOTEL)

In synergy, both d'Tempat Country Club and d'Sora Boutique Business Hotel complement each other in the hospitality segment. While d'Tempat Country Club has become the premier lifestyle and MICE destination in Negeri Sembilan, participants are assured of quality and comfortable accommodation at our d'Sora Boutique Business Hotel.

EDUCATION

Through MGS, Matrix is available to deliver quality and holistic, international academic education with an emphasis on character building and developing future talents for the nation. MGS fulfils the overall value proposition of our Sendayan Developments while provides Matrix with investment income. MGS represents our presence in the fast-growing education sector while allowing us to explore the unique synergies that could potentially arise from the integration of our property and education businesses.

CONSTRUCTION

Matrix's construction provides the necessary building expertise and capabilities to ensure timely completion of projects and a firm control of construction costs and build quality control. Via its construction arm, the Group is better able to manage its projects while realising greater cost efficiency and build quality. In FY2019, Matrix has begun its process of incorporating the Industrialised Business Systems ("IBS") with the establishment of its maiden IBS factory, located in BSS.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

REVENUE

In FY2019, Matrix registered another record year for top-line performance with revenue growing by 27.74%, to reach a new high of RM1.045 billion. Revenue contribution from all business divisions was stronger with the property business division posting the biggest improvement, year-on-year ("y-o-y").

Business Division	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
Property Development	1,010,926	785,928	28.63%
Construction*	368,239*	331,127*	11.21%
Education	19,821	18,806	5.40%
Hospitality and Others	14,784	13,743	7.57%
TOTAL**	**1,045,531**	**818,477**	**27.74%**

* *Eliminated due to revenue deemed as an inter-company transaction.*
** *Total excludes construction segment revenues, which have been eliminated.*

Underpinning the Group's property business' revenue performance was the property development segment, which on its own, accounted for RM1,010.93 million or 96.69% of total Group revenue (FY2018: RM785.93 million). In FY2019, revenue from residential property alone had expanded 33.97%.

Property development revenue growth was driven mainly by higher recognition from our Sendayan Developments and BSI. Both accounted for some 84.80% (RM886.63 million) of Group revenue. A significant revenue drop from BSS was offset by revenue recognition from Ara Sendayan and Tiara Sendayan giving our Sendayan Developments a total improved revenue performance of RM736.86 million (FY2018: RM629.55 million).

Also on a positive note, our maiden revenue from our Australia operations was RM85.50 million, accounted for 8.18% of Group revenue.

Our commercial and investment properties also posted revenue growth of 28.44% and 6.32% respectively. Growth in both these segments were underpinned by product launches.

Our industrial property segment declined attributed to various factors. This included reduced industrial land sales due to lack of expansion by local entrepreneurs and lesser foreign direct investment injection from investors during the financial year. In FY2019, revenue contribution from industrial properties declined by 17.76% to RM60.6 million (FY2018: RM73.6 million).

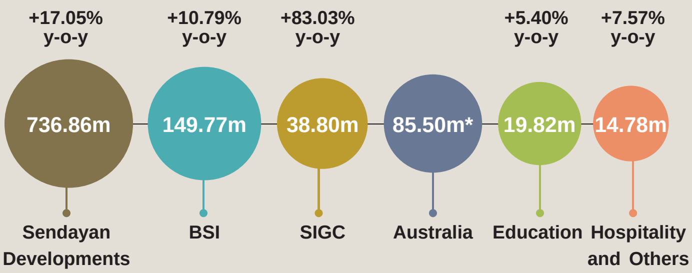
As at 31 March 2019, total property unbilled sales stood at RM1.2 billion, 9.09% higher y-o-y (FY2018: RM1.1 billion). The Group's ongoing developments stands at a healthy level of RM2.60 billion in GDV as at 31 March 2019, marginally higher y-o-y (FY2018: RM2.59 billion).

Revenue Breakdown by Segments

	FY2019 (RM'000)	FY2018 (RM'000)	Change (%)
PROPERTY DEVELOPMENT			
Sendayan Developments			
- Bandar Sri Sendayan	370,356	504,589	-26.60%
- Ara Sendayan	211,105	51,335	311.23%
- Tiara Sendayan	94,850	–	–
- Sendayan Tech Valley	60,549	73,621	-17.76%
Bandar Seri Impian	149,772	135,187	10.79%
Residensi SIGC	38,796	21,196	83.03%
M.Carnegie	85,498	–	–
	1,010,926	**785,928**	**28.63%**
EDUCATION	19,821	18,806	5.40%
HOSPITALITY AND OTHERS	14,784	13,743	7.57%
	1,045,531	**818,477**	**27.74%**

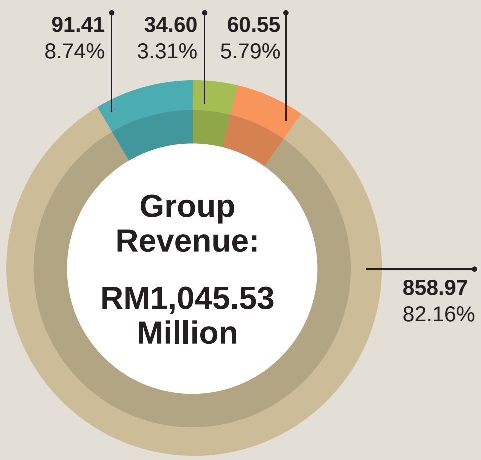
MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE BY SEGMENTS (RM)



** First year revenue recognition*

FY2019 REVENUE SEGMENTATION (BY TYPE)
RM MIL



RESIDENTIAL +33.97% y-o-y	COMMERCIAL +28.44% y-o-y
INVESTMENT PROPERTIES +6.32% y-o-y	INDUSTRIAL AND LAND -17.76% y-o-y

Revenue Growth Driven by Greater Emphasis on Mid-Range Properties

Our strategy to launch more mid-range or value for money homes across our overall product mix, notably within our Sendayan Developments and BSI township was key to improved top-line performance. In FY2019, close to 60% of overall launches were centred on meeting real market demand and catering to the purchasing capability of first-time owner-occupiers and some upgraders.

Given the present challenging market conditions and stiff market competition, it was imperative that we re-adjusted our product mix to meet buyers' financial capabilities and their home ownership aspirations. By adjusting our portfolio mix accordingly in FY2019, the Group has been effective in maintaining revenue and earnings growth while further ingratiating the Matrix brand name to the expanding middle-income, mass market of Malaysian buyers.

GROUP PROFIT

In FY2019, Group's Gross Profit was 11.71% higher at RM522.22 million (FY2018: RM467.49 million). Despite cost of sales increasing by 49.10% to RM523.31 million (FY2018: RM350.99 million), Matrix's stronger revenue performance in FY2019 has enabled the Group to still deliver healthy earnings growth.

IN FY2019, GROUP GROSS PROFIT WAS
11.71%
HIGHER AT
RM522.22 MILLION
FY2018 RM467.49 MILLION

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Before Tax ("PBT") improved marginally by 0.86% in FY2019 to RM297.77 million (FY2018: RM295.23 million) whilst Profit After Taxation ("PAT") was 2.32% higher at RM218.23 million (FY2018: RM213.28 million).

As mentioned earlier, the Group's earnings were largely impacted by reduced contributions from our industrial property segment and the switch in our overall mix to provide more mid-range products in tandem with real market demand. While mid-range homes elicit a more positive market response, which translates to sustained sales and revenue performance, the profit margins per unit are comparatively smaller compared to higher-end units, which provide a better yield.

Management is cognisant of the impact on earnings due to rising operational costs and the switch in our property portfolio. However, a longer-term perspective should be considered when assessing the strategy to offer more mid-range properties.

While earnings margins are smaller from medium range homes, the volume of units taken-up will progressively drive revenue and earnings growth over the longer-term. Additionally, homeowners who choose to invest in an entry level or mid-range property with Matrix across our townships, will likely upgrade in tandem with rising income as they progress through their careers.

With this, many having bought a home with Matrix will likely have a stronger confidence level and trust with our brand and with that choose one of our higher-end products as they upgrade their lifestyle or as they seek as investment property. Essentially, the provision of more homes that middle-income Malaysians can afford is a sound strategy to secure buyers and grow brand equity over a longer-term horizon.

However, we are mindful that as we launch more affordable to medium-range or value for money products, Matrix will continue to evolve and improve efficiency to reduce operational costs and delivery time. With the Group's continued focus on reducing operational and overall construction time, Management foresees earnings to remain stable or on the uptrend going forward.

COSTS

In FY2019, given the competitive market environment and overall sluggish sentiment, Matrix needed to be aggressive in the marketing and promotion of products while continuing to drive brand appeal and equity. Thus, there were many marketing campaigns launched across both conventional and digital/social media channels as well as activities undertaken with collaborative partners. As a result, selling and marketing expenses had increased during the financial year by 59.64% to RM83.43 million y-o-y (FY2018: RM52.26 million) against revenue growth of 27.74%. Notwithstanding this, selling and marketing expenses are still below market average and represent merely 7.98% of total revenue (FY2018: 6.38%).

In tandem with the revenue growth in FY2019, administrative and general expenses had also increased by 25.52% to RM153.61 million (FY2018: RM122.38 million). The rise was also partly due to the continued expansion and business development of the Group; in Malaysia as well as Australia and Indonesia.

On a positive note, in FY2019, the Group succeeded in reducing its financing costs by a significant 35.35% to register a reduced amount of RM3.30 million (FY2018: RM5.10 million).

Given that the large bulk of our property types are residential units, the Group did not derive significant benefits from the Goods and Services Tax ("GST") regime. In FY2019, with the reversion to Sales and Service Tax ("SST"), the Group only saw a small savings on cost. Hence, in response, the Group continued to offer competitive products to ensure long-term customer loyalty for our competitive advantage.

The Group remains mindful that in a competitive market, costs must be controlled without compromising on the overall quality and value proposition of our products. One of the key initiatives undertaken in FY2019 was the digitalisation programme that will derive and improve overall efficiency across the Group in the near future.

DIVIDENDS

In FY2019, the Group has declared a total dividend payout of 12.75 sen for the financial year. Total dividend paid out during FY2019 was RM101.55 million, 19.19% higher y-o-y (FY2018: RM85.20 million).

Matrix has maintained its track record of paying out at 40% of net profit as dividends to shareholders. The Group continues to maintain its position as one of the best performing property developers in terms of Return on Equity.

MANAGEMENT DISCUSSION AND ANALYSIS

ASSETS AND LIABILITIES

Non-Current Assets	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
Property, plant and equipment	256,168	235,046	8.99%
Investment properties	243	590	-58.81%
Inventories	454,128	634,205	-28.39%
Deferred tax assets	26,683	15,300	74.40%
Goodwill arising on consolidation	*	*	–
TOTAL	**737,222**	**885,141**	**-16.71%**

Current Assets	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
Inventories	671,435	389,805	72.25%
Trade and other receivables	425,046	309,393	37.38%
Fixed deposits, cash and bank balances	264,210	280,428	-5.78%
TOTAL	**1,360,691**	**979,626**	**38.90%**

	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
TOTAL ASSETS	**2,097,913**	**1,864,767**	**12.50%**

Note :
** Represents RM1.00*

The Group's asset position in FY2019 remains healthy. Total Group assets had grown by 12.50% to reach in excess of RM2.0 billion and continues to outpace liabilities. Net asset per share continues to grow reaching RM1.76, a 9.32% improvement, y-o-y (FY2018: RM1.61). Despite the increase in property, plant and equipment as well as deferred tax assets, total non-current assets had decreased by 16.71% to RM737.22 million mainly due to land cost under non-current inventories being transferred to current inventories for development. Group current assets had grown strongly by 38.9% to touch the RM1.36 billion mark.

Property, plant and equipment had increased by RM21.12 million on the back of the establishment of Matrix's IBS facility as well as increased machinery and equipment required to support the growing number of property launches during the financial year.

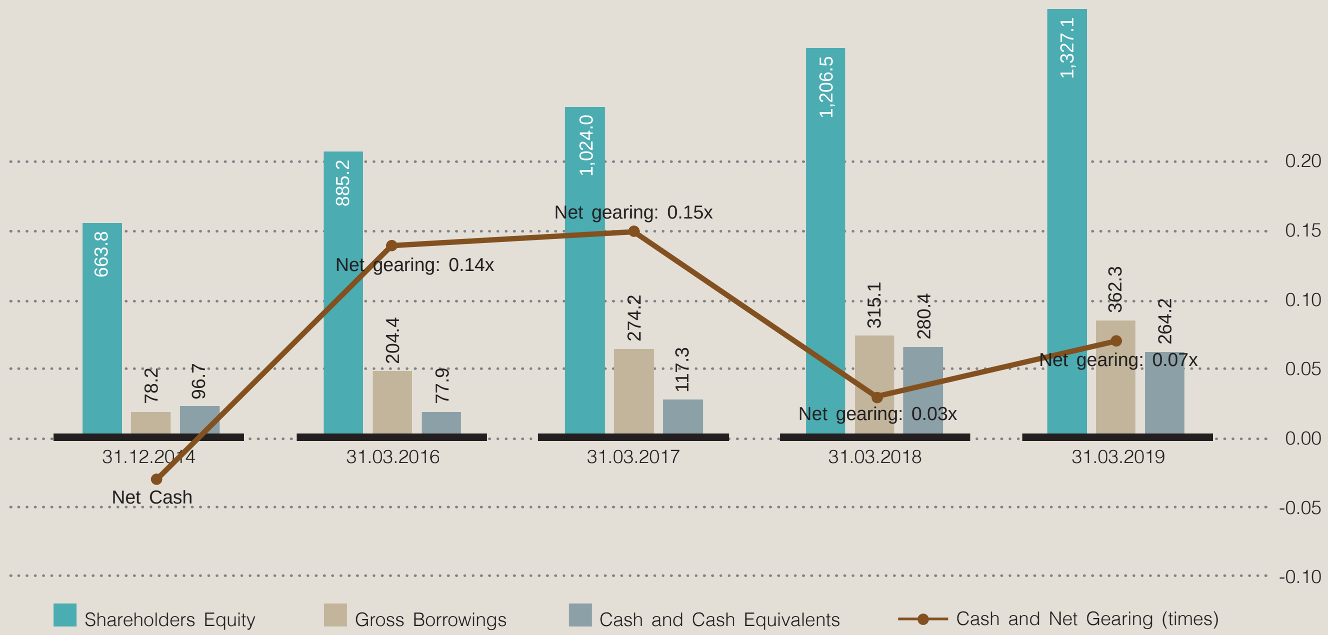
Group current inventories saw a major increase of RM281.63 million or 72.25% to RM671.44 million (FY2018: RM389.81 million) as significant portion of land cost was transferred from non-current inventories for development as mentioned earlier, in line with the increase in projects launched in FY2019. Completed properties held for sale also rose by RM51.00 million which further increased our current inventories level.

With regard to liabilities, Matrix's total borrowings has increased to RM362.30 million (FY2018: RM315.07 million) or equivalent to 14.99% during the financial year. This is attributed to additional financing sources to fund working capital requirements and ongoing project launches.

Meanwhile, our current liabilities registered an increase of 21.45% to RM568.82 million in FY2019. Apart from the increase in borrowings, trade and other payables have also moved higher due to accrued project costs for Ara Sendayan and Tiara Sendayan.

On a separate note, Management is comfortable with the present gearing ratio and is confident of servicing its loan obligations. As a whole, the Group remains prudent in maintaining a sound financial position that enables the execution of our strategic objectives in creating value over the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS



Non-Current Liabilities	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
Borrowings	200,166	181,270	10.42%
Other payables	–	7,439	-100.00%
Deferred tax liabilities	981	697	40.75%
TOTAL	**201,147**	**189,406**	**6.20%**

Current Liabilities	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
Trade and other payables	359,047	286,520	25.31%
Borrowings	162,137	133,801	21.18%
Dividend payable	22,585	26,280	-14.06%
Current tax liabilities	25,051	21,768	15.08%
TOTAL	**568,820**	**468,369**	**21.45%**

	FY2019 (RM'000)	FY2018 (RM'000)	Difference (%)
TOTAL LIABILITIES	769,967	657,775	17.06%
NET ASSETS PER SHARE (RM)*	1.76	1.61	9.32%

Notes:
** Based on the issued and paid-up ordinary share in Matrix ("shares") of 752,809,487 (2018: 750,866,178)*

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE AND CAPITAL RESOURCES

In FY2019, the major capital expenditure (“capex”) for Matrix was the establishment of its IBS factory in BSS. The cost of acquiring the technologies, machinery and construction of the IBS factory amounted to RM24 million.

The Group’s IBS factory, which is capable of producing up to 700 units per year, will support the Group’s drive to increase construction quality and shorten construction periods towards expediting project completion. This will allow for faster revenue recognition for the Group, improved return on investment and savings on financing interest cost.

The IBS factory is expected to contribute to reduced production costs by reducing requirements for unskilled human labour as well as reducing human error.

The Group continues to leverage on the capital markets and in FY2019, successfully issued its Islamic medium term notes (“IMTN”) amounting to RM100.0 million under our *Sukuk Wakalah* Programme. The proceeds raised were used to finance working capital requirements, capital expenditure and other general corporate purposes. The strong take-up of our IMTN is a further testament of marketplace confidence in Matrix and its prospects going forward.

CASH FLOW, CASH AND BANK BALANCES

	FY2019 (RM’000)	FY2018 (RM’000)
Net cash generated from operating activities	77,858	182,337
Net cash used in investing activities	(12,753)	(66,923)
Net cash (used in)/generated from financing activities	(68,798)	13,541
Effect of exchange rate fluctuations on cash held	(3,435)	(5,426)
Cash and cash equivalents at beginning of the year	187,395	63,866
Cash and cash equivalents at the end of the year	180,267	187,395
Cash and cash equivalents comprising fixed deposit, cash and bank balances	264,210	280,428

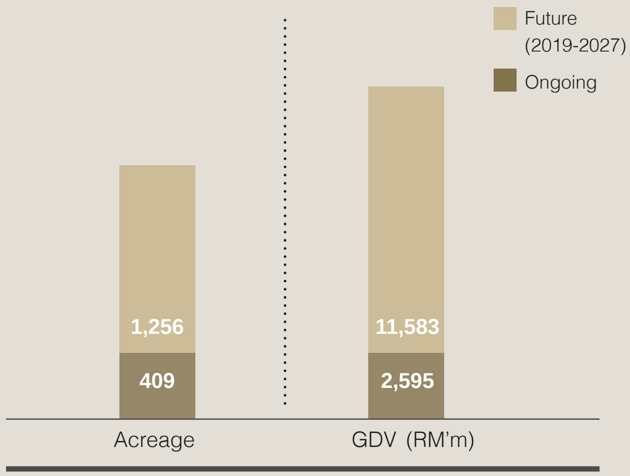
The Group’s net cash generated from operating activities decreased significantly on the back of increase in receivables for the financial year whilst cash generated from operations had reduced.

Similarly, net cash (used in)/generated from financing activities also declined attributed to a significant reduction in shares issued during FY2019. The Group’s dividend payout was also 19.19% higher at RM101.55 million (FY2018: RM85.20 million). Drawdown of borrowings was also significantly lower in FY2019 at RM109.90 million compared to FY2018 at RM186.32 million.

Net cash used in investing activities improved significantly during the financial year, providing an offset effect on the impact of net cash from operating and financing activities. Despite an increase in purchase of plant, property and equipment largely attributed to the Group’s new IBS factory and increased placement of pledged deposits with banks as compared to FY2018, the position of net cash used in investing activities improved on the back of reduced placement of deposits with licensed banks exceeding in three-month term.

MANAGEMENT DISCUSSION AND ANALYSIS

LANDBANK



As at end 31 March 2019, the Group has shored its landbank position to 1,665 acres. The combined GDV of our landbank is estimated to be over RM14.18 billion, which is to be progressively developed over the next decade.

During the year, Matrix secured several strategic land parcels.

In June 2018, a 9.67-acre site was acquired by the Group's subsidiary, Matrix Concepts (Australia) Pty Ltd at Somerton Road, Greenvale, Melbourne for our landed project in Australia. The location is strategic – just 25 minutes away from the Melbourne CBD and is close to the Melbourne airport. The site is also just five minutes' drive from the Roxburgh Park Train station, making it public transport accessible.

In October 2018, the Group via its subsidiary acquired a 2,543 sqm (0.63 acres) site along Melbourne's premier boulevard, St. Kilda Road. The land parcel is positioned within arguably Melbourne's most popular premium bayside suburb with St. Kilda being a top suburban tourist destination – offering outstanding access to major retail hubs, shopping and eateries including world-famous Chapel Street as well as being within close proximity to St. Kilda beach and Albert Park Lake (venue of the Australian F1 Grand Prix). The area is well known as Melbourne's market leader for suburban office and premium residential city-fringe development.

Also in October 2018, the Group via its subsidiary acquired a 5.2-acre land parcel in the maturing suburb of Cheras, located just off the Middle Ring Road 2 ("MRR2"). Upon completion of the upcoming MRT Line, our land is poised to be within walking distance of an MRT station and just 3 stops away from the MyTown-IKEA Shopping Mall. It is also within easy close proximity to the KL City Centre and KLCC.

As part of our strategy to capitalise on the growing acceptance and value created at our Sendayan Developments, we are embarking on numerous land acquisition deals. To this, a total of 232 acres of land at a total cost of RM98 million, was acquired in FY2019.

REVIEW OF OPERATING ACTIVITIES

In FY2019, Matrix continued to develop various strategic partnerships towards strengthening its business divisions and expanding its international business presence.

Enhancing Our Education Arm

Of note, Management wishes to highlight the Group's entry into a Joint Venture ("JV") cum Shareholders Agreement with Bonanza Educare Sdn Bhd. The strategic partnership will allow Matrix to leverage on Bonanza's proven educational expertise and experience in the setting up, operating and managing of international pre-schools, private schools and international schools. This will enable MGS to benefit from a new and improved business proposition and outlook towards enhancing overall operational efficiency and brand enhancement.

Matrix Educare Sdn Bhd ("MEC"), the 51.0% owned subsidiary of Matrix Global Education Sdn Bhd, which in turn is an indirect subsidiary of Matrix, has been identified as the JV vehicle for the aforementioned purpose.

Growing Our International Footprint

Matrix has incorporated several new Group subsidiaries, to facilitate further expansion into Australia where we have an existing presence, and Indonesia. In FY2019, Matrix incorporated the following subsidiaries:

- Matrix Development (Australia) Pty Ltd was established as a direct Group subsidiary.
- Matrix Greenvale (Australia) Pty Ltd ("M.Greenvale") and Matrix 333 St. Kilda (Australia) Pty Ltd ("M.St. Kilda") were established respectively as a subsidiary of Matrix Development (Australia) Pty Ltd (which in turn is a Group subsidiary). Both M.Greenvale and M.St. Kilda have been incorporated towards undertaking property developments projects at Greenvale and St. Kilda respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has also made a successful foray into neighbouring Indonesia when on 2 October 2018, Matrix inked another JV agreement with PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia to jointly venture into the construction and development of an Islamic Financial District ("IFD") in Pantai Indah Kapuk 2, Jakarta, Indonesia. The initial phase of the IFD project has an estimated GDV of USD500 million (approximately RM2.044 billion).

The JV vehicle, PT Fin Centerindo Satu, will undertake the development of the IFD, which will be our first venture in Indonesia. Matrix's 30% equity participation amounting to USD30 million (equivalent to RM124.01 million) is funded via an equity fund raising exercise.

With the approval of Bursa Securities, Matrix had initiated a private placement ("PP") of up to 75,000,000 new Matrix shares. The listing application for the PP was submitted to Bursa Securities on 13 March 2019 and approved on 18 March 2019. Proceeds raised from the PP exercise will be used to fund our expansion into Indonesia.

The PP exercise was divided into several tranches with the first, issued on 8 May 2019 comprising 21,000,000 new Matrix shares (approximately 2.79% of the Group's total share base) with the price fixed at RM1.986 per share. The first tranche was completed on 10 May 2019 with a 1% premium. The second tranche, issued on 23 May 2019 comprised 13,000,000 new Matrix shares (approximately 1.68% of our share base) at RM2.00 per share with a 4.2% premium and completed on 27 May 2019.

With this, Matrix has gained a foothold in Indonesia's burgeoning real estate sector. The 12-hectare IFD development will consist of an integrated mixed-development comprising commercial towers with office and retail components. The Project will be structured as a phased development with Phase 1 being on a 3.6-hectare land over a development period of 8 years. Our entry into Indonesia via the IFD project enables Matrix to forge strategic partnerships with one of Indonesia's largest property developers and a major conglomerate.

The synergy with experienced local Indonesian partners, who can provide the required local market context and understanding, and who are backed by strong financiers to ensure the successful realisation of the IFD.

Both our Australia and Indonesia ventures will strengthen the Group's overseas revenue streams going forward.

Expanding Locally Via Strategic Partnerships

On a separate note, Matrix Concepts (Southern) Sdn Bhd, on 2 May 2019, entered into a JV agreement with Koperasi Kemajuan Tanah Negeri Johor Berhad ("KKTNJB") to undertake mixed development projects comprising 309.5 acres of land owned by KKTNJB in the Mukim and District of Kluang, Johor. The land parcel is poised to be developed as Bandar Seri Impian 2, which is part of the larger BSI township.

The Group shall pay a cash consideration of RM91.68 million based on an agreed payment schedule for the exclusive and irrevocable right granted by KKTNJB to the Group.

PROJECT UPDATES – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL PROPERTIES

In FY2019, Matrix launched a total of RM1.5 billion worth of projects with launches encompassing both residential and commercial projects. These included Ara Sendayan (Phases 3, 4 and 5), Tiara Sendayan (Phases 1, 2 and 3), Lobak Commercial Centre Phase 2, replanning of Sendayan TechValley and Chambers KL, the Group's first high-rise residence and maiden project in the city centre of Kuala Lumpur.

Management is pleased to report that all products received strong traction from buyers with many achieving 100% sales. The average take-up rate for our launches was 74.0%.

MANAGEMENT DISCUSSION AND ANALYSIS

Sendayan Developments, Negeri Sembilan

In Sendayan Developments, the value of total launches stood at RM1.06 billion with new sales of RM809.50 million achieved (FY2018: RM857.9 million). Average take-up rate was 67.30% (FY2018: 82.8%) for ongoing projects with unbilled sales of RM882.70 million as at 31 March 2019.

Ara Sendayan

The 78.50-hectare hilltop development continues to grow in strength. Phases 3, 4 and 5 launched in FY2019 were sold quickly due to the project's attractive value proposition and its mid-range pricing.

All phases launched comprised 2-storey terrace homes (Phase 3: 168 units at a GDV of RM119.60 million, Phase 4: 244 units at RM191.20 million and Phase 5: 85 units at RM64.50 million). Ara Sendayan has a total GDV of close to RM950 million with phases 1, 2 and 3 (comprising 825 units) having a GDV of RM562.97 million. The overall development is expected to be completed by FY2022.

Ara Sendayan

Hijayu Resort Homes (BSS)

The launch of Phases 3 and 4 of our Hijayu Resort Homes, offering 2-storey semi-detached (62 units) and 2-storey terrace houses (232 units), with a combined GDV of RM279.97 million, was well received with strong sales. Total number of homes sold stands at 79.25% with 233 homes purchased out of 294.

Allysum, Resort Homes

Sendayan Metropark 2B (BSS)

Located at the main commercial belt of BSS, Sendayan Metropark consists of 71 double storey shop offices. With a GDV of RM92.86 million, Sendayan Metropark is a central catchment area with access to financial institutions, fast food outlet, iconic mosque, educational centres, specialty stores, retail outlets as well as food establishments.

In FY2019, more units were sold with only a select few remaining. The project has benefited from the growth in commercial activity within the area, which is attributed to the continued expansion in population and the overall vibrance and dynamism of the area, which has led to stronger demand for retail and various commercial products and services. The relocation of many air force personnel into the surrounding area will provide a further stimulus for commercial demand at Sendayan Metropark 2B.

Sendayan Metropark

MANAGEMENT DISCUSSION AND ANALYSIS

Tiara Sendayan

Due to overwhelming response, Matrix launched three phases of Tiara Sendayan in FY2019. Tiara Sendayan 1 comprising 192 1-storey terrace houses and 212 2-storey terrace homes with a combined GDV of RM151.42 million. Tiara Sendayan 2 featured 504 2-storey terrace homes (GDV: RM225.74 million) while Tiara Sendayan Phase 3 also comprised 363 2-storey terrace dwellings with a GDV of RM158.37 million.

Tiara Sendayan Phases 1, 2 and 3 were fully sold out within their respective launch days.

Tiara Sendayan Recreation Park – Artist impression

Suriaman (BSS)

The Suriaman series was 100% sold during the financial year. All 876 units comprising Suriaman 2A, Suriaman 2B, Suriaman 2 and Suriaman 3 with combined GDV of RM588.99 million were fully taken-up. The Suriaman development is located amidst seven thematic parks as well as the 26-acre Sendayan Green Park, the green lung of the entire Sendayan Developments.

Suriaman

Sendayan Merchant Square (BSS)

Sendayan Merchant Square remains the anchor lifestyle and commercial centre of BSS, providing the township with a lifestyle and commercial hub to meet the needs of its growing residential population. It comprises mixed-used development of boutique retail outlets, dining facilities and more. In FY2019, all units were sold for RM201.66 million and the project has been fully completed.

Carnelia Park, Sendayan Merchant Square – Artist impression

Sendayan TechValley

Sales of industrial land in FY2019 had decreased due to several factors. As mentioned earlier, land sales were impacted by lack of business expansion activities by local businesses as well as reduced foreign direct investments received. The introduction of new rulings on foreign purchase of leasehold land was another factor that impacted sales.

Out of the total saleable land area of 789.40 acres, 642.60 acres or 81.40% has been sold since 2011. Estimated GDV stands at above RM1 billion with unbilled sales of RM39.10 million.

Despite the decline in sales, we draw confidence from the total contribution of Sendayan TechValley over the past few years. Thus far, the project has delivered significant foreign direct investment of RM4.0 billion to both the state and federal government.

Investments attracted over the years include high-tech industries that have led to knowledge and technology transfer, creation of over jobs for locals and has paved the way for local small medium enterprises to scale up the value chain.

Progressively, the Group has been seeking to attract more high-tech industries, which can help support higher-income job creation for the local community, technology and knowledge transfer. This is in line with our philosophy of pursuing sustainable developments and bringing positive socio-economic impact to the surrounding community.

MANAGEMENT DISCUSSION AND ANALYSIS

Residensi SIGC

As an exclusive, low-density, gated and guarded luxury enclave, Residensi SIGC has become a highly sought after address for upgraders and those aspiring to a more affluent lifestyle. Strategically located next to the Seremban International Golf Club ("SIGC"), Residensi SIGC offers residents a serene landscape of nature's blue and green spread across 24.1 acres of lush countryside.

Since launching in June 2016, Residensi SIGC continues to see strong traction. As at end FY2019, total sales achieved were 98.4% with strong take-up evident across the 70 double storey houses, 38 double storey semi-detached houses and 17 double storey bungalows. Total GDV thus far stands at RM159.54 million.

Residensi SIGC – Pavillion

Bandar Seri Impian, Kluang, Johor

In BSI, all existing and new phases were mainly taken up by owner-occupiers. Impiana Indah, which consists of 124 single-storey terrace homes were almost completely sold out with the number of units taken up by end FY2019 standing at 123. Impiana 2 has been 100% sold with all 52 units taken-up by the end of the financial year. Total GDV for Impiana Indah and Impiana 2 stands at RM37.22 million and RM24.70 million respectively.

Similarly, at Impiana Damai 1, Impiana Casa 3A and Impiana Casa 3B, cumulatively comprising 509 units of single and double-storey terrace homes, with a GDV of RM235.31 million.

Chambers Residence, Kuala Lumpur

The launch of Chambers Residence, our first high-rise development in the Kuala Lumpur city centre has been highly successful, with 65.0% sales achieved within the financial year, This, despite the present oversupply of high-rise properties in the city centre.

The 33-storey Chambers Residence consisting of 509 units of serviced apartments and four commercial lots had debunked market trends, which attests to the sound marketing strategies we have put in place, as well as the compelling value proposition of the project. The project has a GDV of RM310.80 million and thus a sales performance of RM171.83 million.

Chambers is located on freehold land and is adjacent to the Putra World Trade Centre and Sunway Putra Mall and Hotel. Residents were attracted by the excellent position of the development within close proximity to a host of lifestyle amenities, facilities and other interests. The project is also within walking distance to public transport, thus making travel across the city seamless and the development as a whole, well suited to meet the aspirations of urbanites, both local and expatriates.

Priced competitively and supported by various home ownership packages, coupled with strategic location and its freehold status, Chambers has proven to be a resounding success for Matrix and provide us with a reference benchmark for the launch of future high-rise projects.

Chambers Residence – Artist impression

MANAGEMENT DISCUSSION AND ANALYSIS

M.Carnegie, Australia

M.Carnegie was successfully completed and handed-over to buyers. The project's location within the suburbs of Melbourne has made it a top choice for renters. Thus far, M.Carnegie has contributed over RM85.5 million in sales to the Group and has established the Matrix brand name in Melbourne. Buoyed by our initial success, the Group will soon be launching more projects in Melbourne.

M.Carnegie

PROJECT UPDATES – INVESTMENT PROPERTIES

Matrix Global Schools

The strategic tie-up with Bonanza will enhance the value offered by MGS towards increasing its attractiveness in the tightly competed education space. The JV will enable MGS to benefit from the proven experience and expertise of Bonanza, which has a successful track record in the education business, particularly in the operations of international schools.

Beyond serving as a place-maker, MGS is committed to delivering world-class education that extends into experiential, hands-on learning beyond the classroom. MGS aims to cultivate critical thinking, next-generation leaders with the intelligence, character and ability to become the problem-solvers of tomorrow. Hence, the curriculum has been structured to provide all-round, immersive learning environment that encourage cross-cultural interaction, development of natural talents and more.

d'Tempat Country Club

d'Tempat Country Club continues to emerge as a notable place-making destination for the surrounding community, particularly for the hosting of social events and recreational activities. The club has also become a focal point for the local business community for dining, entertainment and MICE as well as those seeking for leisure and sporting activities.

In FY2019, club memberships have grown to 6,825 members. The Group has continued to actively pursue sales of club memberships, in particular corporate sales while also initiating various marketing campaigns. Matrix looks forward to d'Tempat posting an operational profit in the upcoming financial year.

d'Sora Boutique Business Hotel

In FY2019, d'Sora Boutique Business Hotel has seen its occupancy rates steadily climb to an annual average of 55.0% (FY2018: 50.0%). The growing awareness and appeal of the hotel, particularly among the business and local communities are attributed as a key factor in the increasing occupancy rates.

d'Sora Boutique Business Hotel – Lobby Reception Area

Management's focus is to increase the number of repeat or return guests to the hotel via various marketing campaigns as well as initiating feedback processes to better gauge guests' experiences as well as to gain insights as to how the hotel may better position itself as the accommodation of choice.

Our hotel operations have encouragingly posted its first Profit After Tax, albeit a marginal RM0.12 million in FY2019, going forward, continuing on its trend of increasing occupancy rates and corporate bookings for events, we remain optimistic of d'Sora Boutique Business Hotel registering further improvement in profit contribution to the Group in FY2020.

ANTICIPATED AND KNOWN RISKS

Management remains cognisant of the inherent risks the Group faces going forward in FY2020 given our principal business operations as a township property developer. These risks are anticipated and known operational, financial, strategic and other forms of risks.

Management has adopted a risk management framework and comprehensive internal controls to manage and mitigate our risk exposure. This includes a triple defence mechanism where risks is monitored and managed at various operational and management levels of the Group, and a well-defined risk matrix, which is based on the likelihood and severity of all identified risks.

Following are the Group's principal risks and the mitigation strategies implemented:

RISK	MITIGATION STRATEGY
Depleting Landbank	Constant landbank replenishment activities nationwide, with a specific focus on acquiring parcels adjacent, or in the vicinity of our existing townships. The Group has an active landbank/business development team that continues to search for suitable pieces of land that meets set development criteria.
Heavily dependent on its property development business	Matrix continues to grow its portfolio of investment properties to provide a steadier stream of recurring income and to reduce dependence on one-off development sales. Our existing investment properties, namely MGS, d'Tempat Country Club, and d'Sora Boutique Business Hotel are expected to contribute positively to the Group's operating cash flow by FY2020. Other ventures in developing our portfolio include the establishment of the Matrix Specialist Hospital, which is still at the feasibility studies stage.
Continued stringent lending guidelines	With high loan rejection rates continuing to impact consumer's overall ability to purchase homes, Matrix has taken the initiative to work proactively with both banks and customers to improve the chances of approval rates. Among the extra valued added services the Group provides to customers is conducting strict pre-screening services to help and advise customers on their loan applications. Through this approach, the Group has achieved a success rate of 65% loan approvals for its projects on average.
Introduction of IBS	The introduction of IBS offers many benefits; however, the Group foresees that the initial year of introducing the technology may see potential challenges. There is likely to be a learning curve as the Group adjusts its construction processes to be aligned with IBS. However, in the long run, IBS will contribute strongly to Matrix's capabilities, enabling the Group to shorten construction time, achieve improved quality assurance and be less dependent on foreign labour, with the benefits growing with each financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK	MITIGATION STRATEGY
Greater Proportion of Mid-Range Properties in the Overall Portfolio Mix	Management is of the view that given present market conditions, Matrix's business focus on meeting the demands of the middle-income segment is strategic as it enabled the Group to continue maintaining its sales and thereby market share while bringing the Matrix brand to a larger number of homeowners. In looking to increase sales, Matrix will continue to strengthen its brand awareness and appeal towards maintaining our competitive advantage and to generate stronger customer loyalty. In the long-term perspective, by focusing on securing sales and developing customer brand loyalty, Matrix is in a better position to receive recurring buyers (i.e. upgraders) which will further contribute to sales and earnings.
A Sharing Identical Business Philosophy	There is no absolute assurance in the normal business context that the anticipated benefits from JVs can be fully realised. Having said that, the Board believes and has confidence that such risk is largely mitigated by the JV business partners' experience and expertise acquired over the years and its familiarity with the respective industries in which they operate. This, together with a shared identical business philosophy would be a contributing factor to the success of our JVs.
New Market Entry (Indonesia)	The decision to expand into a foreign country carries inherent risks, which includes but is not limited to risks in the Indonesian property development industry, bank interest rate fluctuations and changes in the legal and environmental framework governing Indonesia's property industry. These risks will be mitigated by riding on the expertise of our local JV partners' experience and expertise as well as their familiarity with the property development industry, coupled with appropriate measures to be undertaken in the planning and development of the IFD. Matrix has undertaken all necessary due diligence prior to proceeding with the JV.
Overseas Market Risks (Australia)	Household debt, in Australia, particularly among higher income households, has escalated with house prices. Australia's present household debt to income ratio is now second only to Switzerland in the world. The risk of this is economy vulnerability in the face of a shock, and could lead to lower future growth. Regulators continue to restrain increasing property debt amid concerns of an overheating market with efforts primarily focussed on curbing financing providing to investors. Tighter lending standards and restrictions on the volume of "interest only" loans to total new residential mortgages have pushed up rates for investors. Market activity has begun cooling with house price growth slowing in the latter half of 2017. Despite the aforementioned, the Australia residential market, particularly in Melbourne where Matrix operates continues to be buoyed by other fundamentals. Underlying demand remains solid with strong (albeit uneven) population growth expected to continue into FY2020, and jobs growth has been strong as proven by the strong sales received for M.Carnegie.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

Matrix will continue to pursue its key strategies as a township developer, with a focus on meeting the growing demand for affordable to medium-range or value-priced homes. The Group will continue to invest in and re-invent its brand for its respective township developments to further enrich the living experience of residents and increase the value and demand of its developments. This is towards realising the larger aspiration of positioning Matrix as one of Malaysia's leading players in integrated township development.

By continuing to meet real market demand, Matrix is better positioned to remain resilient amidst the ensuing sluggish property sector, which we foresee will continue into the upcoming financial year. Despite the strong competition within this segment due to a large number of players, we believe that we have strong brand appeal, which has been diligently cultivated over the years. Coupled with our record of accomplishment for delivering quality homes and lifestyles and the unique value creation aspects of our property development, we are confident of competing effectively in the marketplace in FY2020.

With a lack of stimulus by the public sector and economic growth moderating, the present property sector downturn is likely to persist despite a growing demand for homeownership, particularly, affordable homes. The property sector will also continue to be affected by tight financing conditions imposed by banks, rising living costs, which eat into the ownership capacity of homeowners and on the supply side, issues of rising labour and raw material costs not forgetting construction costs.

The recent introduction of new rulings for foreigners purchasing leasehold properties may affect many property developers, Matrix included, notably for our industrial properties. However, exemptions are given on case-by-case basis and we are confident, the Group will not be too materially affected by this ruling going forward.

In maintaining our sales and earnings performance, the Group plans to launch RM1.3 billion worth of properties into the market.

In Malaysia, FY2020 will see Matrix launch Hijayu Aman comprising 360 units of 2-storey terrace houses with a GDV of RM216.60 million. This will be followed by Hijayu Resort Homes Phase 5 (Resort Homes-SL) and Hijayu Residences 1 comprising 541 units of 2-storey terrace houses with a total GDV of RM413.50 million. Ara Sendayan 2A will also be launched during the financial year.

Given the strong response received from buyers for the first three phases of Tiara Sendayan, Tiara Sendayan Precint 3, Precint 5 and Precint 6 will be launched in FY2020, comprising 966 2-storey homes with an expected GDV of RM483.20 million.

At our BSI township, the Group plans to launch 83 units of 2-storey terrace homes at Impiana Bayu 3A with a GDV of RM44.60 million.

On a separate note, we have commenced infrastructure works at our Eka Heights and Sendayan TechValley 3 developments in anticipation of launches beyond FY2020 including preliminary works for a show village at Eka Heights. In addition, infrastructure works at Bayu Sendayan is scheduled to start in the second half of 2019.

In Puchong, Selangor, we look forward to a soft launch of our high-rise project with an expected GDV of RM410 million. Located at the epicentre in the matured district of Puchong, this development is surrounded with established commercial hotspots and is just a short distance away from Setia Walk, Puchong. It is within walking distance to the LRT station and is close to various facilities and amenities which include an international school, a hospital and benefits from convenient and quick access via a network of highways.

Beyond the upcoming financial year, in Malaysia, we may also soft launch our Cheras high-rise project in FY2021, based on pent-up demand within the area. The development is likely to benefit from being located in a fast-developing area and surrounded by matured residential areas. The project, with plans already in the works, has an estimated GDV of RM450 million and will be ideal for first time homebuyers.

MANAGEMENT DISCUSSION AND ANALYSIS

In Indonesia, we expect to commence construction of Phase 1 of the IFD. Phase 1 will consist of iconic twin towers (up to 26 storeys each) with podium and an office building (up to 25 storeys). The IFD is situated in the central business district of the 2,500-hectare Pantai Indah Kapuk 2 ("PIK 2") development, which also consist of office buildings, a shopping district, educational facilities, hospitals, as well as a residential district with houses and apartment buildings, shopping malls, a light rail transit system, a waterfront promenade, a green belt and a stadium.

In Australia, building on the success of M.Carnergie, for FY2020, we will be launching M.Greenvale, our first landed home project. Sited on a 9.67-acre land parcel, M.Greenvale is an upcoming suburb in Northern Melbourne and will house 70 landed residential lots with buyers having the flexibility to design and build their homes according to their preferences.

Following closely will be the launch of M.St. Kilda – a mixed commercial development comprising strata units. We are optimistic of a positive response for the former given the strategic location, the overall strong value proposition of the development and the growing reputation of Matrix as a quality developer who offers valued products at competitive price points.

Given our move to embrace digitalisation, Matrix will also look to tap emerging technologies, which may include online launches of products to provide greater reach and stronger marketing impact. The adoption of digital methods would complement existing conventional marketing channels, but with the possible advantage of improved effectiveness and better control while enhancing efficiency.

With regards to MGS, competition within the education sector remains stiff with a large number of existing and new players entering the market. Private and international schools continue to compete for a limited supply of students across the primary, secondary and tertiary niche markets. Matrix will retain its prices towards retaining the overall quality and value of the education provided at MGS.

Despite the present challenging market conditions within the larger property sector, barring any unforeseen circumstances, the Group is optimistic of maintaining its profitability in FY2020 based on a healthy number of new launches and encouraging sales progress of ongoing developments. The Group maintains a positive view on the demand for its properties going forward.

We have and will endeavour to continue delivering value to shareholders while making sustainable progress in all fronts towards realising our vision and mission. The future, though fraught with challenges, remains positive and exciting and we relish the prospects that awaits Matrix, both locally and abroad in FY2020 and beyond.

HO KONG SOON
Group Managing Director
30 June 2019

BOARD OF DIRECTORS' PROFILES

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

Non-Independent Non-Executive Chairman
Malaysian, Age 66, Male

DATE OF APPOINTMENT	2 April 2012
BOARD COMMITTEES MEMBERSHIP(S)	Sustainability Committee (Chairman)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Diploma in Banking from the Institute of Bankers, London, United Kingdom
PRESENT DIRECTORSHIP(S)	Listed entity: Merge Energy Bhd Other public companies: Nil

EXPERIENCES

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

Note:

Save and except for what was disclosed in this Annual Report, all the Directors of Matrix as mentioned from page 038 to 046:-
a) have no family relationship with any Director and/or major shareholder of Matrix;
b) have no conflict of interest with Matrix; and
c) have no public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILES

DATO' LEE TIAN HOCK

(KEY SENIOR MANAGEMENT)
Founder, Group Executive Deputy Chairman
Malaysian, Age 61, Male

DATE OF APPOINTMENT	4 March 1997
BOARD COMMITTEES MEMBERSHIP(S)	Sustainability Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Degree in Housing, Building and Planning from Universiti Sains Malaysia
PRESENT DIRECTORSHIP(S)	Listed entity: Merge Energy Bhd Other public company: Negri Sembilan Chinese Maternity Association

EXPERIENCES

Dato' Lee Tian Hock has more than 35 years of experience in the property development industry where he had held various executive positions throughout his career. In 1992, he was the General Manager with N.S. Industrial Development Corporation Sdn Bhd and was seconded to NS Township Development Sdn Bhd where he was involved in the general management of the development of the Bandar Baru Nilai Township (now known as Putra Nilai) which covers an area of approximately 6,000 acres and with GDV of approximately RM5.5 billion.

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

He later sold his equity interest in Semangat Tinggi Sdn Bhd and founded the Matrix Concepts Group in 1996 and was appointed as the Group Managing Director on 2 April 2012. He oversaw the maiden development of the medium cost mixed housing scheme known as Taman Bahau in Bahau, Negeri Sembilan. Taman Bahau was launched by the then Menteri Besar of Negeri Sembilan on 7 August 1997 with a GDV of approximately RM35 million. Since then, he has successfully led the Group to become a reputable developer in Negeri Sembilan and Johor including two (2) major townships which are flagship developments of the Group among many other mixed residential and commercial development. Dato' Lee was redesignated as the Group Executive Deputy Chairman on 1 September 2018.

Currently, Dato' Lee is also the President of Negri Sembilan Chinese Maternity Association, Seremban.

BOARD OF DIRECTORS' PROFILES

HO KONG SOON

(KEY SENIOR MANAGEMENT)
Group Managing Director
Malaysian, Age 52, Male

DATE OF APPOINTMENT	30 December 2002
BOARD COMMITTEES MEMBERSHIP(S)	• Risk Management Committee (Member) • Sustainability Committee (Member) • ESOS Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Bachelor of Engineering Degree from University of Malaya
PRESENT DIRECTORSHIP(S)	Listed entity: Nil Other public company: Nil

EXPERIENCES

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

Mr Ho left Potential Region Sdn Bhd and was appointed as Director and General Manager of Matrix Concepts Group in 1997 and oversaw the implementation of the projects undertaken by the Matrix Group. He was later promoted to Group Deputy Managing Director in 2012 and redesignated as the Group Managing Director on 1 September 2018.

BOARD OF DIRECTORS' PROFILES

REZAL ZAIN BIN ABDUL RASHID

Senior Independent Non-Executive Director
Malaysian, Age 51, Male

DATE OF APPOINTMENT	8 August 2012
BOARD COMMITTEES MEMBERSHIP(S)	• Audit Committee (Chairman) • Risk Management Committee (Chairman) • Remuneration Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	• Bachelor of Arts (Accounting) Degree from the University of Canberra, Australia • Member of the Malaysian Institute of Accountants and a CPA Australia
PRESENT DIRECTORSHIP(S)	Listed entity: Fima Corporation Berhad Other public company: Nil

EXPERIENCES

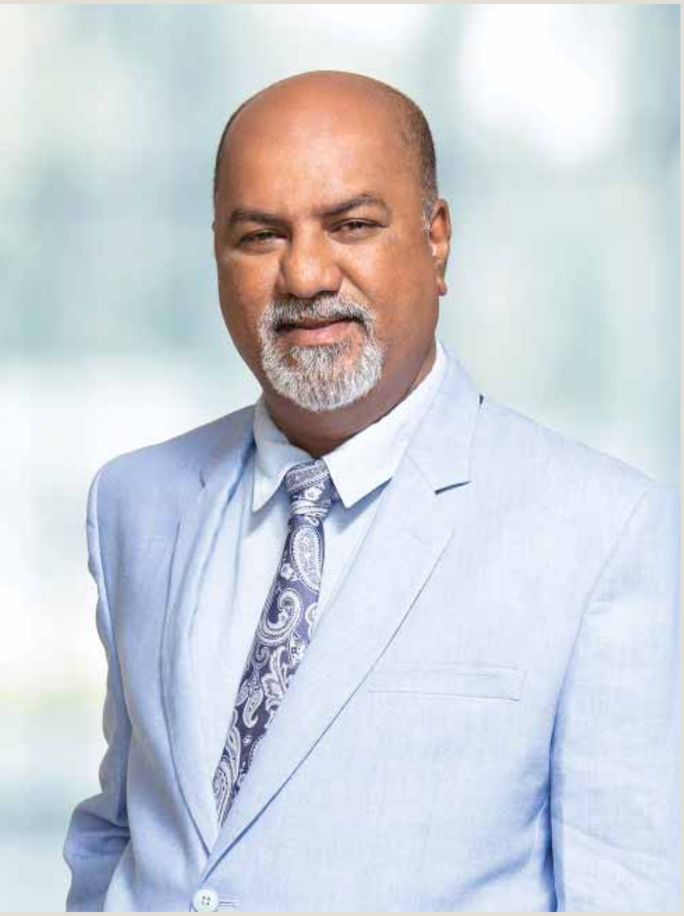
Encik Rezal Zain began his career in audit with KPMG Desa Megat in 1989 until 1993. He then subsequently joined Peat Marwick Consultants in 1993 where he was involved in numerous assignments ranging from the development of policies and procedures, market studies as well as privatization studies. In 1995,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

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

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

He does not have any conflict of interest with the Company and no conviction of any offence within the past five years, other than traffic offences (if any). There is no sanction or penalty imposed on him by relevant regulatory bodies, with the exception of a reprimand and penalty of RM200,000 imposed by the Securities Commission on YFG Berhad on 13 May 2015 as he was a director of YFG Berhad at the material time.

BOARD OF DIRECTORS' PROFILES



DATO' LOGENDRAN A/L K NARAYANASAMY

Non-Independent Non-Executive Director
Malaysian, Age 57, Male

DATE OF APPOINTMENT	15 November 2016
BOARD COMMITTEES MEMBERSHIP(S)	• Risk Management Committee (Member) • Sustainability Committee (Member) • ESOS Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Diploma in Architectural
PRESENT DIRECTORSHIP(S)	Listed entity: Nil Other public company: Matrix Concepts Foundation Negri Sembilan Chinese Maternity Association

EXPERIENCES

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

Currently, he is the Chairman of Matrix Concepts Foundation Committee and Executive Director of Negri Sembilan Chinese Maternity Association, Seremban.

BOARD OF DIRECTORS' PROFILES

DATO' FIRDAUS MUHAMMAD ROM BIN HARUN

Independent Non-Executive Director
Malaysian, Age 69, Male

DATE OF APPOINTMENT	2 April 2012
BOARD COMMITTEES MEMBERSHIP(S)	• Nomination Committee (Chairman) • Audit Committee (Member) • Risk Management Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	• Certificate in Public Relations from the Institute of Public Relations, London • Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom
PRESENT DIRECTORSHIP(S)	Listed entity: Nil Other public company: Nil

EXPERIENCES

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

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

BOARD OF DIRECTORS' PROFILES

DATO' (IR.) BATUMALAI A/L RAMASAMY

Independent Non-Executive Director
Malaysian, Age 71, Male

DATE OF APPOINTMENT	28 December 2012
BOARD COMMITTEES MEMBERSHIP(S)	• ESOS Committee (Chairman) • Audit Committee (Member) • Nomination Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	• Diploma in Civil Engineering from Universiti Teknologi Malaysia • Bachelor of Science in Civil Engineering from the University of Aberdeen, Aberdeen, Scotland • Fellow Member of the Institute of Engineers, Malaysia • Registered Professional Engineer with the Board of Engineers, Malaysia
PRESENT DIRECTORSHIP(S)	Listed entity: Nil Other public company: Nil

EXPERIENCES

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

BOARD OF DIRECTORS' PROFILES

DATO' HON CHOON KIM

Independent Non-Executive Director
Malaysian, Age 70, Male

DATE OF APPOINTMENT	19 Jun 2015
BOARD COMMITTEES MEMBERSHIP(S)	• Remuneration Committee (Chairman) • Audit Committee (Member) • Nomination Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Bachelor of Social Sciences (Econ) from Universiti Sains Malaysia
PRESENT DIRECTORSHIP(S)	Listed entity: Peterlabs Holdings Berhad Other public company: Nil

EXPERIENCES

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

BOARD OF DIRECTORS' PROFILES

DATO' HAJAH KALSOM BINTI KHALID

Independent Non-Executive Director
Malaysian, Age 63, Female

DATE OF APPOINTMENT	15 March 2016
BOARD COMMITTEES MEMBERSHIP(S)	• Audit Committee (Member) • Nomination Committee (Member) • Remuneration Committee (Member) • Risk Management Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	Bachelor of Arts in Geography from University of Malaya
PRESENT DIRECTORSHIP(S)	Listed entity: Nil Other public company: Nil

EXPERIENCES

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

MANAGEMENT TEAM

PROPERTY DEVELOPMENT

LEFT TO RIGHT

LIM KOK YEE
Chief Marketing Officer

LEONG JEE VAN
Chief Executive Officer,
Property Development

TAN SZE CHEE
Chief Project Development Officer

HOW GIOK WAH
Group Sales Advisor

BRYAN LEE THIAN LONG
Deputy Head,
Group Sales and Marketing

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

LEFT TO RIGHT

LIM SWEE LEONG
Senior General Manager,
Central Region

TEH CHEE SENG
Deputy Head,
Group Contract and
Procurement and M&E

TN. HJ. MUSTAZA BIN MUSA
Head, Authority cum
Community Liaison

DAMON LAU CHEE WEN
General Manager,
Southern Region

LEE JON WEE
Managing Director – Australia

HARRY LEE CHIN YEOW
Project Lead – Australia

MANAGEMENT TEAM

CORPORATE

LEFT TO RIGHT

ROSALIND JOSEPHINE LIM POH CHOO
Head, Legal and Sales Administration

LOUIS TAN SAY KUAN
Chief Financial Officer

CAMY TEE KAM MEE
Deputy Chief Financial Officer

CARMEN LOO KAH BOON
Head, Group Corporate Secretarial, Governance and Sustainability

NG YEE MING
Head, Group Human Resources and Administration

HOSPITALITY

LEFT TO RIGHT

SIVANESON SHANMUGAN
Operations, d'Sora Boutique Business Hotel

LAURA TAN
General Manager, d'Tempat Country Club

CONSTRUCTION

LEFT TO RIGHT

CHIA KHING FUAT
Project Director

KELVIN LEE CHIN CHUAN
Project Lead – Construction

MANAGEMENT TEAM

EDUCATION

LEFT TO RIGHT

EDWIN TAN BEOW AIK
Director, Matrix Educare Sdn Bhd – School Development

LEE YAM SEI
School Development Leader (Academic)

DATO' LIM SI BOON
Director, Matrix Educare Sdn Bhd

LOH GHEE JUAN
Campus Principal

Matrix Global Schools – Transformation Team

ABOUT MATRIX

Matrix's principal business is supported by its 4 pillar of strength as follows:-

PROPERTY DEVELOPMENT

CONSTRUCTION

EDUCATION

HOSPITALITY (CLUB AND HOTEL)

Our main core of business is property development and its related services. Our projects live up to our renowned tagline "Nurturing Environments, Enriching Lives" by being a caring and community developer, providing premier and quality education for our future generation and to inculcate integrated sustainable communities in all our developments.

The Group presently has planned projects with a total gross development value ("GDV") of RM11.58 billion awaiting development until year 2027.

OUR BUSINESS FOOTPRINT AND PRESENCE

In Malaysia, Matrix's main flagship project comprising Sendayan Developments in Negeri Sembilan and Bandar Seri Impian in Kluang, Johor. We have successfully expanded our footprint into Klang Valley as well as Australia. Currently, Matrix has further affirmed its foothold in Melbourne by acquiring more lands in Melbourne along with its expansion plans in Australia. Meanwhile, our venture into Indonesia to develop and construct an Islamic Financial District in Jakarta, Indonesia which is currently in progress.

OUR BUSINESS FOOTPRINT AND PRESENCE

PROPERTY DEVELOPMENT

- In Malaysia, we are the top 13th Property developer.
- We have won multiple awards for our property development by being a sustainable developer.
- From land acquisition, planning to construction and delivery, we provide the best quality homes and experience to the purchasers.
- We provide a conducive living environment and vibrant communities to our home buyers.

CONSTRUCTION

- Our construction arm serves as a key enabler to our developments, and brings vast experience in undertaking infrastructure, residential and commercial projects.
- Backed by the dedicated management team, all of our developments are delivered in timely manner with utmost efficiency and competitive pricing which will exceed our customers' expectations of quality and services.

EDUCATION

- Matrix Global Schools comprise of Matrix Private School, Matrix International School and Matrix International Preschool located in one campus, focus with one vision and one mission.
- We are a leading international and private education provider in Negeri Sembilan in creating new frontiers where we live up to our tagline "Nulli Secunda" which is "second to none" in terms of our quality of education.
- Our philosophy is to challenge our students to be intellectually curious, responsive and persistent; to be committed to and expressive of their ideas.

HOSPITALITY (CLUB AND HOTEL)

- d'Tempat Country Club, designed to be a top-notch club in Negeri Sembilan, caters to the ever increasing needs of residents and guest for leisure, sporting and excellent dining facilities. The Club also offers a perfect venue for all corporate functions, meetings, weddings, and conferences.
- d'Sora Boutique Business Hotel, a 3-Star contemporary business hotel, offers a complete range of facilities that meet business needs and travellers' comforts.

AWARDS AND RECOGNITIONS

FOR FINANCIAL YEAR 2019

THE STAR PROPERTY MALAYSIA AWARD 2018
THE ALL-STAR AWARD
Top Ranked Developers of the Year

THE CORNERSTONE AWARD, BEST LANDED DEVELOPMENT
Adira @ Ara Sendayan

THE SAFE AND SOUND AWARD, THE BEST SAFETY FEATURE DEVELOPMENT
Allysum @ Resort Homes

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS (PIPDA) 2018
TOP 10 DEVELOPER
Matrix Concepts Holdings Berhad

BEST FAMILY RESORT HOMES DEVELOPMENT
Lunaria 3 @ Resort Homes

BEST INSPIRED LANDED DEVELOPMENT
Elynix @ Impiana Damai, Bandar Seri Impian

BEST GREENERY HARMONIOUS DEVELOPMENT
Elminia @Impiana Casa, Bandar Seri Impian

IPROPERTY DEVELOPMENT EXCELLENCE AWARDS (IDEA) 2018
TOP 10 PEOPLE'S CHOICE AWARD
Matrix Concepts Holdings Berhad

THE PROGRESSIVE DEVELOPER AWARD
Matrix Concepts Holdings Berhad

BEST TOWNSHIP DEVELOPMENT AWARD
Bandar Sri Sendayan

BEST AFFORDABLE DEVELOPMENT AWARD
Astania & Astana, Tiara Sendayan

BEST RESIDENTIAL LANDED DEVELOPMENT AWARD
Cadena Terraces @ Ara Sendayan

BEST TRANSIT – ORIENTED DEVELOPMENT
Chambers Kuala Lumpur

THE ASSET CORPORATE AWARDS 2018
GOLD – GOVERNANCE, ENVIRONMENTAL RESPONSIBILITY AND SOCIAL RESPONSIBILITY
Matrix Concepts Holdings Berhad

THE EDGE BILLION RINGGIT CLUB 2018
HIGHEST RETURN ON EQUITY OVER 3 YEARS
Matrix Concepts Holdings Berhad

AWARDS AND RECOGNITIONS

FOR FINANCIAL YEAR 2019

THE STAR PROPERTY MALAYSIA AWARD 2019

THE ALL-STAR AWARD
Top Ranked Developers of the Year

THE NEIGHBOURHOOD AWARD (BEST BOUTIQUE TOWNSHIP)
Ara Sendayan

THE LONG LIFE AWARD (BEST HEALTH & WELLNESS DEVELOPMENT)
Lunaria 3 @ Resort Home

THE HAPPY BUYER AWARD (HIGHEST ROI DEVELOPMENT)
Alwinix & Alconix

THE STARTER HOME AWARD (BEST AFFORDABLE HOME)
Casadia @ Tiara Sendayan

THE FIVE ELEMENTS AWARD (BEST COMPREHENSIVE TOWNSHIP ABOVE 1800 ACRES)
Bandar Sri Sendayan

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS (PIPDA) 2019

TOP 10 DEVELOPER
Matrix Concepts Holdings Berhad

BEST TOWNSHIP DEVELOPMENT
Bandar Sri Sendayan

BEST LANDED DEVELOPMENT
Lunaria 3 @ Resort Homes

PROPERTYGURU ASIA PROPERTY MALAYSIA AWARD 2019

BEST TOWNSHIP DEVELOPMENT
Bandar Sri Sendayan

SPECIAL RECOGNITION IN CSR
Matrix Concepts Holdings Berhad

SPECIAL RECOGNITION IN SUSTAINABLE DEVELOPMENT
Matrix Concepts Holdings Berhad

SPECIAL RECOGNITION FOR BUILDING COMMUNITIES
Matrix Concepts Holdings Berhad

SPECIAL RECOGNITION FOR INDUSTRIAL/LOGISTIC DEVELOPMENT
Sendayan TechValley

OUR CAPITALS USED AND VALUES CREATED

As a township property developer, the value created by Matrix far exceeds the houses we have built and sold and the gross development value ("GDV") generated since our listing in 2013.

By having developed our own strategic approach to property development, Matrix has been successful in creating value for multiple stakeholders across our value chain, beginning with land banking right to the final delivery of vacant possession of units and long thereafter.

The values created, be it tangible or intangible continues to enhance and enrich stakeholders over time. Following is an illustration of how Matrix as a township developer, utilises various capitals and resources and in turn, produces value for FY2019:

OUR CAPITAL INPUTS	VALUE CREATION PROCESS	VALUES CREATED
FINANCIAL CAPITAL Matrix considers our revenue generated from operations and share capital as our Financial Capital comprising:- • Cash and Cash Equivalent – 180.27 million • Share capital : RM800.22 million • Combined GDV prospects – RM11.58 billion • Total assets – RM2.10 billion	Our financial capital is deployed in a variety of ways, including paying for our operational and capital expenses, business expansion, land acquisitions	During FY2019, Matrix generated:- • RM1.045 billion revenue • RM218.23 million Profit After Tax • RM79.54 million tax contribution • 12.75 sen dividend distribution to shareholders Total units launched and sold (residential, commercial and industrial) – 1,592 units
HUMAN CAPITAL Matrix considers our employees, and our existing and new customers as our Human Capital	Our employees and customers are key enablers of all our value creation process. They serve as the Matrix's core-support in order for the Company to function on a daily basis thus, performing the business's critical functions.	Total 670 staff strength. New and repeated home purchasers along with the new property launches 6,411 memberships and regular guests for our club and hotel section
INTELLECTUAL CAPITAL Matrix considers our Intellectual Capital as our technical knowhow, our 22 years of business experience, product knowledge, our brand appeal and reputation and robust business strategies	Indepth business experience, technical knowhow, product knowledge provides the intellectual aspects of our business operations in generating revenue and growth.	Growing brand awareness and market share – accredited with 45 awards won todate Admitted to the FTSE4good Bursa index being a sustainable developer Acquisition of new intellectual property via Joint Venture with Bonanza educational group and Indonesian consortium group
MANUFACTURED CAPITAL Matrix being a township developer considers our Manufactured Capital as:- • lands developed and transformed • houses constructed • hospitality services and education provider	Our manufactured capital is an essential output in our value-creation process including planning and transformed landscapes into townships, building houses as well as the hospitality and education services provided.	Completed and handover 1,996 properties comprising residential houses, commercial and industrial land for FY2019 for both our Sendayan Developments in Negeri Sembilan and Bandar Seri Impian in Kluang, Johor Total landbank developed and transformed – 247 acres
RELATIONSHIP (SOCIAL) CAPITAL Matrix's Relationship Capital (Social) are as follows:- • Strategic partnership • Relationship builds up over the years with government, authorities, supply chain, community and business associates, bankers	The relationship of trust enable the Company to operate effectively and sustain growth. This relationship of trust will create value to be shared by all.	Strategic partnership with Bonanza education group to enhance operational efficiency of Matrix Global Schools. Joint Venture with Indonesian consortium for overseas expansion in Indonesia. Maintain srategic relationship with authorities, supply chain, community and business associates.
NATURAL CAPITAL Matrix's natural capital are as follows:- • Energy consumption • Water consumption • Landbanks	Matrix's natural capital consumed in its value creation process is the energy and water consumption and also the landbanks for development during the year. Our natural capital is a key enabler of the day-to-day functions of the Company to sustain its daily needs for business operations.	Total energy consumed during FY2019 – 6,840,008 kwh Total water consumed – 324,205 m^3 Landbanks acquired – 247.5 acres

OUR STRENGTHS

Matrix's strengths as a property developer stems from its over-arching business strategies which enables the Group to develop a niche in a highly competitive marketplace. These strategies are:

- Meet real market demand by ensuring a large portion of its property launches are value-priced properties with multiple price points to cater to a larger target market.
- As a township developer, to leverage on the strength of its townships via its flagship Sendayan Developments and Bandar Seri Impian.
- The talents and expertise of our workforce and the unique experience, business acumen and skillsets of our Board of Directors and Senior Management.

Cumulatively, these strategies have enabled the Group to build a robust business that is capable of creating enduring value over the short, medium and long term.

Township Developer
- Leading township developer within the Southern Greater Kuala Lumpur region.
- Able to master plan effectively in response to market sentiments and external developments to meet the present demand for value for money/mid-range properties.

Master-planning
- Able to reshape entire landscapes to positively impact stakeholders. This includes new ideas and concepts while maintaining control of development plans going forward. i.e. land use, zoning, infrastructure development and more.

Phase-Ability
- Able to stagger or develop land bank and townships in phases in tandem with market conditions and market sentiments.

Meeting Real Market Demand and Delivering Multiple Products At Varying Price Points
- Better positioned to tailor products to meet real market demand or to continuously enhance product quality in subsequent launches.
- Enables Matrix to capture a wider market base at buyers varying lifestyle stages and income levels.

Synergy
- Ability to draw from Matrix Global Schools, d'Tempat Country Club, d'Sora Boutique Business Hotel and our new IBS factory to create a synergetic proposition to enhance the overall value and appeal of Sendayan Developments.

Growing International Footprint
- Expanded into Melbourne, Australia and Indonesia to diversify revenue base and enhance our profile as a successful international property developer.
- Facilitates knowledge transfer, new ideas while enabling Malaysian buyers the opportunity to buy properties overseas.

Strong Branding And Proven Track Record
- Award-winning brand and a 22-year track record of having launched more than 32,000 units of residential, commercial, and industrial properties.
- Combined on-going and future GDV of approximately RM15 billion (over the next 15 years).
- Strong product take-up rate of new launches.

RISKS AND OPPORTUNITIES

The nature of our business and value creation process means that risks and opportunities are often intertwined, akin to different sides of the same coin.

Readers may refer to our Statement of Risk Management and Internal Control for the specific measures that have been put in place to manage and mitigate business, financial and operational risks. A summary mapping of our risks, opportunities and dependencies is provided herewith:

RISKS/ OPPORTUNITIES	DISADVANTAGES	ADVANTAGES	MATERIALITY	BUSINESS RESPONSE
1. Depleting Land bank	As a property developer, notably as a township developer, the availability of land is crucial to our business operations. Increasingly, land prices and associated acquisition costs continue to rise and there is a need to constantly replenish our land bank.	The need to acquire land for development allows the Group to search for new locations beyond its townships, including in overseas markets. Land bank replenishment also drives Matrix to be more innovative and efficient in land use.	Economic Performance	The Group continues to acquire strategic land parcels where required to drive the development of its townships as well as in other locations. New development designs for homes have been proposed to allow for optimal land use while ensuring sustainable development is practiced.
2. Heavily dependent on its property development business	While Matrix has successfully diversified into hospitality, education and other business segments, property development remains its largest contributor to revenue.	The supporting business segments help to provide a synergistic value proposition to Matrix's property development business – enhancing the value it creates to better meet buyers' lifestyle aspirations.	Economic Performance, Governance	Matrix continues to aggressively develop its other business components. This includes inking JV agreements for its education operations and the introduction of IBS into its construction operations.
3. Continued stringent lending guidelines	The present imposition of lending rules by banks has led to a higher rejection rate among many genuine prospective buyers. This has curtailed the recovery of the property sector with some developers citing rejection rates of up to 50% being the norm for their projects.	Matrix has taken the initiative to pro-actively work with both banks and homeowners, guiding the latter at every step of the financing process so the chances of loan approval are higher. Matrix has developed a dedicated standard operating procedure to support prospective homeowners, which includes advisory on loan application and submission, providing homeowners with more choices of banks and other related forms of facilitation and assistance.	Economic Performance, Social: Society	Matrix continues to work closely with banks and potential homeowners to address the stringent financing guidelines. Matrix conducts pre-screening services to help and advise customers on their loan applications. Through this approach, Matrix has achieved a success rate of 65% loan approvals for its projects on average.

RISKS AND OPPORTUNITIES

RISKS/ OPPORTUNITIES	DISADVANTAGES	ADVANTAGES	MATERIALITY	BUSINESS RESPONSE
4. Introduction of IBS	The Group is still at a very early stage of IBS implementation and hence the learning curve is high, with potential for errors.	The introduction of IBS presents the Group with an opportunity to refine construction processes to enhance overall product quality, while potentially reducing unskilled manpower, wastages and reducing construction time. With reduction in manpower required and wastages due to human error, IBS could also contribute to cost savings.	Economic Performance, Environment, Labour Practices and Decent Work	It would be in the Group's and stakeholders' interests that the IBS implementation be rolled out progressively in phases, beginning with smaller or stand-alone projects such as show units and show house and once perfected, only then implemented for larger scale projects.
5. Greater Proportion of mid-range Properties in the Overall Portfolio Mix	Typically, the earnings margin for mid-range homes are lesser compared to other property types. While the focus on such homes would support strong sales performance and thereby Group revenue, the decision could impact earnings with the Group requiring to sell more volume (units) to compensate for smaller margins per units.	With the Group shifting its property mix to accommodate a larger portion of mid-range homes, the Group is essentially moving to tap a larger market segment; one that continues to increase over time. This will enable Matrix to establish itself as a "people's developer", building homes that house the nation.	Economic Performance, Social: Society	Matrix will launch more phases with a higher number of units to ensure that its revenue and profit performance remains on par with previous financial years. In the long term perspective, by focusing on securing sales and developing customer brand loyalty, Matrix is in a better position to receive recurring buyers (i.e. upgrades) which will further contribute to sales and earning.
6. Joint Venture Risks	JV partnerships carry inherent risks and may or may not meet Matrix's expectations in terms of desired results or targets.	JVs allows Matrix to quickly inject much-needed assets, skills and know-how into its business operations towards enhancing key business segments, notably our education business – Matrix Global Schools and IBS.	Economic Performance, Governance	Matrix continues to undertake all necessary due diligence prior to the selection of overseas markets and JV partners both within Malaysian and abroad.
7. Oversea Market Entry	Overseas expansions has inherent risks, which include lack of understanding of the local market, the credibility of local JV partners, existing rules and regulations, socio-political instability or developments and more.	The expansion overseas presents the Group with opportunities to diversify its income streams and gain precious knowledge about foreign markets and their property industry practices. Transfer of technology and knowledge is possible. This will enrich Matrix's existing know-how, allowing the Group to innovate new ideas, concepts and more into Malaysian landscape.	Economic Performance, Governance	

VALUE CREATION PROCESS AND BUSINESS MODEL

LAND BANKING

- By identifying and acquiring idle land, we create demand and interest which leads to price appreciation, helping local small land owners to realise gains.

TOWN/MASTER PLANNING

- By envisioning and conceptualising the development of large scale townships, we transform large scale areas to unleash waves of socio-economic development.
- We provide a catalytic, multiplier effect that provides housing, creates jobs, stirs commercial activity, creates population growth, introduces new lifestyle concepts and more.

MARKETING AND BRANDING

- Through promotional activities, we develop desirable addresses for both residential and commercial activities and that drives capital appreciation
- We create unique addresses that people would want to own and be a part of.

CONSTRUCTION

- The use of modern construction systems such as IBS helps to improve the overall property development sector while offering reduced foreign labour costs and shorten construction period.

VACANT POSSESSION

- As we deliver the keys to buyers, we also deliver a feeling of pride and satisfaction.
- Beyond providing a roof over their heads and a physical property, we provide a start to a better life, new opportunities, better lifestyle quality and more.

VALUE CREATION FOR HOMEOWNERS

By having built over 32,000 properties since our inception, Matrix has delivered a wide range of value to homeowners, beyond capital appreciation, rental yields and other financial or tangible aspects.

Through property development, we have helped countless families and individuals derive benefit from owning their own home.

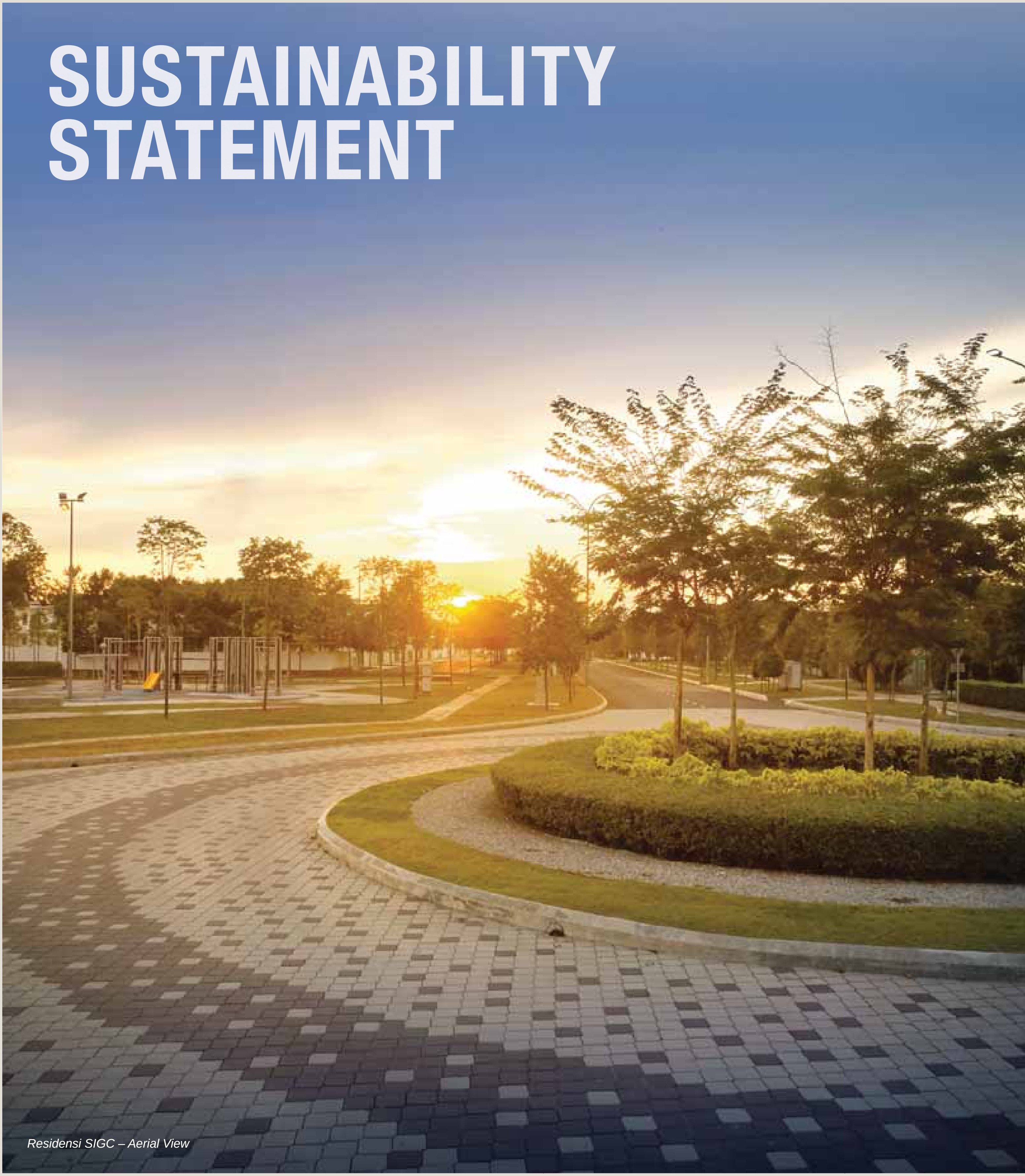
Providing a roof over heads, thus meeting the basic living need for shelter, safety and security.

With 70% of our properties priced competitively, we enable more Malaysians to climb the first steps on the property homeownership ladder.

Opening doors to allow social-economic mobility and progression. A home in a good neighbourhood or township provides better education and health opportunities and a strong sense of community and belonging.

Beyond quality living, our homes provide the foundation upon which lifestyle aspirations can be formed and built.

SUSTAINABILITY STATEMENT



Residensi SIGC – Aerial View

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Matrix's tagline, *"Nurturing Environment, Enriching Lives"*, demonstrates the Group's determination in inculcating sustainability into the heart of its DNA. Sustainable business practices continued to be the norm and were integrated into day-to-day operations throughout this fiscal year. The impact of Matrix's community development initiatives was also maximised.

REPORTING COVERAGE	Matrix Concepts Holdings Berhad ("Matrix") and its principal business activities in Property Development, Construction, Education and Hospitality.
REPORTING PERIOD	1 April 2018 to 31 March 2019
REPORTING CYCLE	Annually
REFERENCES AND GUIDELINES	**Principal Guideline** • Global Reporting Initiative ("GRI") Standards **Additional Guidelines** • Bursa Malaysia's Sustainability Reporting Guideline • ISO 26000:2010 Guidance on Social Responsibility • Local and international sustainability rating criteria • Judges feedback from various sustainability awards
REPORTING CONTENT	The content of this report is based on a multi-stakeholder approach, the materiality assessment, the GRI Standards requirements and other sustainability ratings. The transparent structure and information disclosed in this statement share Matrix's initiatives with stakeholders. FY2019 achievements have been compared against those of previous years and this year's performance forms the benchmark for future targets.
FEEDBACK	For further enquiries, please contact: Carmen Loo Kah Boon, Head, Group Corporate Secretarial, Governance and Sustainability, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia.

SUSTAINABILITY IN ACTION

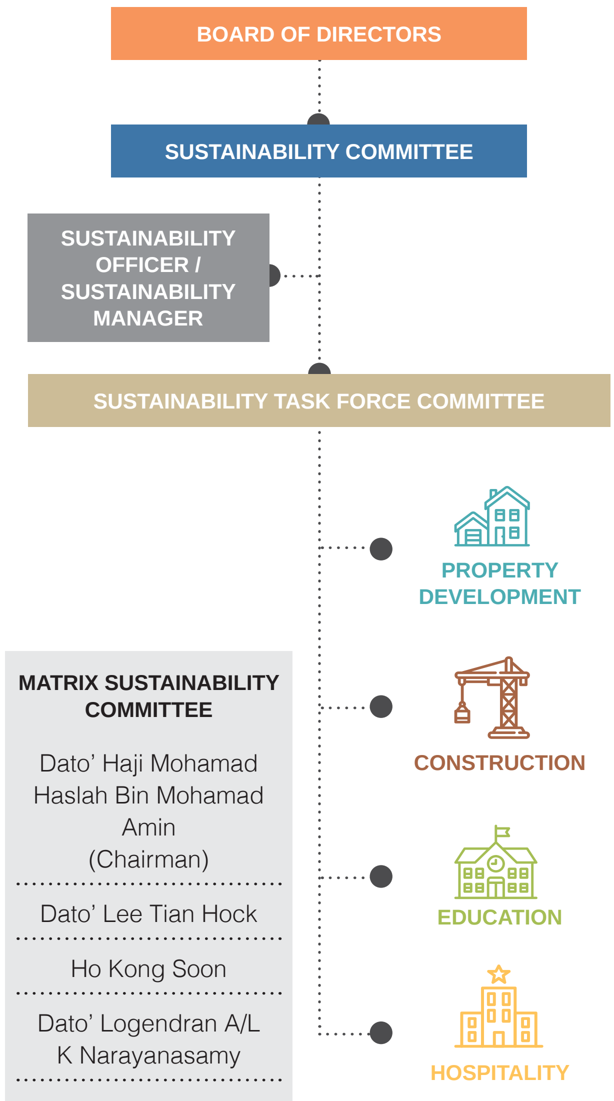
During a recent survey, 81.9% of Matrix's stakeholders believe being a sustainable business is a minimum accountability requirement for every business.

Matrix's vision is to create a benchmark in nurturing the environment and enriching lives. As a caring community developer, Matrix continues its efforts in creating vibrant spaces, quality homes and self-contained townships in which everyone can thrive.

Our Sustainability Leadership Agenda

SUSTAINABILITY GOVERNANCE

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



SUSTAINABILITY STATEMENT

SUSTAINABILITY POLICY

Matrix aims to inculcate the principles of sustainability into business operations. As far as possible, we embed these principles into the various stages of our operations life-cycle. Our sustainability policy is communicated to all employees and also displayed on the Company's website.

OUR SUSTAINABILITY GOAL

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

Continuous progress in the following six focus areas is monitored and implemented by the Sustainability Task Force to ensure that Matrix is on track in its journey towards achieving its environmental sustainability goals.

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

During a recent survey, 77.3% of stakeholders believe Matrix represents ethics, honesty and responsibility.

PRIORITISING WHAT IS MATERIAL

We are committed to performing an annual comprehensive assessment of our material issues to ensure that our sustainability disclosure focuses on the key impacts of our business and the most significant matters to our stakeholders.

THE METHODOLOGY

The Matrix Stakeholders' Materiality Survey 2019 was conducted in the fourth quarter of FY2019. Respondents were asked to indicate the level of importance they placed on 37 sustainability topics.

Stakeholder Groups Consulted During Materiality Study

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

A total of 216 complete responses were obtained and analysed to ascertain the views of our stakeholders. The same survey was also completed by five members of the Board whose responses were used to represent the views of Matrix.

In FY2019, we expanded the scope of our materiality assessment as the Group moves towards adopting the Integrated Reporting Framework. Several economic and governance aspects have been included.

SUSTAINABILITY STATEMENT

Sustainability Areas Assessed in the Materiality Study

Pillar	Topic
GOVERNANCE	• Effective leadership and good organisational structure • Transparent disclosure (Transparency) • Active engagement with stakeholders (Stakeholder engagement) • Risk management • Compliance
ECONOMIC PERFORMANCE	• Economic and business performance • Fair procurement • Supporting employment of the local community (Local hiring) • Development of the local economy through our projects (Community development) • Matrix's role in advancing the sustainable property investment landscape (Advancing industry) • Financial stability • Short and long-term strategy including balancing investment and opportunities (Short and long-term strategy) • Ethical business conduct such as preventing corruption, bribery and fair competition in the industry (Anti-corruption) • Establishing a competitive advantage to outperform competitors (Competitive advantage) • Benchmarking and positioning Matrix's performance within the industry (Matrix's performance)
ENVIRONMENT	• Use of green materials in our development (Green materials) • Emissions and initiatives to tackle climate change (Emissions and climate change) • Energy conservation such as electricity savings and renewable energy (Energy conservation) • Responsible use of water at our sites and offices (Water) • Green buildings and other environmental initiatives (Green buildings) • Waste management (Waste) • Minimising environmental impact from transportation, including transportation of materials and business purposes (Environmental impact from transportation)
SOCIAL: LABOUR PRACTICES AND DECENT WORK	• Protecting the safety and health of workers (Safety and health) • Diverse workforce in terms of gender, skills and background (Diversity) • Training, education and career development (Career development) • Strong unity among the workforce through employee engagement activities such as team building, festive celebrations and family day (Employee engagement) • Employees' satisfaction at work (Employee satisfaction)
SOCIAL: HUMAN RIGHTS	• Eliminating child and compulsory labour (Child and compulsory labour) • Preventing workplace discrimination across all factors including age, gender, ethnicity and other background (Discrimination) • Allowing employees to voice out and exercise their rights such as whistleblowing channels (Whistleblowing)
SOCIAL: SOCIETY	• Regular engagement with the local community (Community engagement) • Contributions to the society through community programmes (Community programmes) • Employee volunteerism in our social programmes (Employee volunteerism)

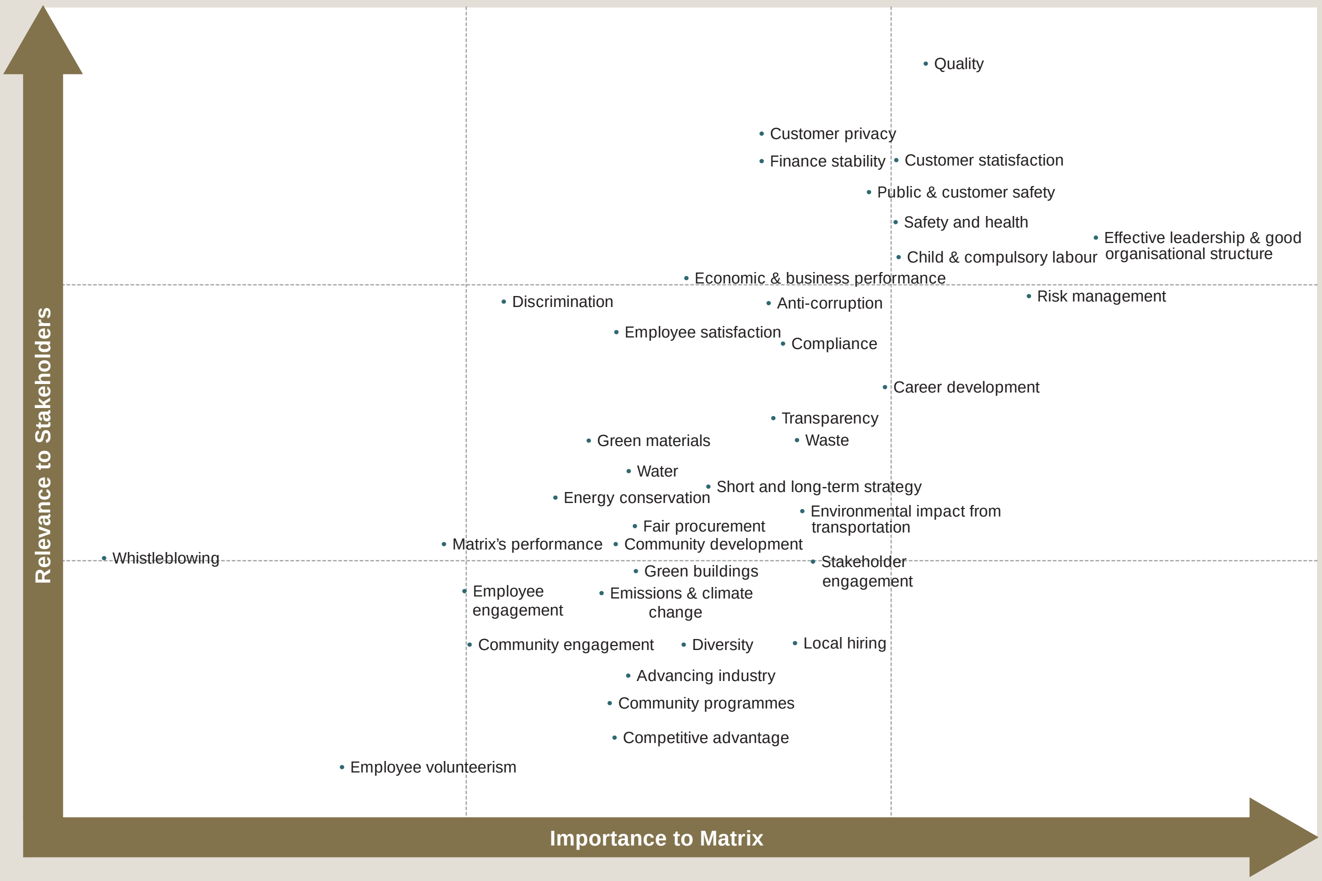
SUSTAINABILITY STATEMENT

Sustainability Areas Assessed in the Materiality Study

Pillar	Topic
SOCIAL: PRODUCT RESPONSIBILITY	• Ensuring customer satisfaction (Customer satisfaction) • Protecting the privacy of customers and adhering to the Personal Data Protection Act (Customer privacy) • Protecting public and customer safety (Public and customer safety) • Quality assurance and management (Quality)

RESULTS

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



The results of the materiality survey serve as a reference for this sustainability statement. Topics that appear to be material for both stakeholders and the Group have been reported in greater depth than those deemed less significant.

SUSTAINABILITY STATEMENT

STAKEHOLDERS AT THE CENTRE OF OUR STRATEGY

We are developing a responsible and sustainable business model that focuses on enriching the well-being of people as well as protecting environmental, economic and social progress in the communities we build.

Stakeholders are central to this strategy due to:

- Their involvement in our projects through regular dialogue
- The creation of sustainable value for all stakeholders

AWARDS AND RECOGNITION

Sustainability Awards and Recognition Received During FY2019

Gold Awards in The Asset Corporate Awards 2018
Criteria evaluated for this award include corporate governance, social responsibility, environmental responsibility and investor relations.

Joining the FTSE4Good Bursa Malaysia (F4GBM) Index
Criteria evaluated for this award include strong environmental, social and governance ("ESG") practices regulated by F4GBM.

ECONOMIC

Economic sustainability concerns Matrix's impacts on the economic conditions of its stakeholders and economic systems at local, national, regional and global levels. We remain resilient and focused on delivering growth and long-term shareholder value.

Our projects reflect cutting-edge innovation in the area of property development. We continue to set new benchmarks of performance excellence in this industry.

Established in 1996, Matrix is one of the top 15 developers in Malaysia, ranking 13th in The Edge Malaysia Top Property Developers' Awards ("TPDA") 2018. The TPDA is the anchor award of The Edge Malaysia Property Excellence Awards 2018.

On 15 November 2018, Matrix received six awards at iProperty Development Excellence Awards 2018. Organised by Malaysia's No.1 Property Site - iProperty.com - Matrix is one of the top property developers and developments recognised for ideas and innovation introduced to Malaysia's property market.

In FY2019, Matrix has also won five category awards by PropertyGuru Asia Property Malaysia Award 2019:

1. Special recognition in CSR
2. Special recognition in Sustainable Development
3. Special recognition for Building Communities
4. Special recognition for Industrial/Logistics Development
5. Best township development

DURING A RECENT SURVEY,
79.6%
OF STAKEHOLDERS
BELIEVE MATRIX NOT ONLY
CONSTRUCTS HOMES
BUT
BUILDS COMMUNITIES

SUSTAINABILITY STATEMENT

RE-DISCOVER KUALA LUMPUR – A CITY ESCAPE

During the financial year, Matrix made its debut in the Klang Valley with the launch of a serviced apartment project, Chambers. The serviced apartments are located close to Putra World Trade Centre ("PWTC"). The 33-storey Chambers Kuala Lumpur serviced apartment has a gross development value of approximately RM310.80 million.

Chambers Kuala Lumpur is a hideaway where you can relax but still engage. It is a neighbourhood with exceptional accessibility. There are five available unit types suitable for business travellers or those looking for an urban staycation.

Chambers Kuala Lumpur Highlights

Close to the PWTC Light Rail Transit Station

509 freehold units are available

Five available unit types ranging from 450 to 908 square feet

Strategically located in KL city centre

All units are partially furnished with a fully-fitted kitchen. Security and accessibility are built into the building's multi-tier access system including a guardhouse and security patrol, access card to enter the lifts and closed-circuit television surveillance.

M.CARNEGIE – MADE FOR LIVING

M.Carnegie is the first ever project by Matrix in Melbourne. Our boutique apartments are comfortably practical, a short train or tram ride away from the city. The completion of M.Carnegie has laid a substantial foundation for Matrix's future development in Melbourne. All 52 exquisitely designed and meticulously constructed apartments have been fully sold, completed and handed over to purchasers. All rental-guaranteed units were seamlessly leased out within 60 days.

Matrix further strengthened its foothold in the Australian market by acquiring new lands in Greenvale and St. Kilda. Future launches for these two developments are currently being planned.

Greenvale prides itself on its ample greenery and vale of nature. Matrix has recently acquired a 9.67-acre development site adjacent to Greenvale Reservoir Park. Travelling to and from Melbourne CBD is quick and convenient. A mere 25-minute drive can transport residents to their workplace and the vibrancy of the city. This land will be divided into 70 landed residential lots. Different houses and land packages will be offered as an option. The whole project is scheduled for launch in the second quarter of 2019 and the completion date is estimated to be in early 2021. The GDV of this project (land sales only) is estimated to be approximately AUD24,000,000 (RM72 million).

St. Kilda is located in South East Melbourne, approximately 6km from the CBD. Situated in a prominent highly-visible location, the 2,543 square metre site has good development potential. We conducted a study to determine the best strategy and utilisation of the site as well as the most suitable development type and combination. The GDV of this project is estimated to be more than AUD80,000,000 (RM240 million).

Key Selling Features of Our Projects in Australia

Strategic location

Close proximity to the CBD

Sophisticated connection with nearby suburbs

Impeccable quality

Ample options and a convenient public transport network

SUSTAINABILITY STATEMENT

WELCOMING MORE WELL-KNOWN BRANDS INTO OUR TOWNSHIP

A Memorandum of Association ("MoA") was signed by KFC and Matrix in the second quarter of FY2019. The construction of the 700th KFC restaurant has been completed and the establishment is now operational. Developed on the build-to-rent concept, the restaurant is located near the commercial development that is supported by local residential units. The restaurant has a drive-through facility and incorporates green features. The presence of KFC helps boost the social needs of the community by providing a place to meet, dine and mingle.

We are also proud to announce the recent opening of Affin Islamic Bank in Metropark, Bandar Sri Sendayan. As one of the first bank to enter the township, it serves the financial and community needs of Bandar Sri Sendayan.

IBS IN OUR DEVELOPMENTS

The Industrialised Building System ("IBS") covers all aspects of construction including beams, walls, slabs, columns and stairs manufactured under strict quality. IBS components are constructed off-site and can potentially promote sustainability in construction. Responsibly maintaining a healthy built environment is an efficient use of resources.

Implementing IBS in Matrix's housing development projects would shorten the construction period and improve quality control. The new manufacturing plant has been completed and the plant capacity could be expanded to cater to our growing scale of developments and other housing developers in Negeri Sembilan, Klang Valley and Johor. Tiara Sendayan will be the first project to adopt IBS.

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

SUSTAINABILITY STATEMENT

JOINT VENTURE WITH INDONESIA CONSORTIUM FOR ISLAMIC FINANCIAL DISTRICT DEVELOPMENT

On 2 October 2018, Matrix signed a Joint Venture Agreement ("JVA") with PT Bangun Kosambi Sukses ("BKS") and PT Nikko Sekuritas Indonesia ("NSI"). This JVA represents our first step in establishing our presence in Indonesia, which is one of ASEAN's largest, growing markets.

Expected positive sustainable economic outcomes from both overseas projects include:

- Expanding our reach into the international market.
- Promoting Matrix's brand awareness in Australia and Indonesia, being part of the largest, growing markets in the region.

BKS is jointly owned by Agung Sedayu Group and Salim Group, a diversified conglomerate, which is also involved in the development of Pantai Indah Kapuk 2 ("PIK 2") Sedayu Indo City, Indonesia. NSI is an investment banking firm in Indonesia.

The Joint Venture ("JV") company, PT Fin Centerindo Satu ("FCS"), was formed to develop 3.6-hectare of land in West Kosambi Village, Kosambi District. BKS will hold a 40% equity interest in FCS with Matrix and NSI holding 30% each.

The proposed project was initiated by the Indonesian government to establish an Islamic financial district in view of its large Muslim population. This JVA is a remarkable opportunity for Matrix to work with one of Indonesia's largest property developers and major conglomerate to establish a world-class Islamic Financial District in PIK 2 while initiating its maiden venture into Indonesia.

MATRIX GLOBAL SCHOOLS ("MGS") GAINING MOMENTUM IN ACADEMIC ACHIEVEMENTS

On 16 January 2019, Matrix Global Education Sdn Bhd entered into a strategic collaboration with Bonanza Educare Sdn Bhd, a subsidiary of Bonanza Venture Holdings Sdn Bhd, the founding company of Tenby International schools. Transforming MGS's ability to offer the best educational experience to its current and future students, this collaboration is true to its vision of being 'second to none'. With this collaboration, MGS is able to enhance its operational efficiency by upgrading the quality of the school.

IN THE

2018 UPSR

RESULTS, THE SCHOOL ONCE AGAIN MAINTAINED

A 99% OVERALL PASS RATE

WITH AN IMPROVED SCHOOL AVERAGE

GRADE (GPS) OF 2.1.

BASED ON IGCSE RESULTS,
FOUR STUDENTS ACHIEVED STRAIGHT

A and A* results

SUSTAINABILITY STATEMENT

BEING A GOOD CORPORATE CITIZEN

Matrix contributed RM5 million to Tabung Harapan Malaysia, which was established for Malaysians wishing to help alleviate the country's debt as part of its contribution to the nation.

The donation was Matrix's way of working together towards a better nation. This amount included RM2 million that was collected during a fundraising week from employees, contractors, suppliers and business associates.

The mock cheque presentation was witnessed by the Minister of Finance, Minister of Transport cum Seremban Member of Parliament, Secretary Investment Division of Ministry of Finance, Founder and Group Managing Director of Matrix.

SUSTAINABLE SUPPLY CHAIN

Matrix endeavours to work with suppliers and subcontractors who support our business in a safe and efficient manner. We expect our supply chain partners to practise high ethical standards to ensure quality products.

Currently, we are revamping our supply chain processes which govern our selection of approved suppliers and contractors. Social and environmental expectations are gradually being integrated into supplier and contractor screening criteria. Social, environmental and business ethics will also be included in Matrix's risk assessment for existing and potential projects.

We work only with local suppliers in Malaysia preferably from the same state. Almost 100% of our suppliers and contractors are locally-based. Partnering with local businesses allows us to invest in the communities in which we operate while reducing associated environmental and social impacts and reducing transport costs.

We are pleased to report that there were no cases of negative socio-economic impact recorded in our supply chain process throughout the year.

ETHICS AND ANTI-CORRUPTION

Matrix firmly opposes all forms of corruption including bribery and fraud. The Group adheres to the highest ethical standards when doing business. Its firm position is communicated to all employees through the Employee Handbook which is handed to employees joining Matrix. Every employee is responsible for preventing and reporting instances of non-compliance. Employees found to have been involved in bribery are subject to disciplinary action that can lead to termination.

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

Considering the No Gifts Policy which came into effect in 2019, Matrix also understands that certain gifts, especially those presented during festive seasons, are perceived as acceptable courtesy and given in good faith. Matrix's policy on No Gifts, Gratuities, Favours or Invitation clearly states the guidelines for receiving "allowable" gifts. They are generally consumable or perishable which can be shared with associates and do not grow in value over time.

Matrix's Policy on No Gifts, Gratuities, Favours or Invitation is also communicated to suppliers, contractors, subcontractors, agents, joint venture companies and third parties whom Matrix works with. Vendors and suppliers are being made aware of the Policy through our Annual Integrity Pledge which states that all gifts and hampers received by the Company or individuals will be shared among associates except gifts of a personalised nature such as plaques or pewter and framed pictures. Suppliers and vendors are being made aware that all forms of gifts received are appreciated and taken in good faith. They are not in any way in exchange for favours or future favourable returns. Associates must fully disclose and obtain approval from the senior management prior to accepting any gifts, gratuities, favours, benefits or excessive entertainment that are beyond common courtesies.

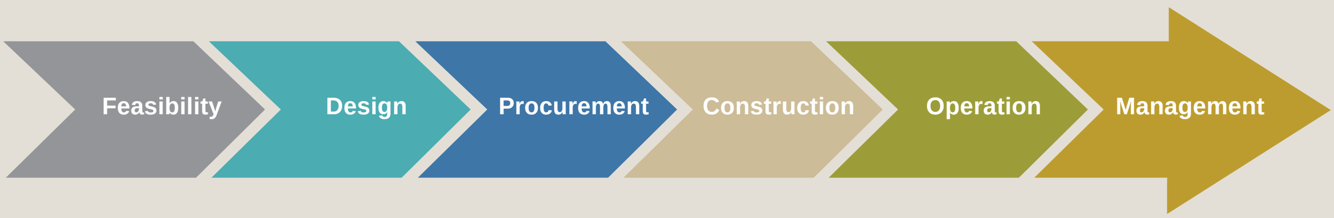
Every contractor, subcontractor and third party is subject to corruption and bribery risk assessments and must declare that they are not involved in any corrupt, unethical, misconduct and illegal behaviour. The screening of new and existing business partners on corruption and bribery is part of our due diligence in the context of Matrix's compliance requirements.

There have been no major disciplinary cases reported on corruption practices thus far that resulted in the dismissal of employees.

ENVIRONMENTAL RESPONSIBILITY

During a recent survey, 70.4% of stakeholders consider Matrix an environmentally responsible and green company.

Matrix is committed to minimising its environmental impact as a property developer and manager. Stakeholder value is created by lowering the environmental footprint of our developments through innovation. Environmental sustainability is incorporated into our lifecycle management throughout all stages of a project.



Monitoring environmental impacts is integral to our business operations. The smart use of environmental resources such as energy and water contribute to the operational efficiency and long-term sustainability of Matrix.

Several initiatives have been introduced to encourage the smarter use of utilities. Matrix is improving its data management and formalising its water and electricity data recording and monitoring. The recording of utilities is now enforced in all business units.

Environmental Goals To Be Achieved Over Time

ZERO CARBON

- Reducing our carbon footprint
- Adopting renewable energy technologies in our developments whenever possible
- Encouraging low carbon modes of transport to reduce emissions

ZERO WASTE

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

SUSTAINABLE MATERIALS

- Procuring sustainable materials whenever possible and applicable

SUSTAINABILITY STATEMENT

GREEN BUILDING, ECOLOGICAL CONSTRUCTION

The sustainable design of Matrix's developments and landscapes adopt the basic principles of resource effectiveness, life cycle assessment, health, safety and environmental performance. Our green buildings are constructed with full respect for environmental aspects while extending the maximum comfort levels to occupants.

Recognition for Our Green Buildings

d'Tempat Country Club achieved Gold Standard certification by the Green Building Index ("GBI").

Chambers Kuala Lumpur was assessed by GBI during the fourth quarter of FY2018.

Bandar Sri Sendayan was awarded "Sustainable Township of the Year" by the World Sense of Place.

PropertyGuru Asia Property Malaysia Award 2019 – Special Recognition in Sustainable Development – Best Township Development.

Matrix won a Gold Award in The Asset Corporate Awards 2018, which evaluated corporate governance, social responsibility, environmental responsibility and investor relations.

Sustainable Areas Examined in Our Green Developments

SUSTAINABILITY STATEMENT

ENERGY MANAGEMENT

Saving energy is an important goal for Matrix as:

- It reduces the operational costs of the business through reduced electricity bills.
- A large proportion of the electricity in Malaysia is generated using non-renewable resources.

Matrix practised many energy-saving habits and initiatives throughout FY2019.

Installing energy-efficient LED and T5 fluorescent lamps with timer controls and occupancy or daylight sensors
Switching off all electronics at the end of the day and during weekends and holidays
Replacing light bulbs with energy-efficient LED equivalents
Replacing old chillers with more efficient alternatives
Purchasing energy-saving equipment with lower running costs
Investing in timers, movement detectors and light level sensors for MGS

There are proven business benefits for monitoring energy consumption. Typically, a large amount of a business's annual energy cost is wasted through using inefficient equipment. Matrix aims to keep this wastage to a minimum by monitoring and recording energy consumption at each of its offices.

Energy consumption, carbon footprint, environmental management and recycling continue to be the main factors evaluated. We intend to keep this wastage to a minimum by monitoring and recording energy consumption at each office and site. This is in line with the Government's initiatives to improve energy efficiency in Malaysia.

MGS engaged a consultant to implement the following energy savings initiatives. The total savings recorded as at 31 March 2019, after just six months of embarking on this journey, was 202,961kWh.

Matrix Global Schools' Energy Conservation Efforts

INVERTEK Drives are installed on all water pumps and motors. This technology is expected to deliver 25% electricity savings.
The entire campus, except the boarding houses, has a building management system that controls the timing and temperature of the air-conditioning.
ENISCOPE Energy Management System ("EMS") has been installed. This technology is regarded as the most effective EMS with European and International certification.
Solar energy powers, the hot water systems has been installed at the boarding house.
Air Conditioning Energy Savers were installed on all air-conditioning units of 10,000 BTUs and above. An estimated 75 at MGIS and 10 in gathering halls will deliver 20% savings.
A minimal wastage policy is practised to reduce all excess bulbs by installing special LED lighting to conserve energy.
An automated shut-off has been installed for lights and air-conditioning that are not in use.
A key card system has been introduced to minimise electricity wastage.

SUSTAINABILITY STATEMENT

ELECTRICITY AND WATER (GROUP)

Consumption	FY2018	FY2019
Electricity (kWh)	6,812,265*	6,840,008
Water (m^3)	207,977*	324,205

** Restated due to improved data monitoring processes*

The energy and water saving initiatives are still being monitored. However, the usage remains relatively consistent with the expansion of office spaces and employees.

RENEWABLE ENERGY

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

Benefits of Solar Electricity

Does not produce greenhouse gases or pollute the water.	Positive effect on the environment
Using less electricity from the utility supplier will be immediately reflected on our energy bill.	Reduced energy bills
The physical barrier reduces the building's solar gain through the roof.	Reduced solar gain
Electricity consumed immediately as d'Tempat Country Club uses a lot in the day.	Energy produced as it is needed
Some national grid energy is lost during transportation but much less when produced on site.	Minimal energy lost from transportation
Reduced reliance on the grid reduces the risk of complete power loss in case of overload, natural or human-caused disasters.	Improved grid security

Solar water heaters also produce the hot water at d'Tempat Country Club and MGS's boarding houses. Currently, the existing solar panels are able to generate electricity for water heaters only. d'Tempat Country club is currently in the midst of exploring the expansion of the existing solar panels on its rooftop for generating more electricity to power the entire premises.

WASTE MANAGEMENT

Matrix's site solid waste continues to be disposed of in legal dumpsites approved by the Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam Negeri Sembilan ("PPSPPANS"). Recyclable site waste such as hoardings, glass, aluminium and plastic is collected, recycled and reused whenever possible.

The primary reason for proper waste management is to protect the environment and health and safety of the population. Matrix remains steadfast in its commitment to reducing waste across its entire portfolio from the design and construction to the daily management of buildings.

Waste management concerns being efficient with raw materials and making the most of each stage of the production process. Currently, Matrix is developing a database that records and monitors waste generated at each project site and our corporate offices.

Types of Solid Waste Produced by Matrix

Concrete

Rocks

Metal

Wood

Glass

Sand

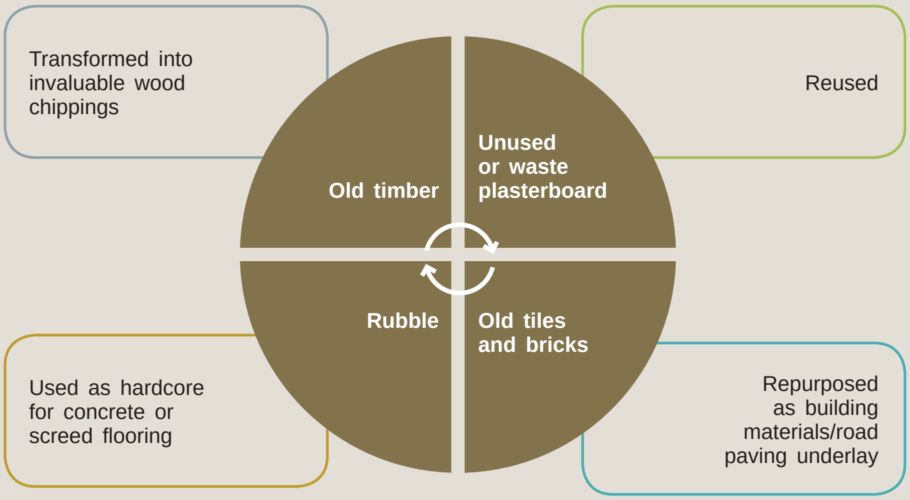
Dust

Rubbish from workers' quarters

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

SUSTAINABILITY STATEMENT

How Materials are Reused to Reduce Waste



During FY2019, 2,615 wooden pallets and 5,083 kg of mosaic boxes were collected and recycled from various project sites including Suriaman 2A, Ara Sendayan 1A and Suriaman Biz.

Our Commitment to Sustainable Materials

All timber and other natural materials

- Traceable and from sustainable sources.

All relevant construction industry guidelines

- Adhered to with respect to the sourcing, utilisation and disposal of a wide range of building materials.

Our own waste management and sustainability guidelines

- Strictly adhered to in the treatment of waste.

Contractors are encouraged

- To recycle their own waste such as timber pallets, broken tiles and bricks whenever possible.

MGS continued its waste separation initiative by signing a collaboration agreement with the Embassy of Japan for the proper disposal of waste. Waste is separated and collected by a contractor from the Embassy of Japan for disposal and recycling. Chemical waste from the science laboratory is discharged directly into its drainage which is equipped with a centralised neutraliser device.

d'Tempat Country Club and d'Sora Boutique Business Hotel continued its collaboration with a third-party organisation to collect used oil. This waste is transformed into soap using a saponification process, which is a neutralisation reaction with sodium hydroxide.

SUSTAINABILITY STATEMENT

Composting bins operating on two different methods, water-based vegetation and chemical-based, are placed at d'Tempat Country Club to manage food waste. d'Tempat Country Club has initiated the composting of kitchen and garden waste to generate compost for its landscaping use which is self-sustainable.

"NO PLASTICS" INITIATIVE

Matrix has implemented "Say No to Plastics" as part of the sustainability initiatives undertaken to reduce its environmental impact.

Plastic water bottles and straws are discouraged or discontinued in Matrix. Water jugs and cups are provided during meetings instead of water bottles. Food and beverage outlets in d'Tempat Country Club and d'Sora Boutique Business Hotel also take part in this movement.

d'Tempat Country Club collaborates with SWM Environment Sdn Bhd ("SWM") in managing its plastic bottle waste. A large number of plastic bottles are collected periodically by SWM for recycling. The quantity of each collection and record of recyclables are submitted to the Negeri Sembilan Executive Committee. A total of 807 kg of plastic bottles and other recyclables have been collected by SWM to date.

NO STYROFOAM

Styrofoam is expanded polystyrene. It is non-biodegradable and appears to last forever. It is resistant to photolysis, or the breaking down of materials by photons originating from light. As styrofoam also floats, large amounts of polystyrene have accumulated along coastlines and waterways around the world. It is considered a main component of marine debris.

Styrofoam packets have been banned from use from the beginning of d'Tempat Country Club's operations.

PAPER SAVING AND EFFICIENCY

Photocopiers with paper usage calculators have been installed to monitor paper usage. We have started recording and monitoring paper consumption for future saving plans. Used paper is reused for draft copies to reduce consumption.

This paper saving initiative managed to save paper from being excessively used.

SCHEDULED WASTE

According to Malaysia's Environmental Quality Act 1974, scheduled wastes are hazardous wastes from industrial activities that pollute if emitted, discharged or deposited directly into the environment.

Scheduled wastes are any waste prescribed by the Minister categorised in the First Schedule of the Environmental Quality (Scheduled Wastes) Regulations 2005.

All scheduled wastes generated from our operations are handled by licensed third-party waste handlers who are appointed by our contractors to dispose of these wastes according to the Department of Environment ("DOE") regulations.

SUSTAINABILITY STATEMENT

WATER CONSERVATION THROUGH RAIN HARVESTING

Water is our most precious natural resource and something that most of us take for granted. Rainwater harvesting involves collecting this resource.

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

ENVIRONMENTAL NOISE AND VIBRATION

Construction sites present unique problems that do not occur in other work situations in general industry. The activities and job functions at a construction site are constantly changing as the job progresses.

Construction Equipment That Produces Noise

- Jackhammers
- Dump trucks
- Cement mixers
- Cement cutters
- Electric saws
- Tamping machines
- Welding machines
- Sledgehammers
- Drills

Noise Minimisation Strategies Employed by Matrix

- Landscaping
- Screens
- Slope management
- Careful site arrangement
- Machinery and heavy vehicles are maintained properly to keep noise within equipment manufacturers' specifications
- Hoardings are installed along the site boundary and other noise-generating works are performed during the day
- Construction activities, especially blasting works, are limited to between 10.00 am and 5.00 pm. However, blasting has ceased due to the current land condition.

EROSION AND SEDIMENTATION CONTROL

Wash Trough	A wheel washing bay is placed at project sites and is maintained regularly.
Sediment Tank	A portable sedimentation tank is installed at every project site. All water runoff from the site is channelled into this tank and filtered before being discharged into the public drain. Matrix also constructs sandbags and silt fences along the hoarding area as a preventive measure.
Wastewater Channeling System	An earth drain is provided at every project to prevent surface runoff from the project site to a public area. Water ponding on site is accumulated before being pumped into the sedimentation tank.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND GREENHOUSE GAS (GHG) EMISSIONS

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

SCOPE 1
- Direct GHG emissions
- Diesel gensets

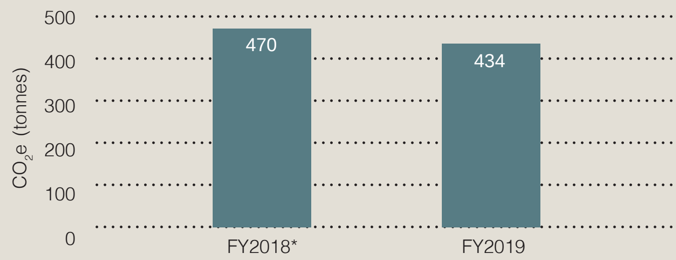
SCOPE 2
- Indirect GHG emissions
- Electricity

SCOPE 3
- Other indirect GHG emissions
- Air Travel

SCOPE 1

Fuel purchases are monitored and recorded to calculate GHG emissions from diesel used by our generators. CO_2 emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories. There is slight reduction in usage compared with last year due to better control management through the formation of a diesel budget covering consumption during project commencement.

Co_2 emissions (tonnes) from diesel usage



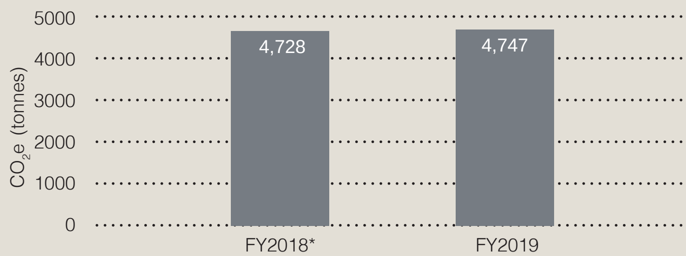
* Restated due to improved data monitoring processes

SCOPE 2

Matrix calculated emissions resulting from electricity consumption at various buildings and sites owned by the Group and the fluctuations were also reported. In particular, the d'Tempat Country Club and MGS reported lower consumption due to closer monitoring and better control management by raising awareness of energy conservation. The slight overall increase in the Group's consumption was partly due to an increase in workforce and guests patronage to the hotel as well as enlarged work spaces and office renovation.

The volume of CO_2 emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

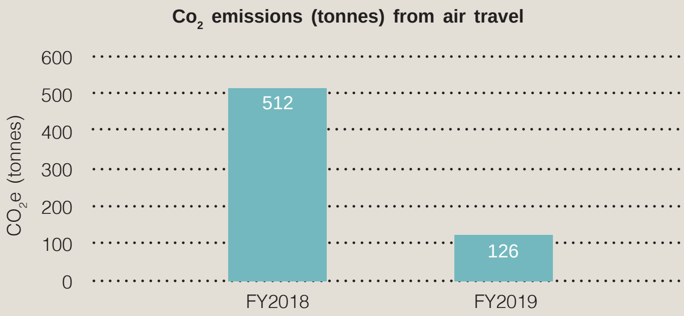
Co_2 emissions (tonnes) from electricity usage



* Restated due to improved data monitoring processes

SCOPE 3

GHG emissions resulting from air travel were measured from point-to-point including the number of employees on board and distance. All short and long-haul flights were included in the GHG calculations. Online tools derived from the World Resource Institute ("WRI") Greenhouse Gas Protocol have been used to estimate the CO_2 emissions from air travel. The significant reduction compared with last year was due to fewer incentive trips being allocated for employees in FY2019 as these trips are considered on an alternate year basis.



ENVIRONMENTAL IMPACT

There were no major cases of non-compliance of environmental performance during this period. Matrix remains within the safe limits set by the Department of Environment ("DOE") in terms of air quality, water quality and noise.

During the financial year, there was one incident where Ara Sendayan's noise monitoring results exceeded DOE limits during blasting work. These works has since been completed and blasting works have ceased as a result. The results from this development's Environmental Management Plan are summarised below.

	ARA SENDAYAN	TIARA SENDAYAN	SENDAYAN TECH PARK
AIR QUALITY	Within permissible limits	Within permissible limits	Within permissible limits
WATER QUALITY: STREAM	Within permissible limits except for Ammoniacal Nitrogen, Biological Oxygen Demand, Iron and Manganese	Within permissible limits; showed no signs of deterioration compared to baseline data	Within permissible limits except for Ammoniacal Nitrogen
WATER QUALITY: SEDIMENT BASIN	N/A	Did not contain high total suspended solids	N/A
NOISE LEVELS	Exceeded for both day time and night time	Within permissible limits	Within permissible limits

OUR SOCIETY

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

Main Objectives of Matrix Concepts Foundation

Matrix Concepts Foundation ("MCF") was incorporated on 3 December 2013 as a non-profit corporation or charitable trust. The trust fund is led by Y.Bhg Dato' Logendran A/L K Narayanasamy, the Chairman of the MCF Committee.

- Promote earth conservation
- Advance education for needy students
- Relieve poverty within underprivileged communities irrespective of race, creed and religion

DURING A RECENT SURVEY,
78.7%
OF STAKEHOLDERS BELIEVE MATRIX GIVES BACK TO
SOCIETY
AND
HELPS PEOPLE
AT LARGE

MCF ANNUAL GRANT TO PERTUBUHAN HOSPICE SEREMBAN

Since its founding in 2014, Matrix has supported the community in need, focusing on better health in particular. Currently, MCF's approach is to provide life-changing care with a purpose. Our commitment to Pertubuhan Hospice reflects our dedication to making the world a better place for cancer patients.

Matrix continues to support Pertubuhan Hospice Seremban by contributing RM30,000 each year to fund medical support for cancer patients. Our volunteers also extend welfare services to these patients and their family members.

SUSTAINABILITY STATEMENT

PHILANTHROPY AND SOCIETY CARE

MATRIX CONTRIBUTED LAND FOR THE DEVELOPMENT OF MOSQUES

Clearly, mosques are a valuable resource as both a visitor attraction and supporting the nation's spiritual well-being. During the financial year under review, Matrix donated 4.08 acres of land for the development of Masjid Sheikh Haji Ahmad in Bandar Sri Sendayan. The Group built and handed over this mosque for the benefit of the community of Negeri Sembilan. The total build-up size of the mosque is 2,937 square metres and it is able to accommodate 1,556 worshippers. The mosque is well equipped with open-space solat (prayer) rooms. There is ample parking for cars, motorcycles and also dedicated bays for the disabled.

Similarly, Matrix contributed 10 acres of land for the construction of an iconic mosque in Bandar Sri sendayan. This iconic mosque, Masjid Rashid Hussein, is nearing completion. This mosque will enhance societal well-being and the beauty of this Seremban township while serving as a tourist attraction.

SUSTAINABILITY STATEMENT

MATRIX SHARES RAMADHAN SPIRIT WITH PERTUBUHAN DARUL ASNAF

Matrix hosted a ***Majlis Berbuka Puasa*** with orphans from Pertubuhan Darul Asnaf Sri Sendayan and Pertubuhan Darul Asnaf Sri Tanjung Kuala Pilah. The event was held at d'Tempat Country Club, Bandar Sri Sendayan on 7 June 2018 in conjunction with the Holy Month of Ramadhan. These children were treated to a scrumptious poolside buffet. ***Duit raya*** was also given to all children.

Pertubuhan Darul Asnaf Sri Sendayan and Sri Tanjung Kuala Pilah are home to 57 children aged between 13 and 15 years from poor backgrounds and orphanages. The home provides the youths with religious education and self improvement modules. Matrix does its part in spreading a little cheer in the lives of others.

EMBRACING RAMADHAN WITH YAYASAN KASIH SAYANG NEGERI SEMBILAN

On 30 May 2019, d'Tempat Country Club and SWM Environment Sdn Bhd, through SWM Kasih, hosted a Majlis Iftar. The event was held with 30 residents and their caretakers from Negeri Sembilan Kasih Sayang Foundation.

Single mothers, orphans and underprivileged children aged 5 to 30 years attended this event. Children and residents of Negeri Sembilan Kasih Sayang were treated to new ***Hari Raya*** outfit shopping at MyDin Mall Seremban 2. d'Tempat Country Club sponsored the ***buka puasa*** meal and ***duit raya***.

BUBUR LAMBUK GIVEAWAY

In conjunction with Ramadhan, d'Tempat Country Club distributed 1,000 packs of ***bubur lambuk*** to the public at Masjid Hussain in Seremban 2 and Masjid At-Taqwa, Paroi on 16 May 2018. The ***bubur lambuk*** was specially prepared by d'Tempat Country Club's chefs using their special recipe with a unique blend of herbs and spices that were well enjoyed by the residents.

Matrix employees also distributed packs of this self-fulfilling dish to the surrounding community as it is a Muslim tradition to share it during Ramadhan. ***Bubur lambuk*** became a staple food during Ramadhan as it is easy to prepare while containing all the major food groups.

SUSTAINABILITY STATEMENT

THE EDGE KUALA LUMPUR RAT RACE

Since its launch in 2000, The Edge Kuala Lumpur Rat Race®, inspired by the Carey Wall St Rat Race in New York, has been regarded as one of the highlights of Corporate Malaysia's annual calendar. Matrix continues to take part and contribute to the Rat Race funds which help the poor, disadvantaged and disabled, regardless of colour, creed or gender.

The funds raised by the Edge Kuala Lumpur Rat Race were disbursed via The Edge Education Foundation ("Foundation"), the philanthropic arm of The Edge. Since 2014, Rat Race funds have supported education, training and skills development programmes in line with the Foundation's educational focus. A portion of the funds is also used to support programmes that enhance English proficiency and financial literacy run by the Foundation as well as a scholarship programme.

Once again, Matrix was a Platinum sponsor of the 18th The Edge Kuala Lumpur Rat Race held on 31 July 2018. Matrix won three titles for the first time in the Company's history: Champion for Best Dressed Supporters, Champion for Best Dressed CEOs and first runner-up for Best Dressed Runners.

SUSTAINABILITY STATEMENT

HARMONY RUN 2018 @ BANDAR SRI SENDAYAN

The Harmony Charity Run was held on 29 April 2018 at Bandar Sri Sendayan. It was organised by the Malaysian Fo Guang Buddhist Association in collaboration with Matrix.

Harmony Run promoted national harmony by encouraging health awareness and interaction among participants of all ages and races to foster a peaceful society. More than 5,500 runners took part in the charity run. Several categories included a 5-km fun run, 10-km run Open and Veteran categories for both men and women.

Each runner received cash prizes and medals. RM400,000 raised from entry fees was donated to Fo Guang Shan Malaysia (Education Building Fund).

PATRIOTIC SPIRIT SOARS DURING 61ST INDEPENDENCE DAY

Sixty employees from Matrix Headquarters, d'Tempat Country Club and MGS took part in the state level 61st National Day parade at Padang MPS.

5,789 participants from 94 contingents took part. They represented various organisations from the government, private sector, schools and higher learning institutions and non-governmental organisations. The parade marched past the Seremban City Council building to commemorate the country's independence.

By taking part in this event, we hope to instil the spirit of patriotism among our people and celebrated the unity of our nation.

SAVE THE OCEAN, BEACH CLEANING AT PORT DICKSON

Matrix partnered with SMK Raja Jumaat Lukut and the Malaysia Fo-Guang Buddhist Association Seremban Branch on 'Save the Ocean' in Port Dickson. Held on 11 August 2018, the event improved coastal and ocean ecosystems by raising awareness of the importance of keeping our beaches clean and pollution free.

Communities and students learned about the importance of stopping ocean pollution by removing litter from the beach. Waste dumping is one of the world's leading causes of global warming. A large number of volunteers from Matrix Headquarters, MGS and the Fo Guang Buddhist Association Seremban Branch supported this event.

NURTURING A BRIGHTER TOMORROW BY ENABLING SMART EDUCATION

Matrix donated six new desktop computers to students of SK Gadong Jaya to provide a better teaching and learning environment for teachers and students.

Technology will play a greater role in transforming educational systems in the future. Education is closely related to technological change and hopefully, our contributions will improve learning in this school.

"In today's era, it is quite difficult to imagine studying without proper computer equipment, and our school needed these computers in order to improve the students' studying conditions. The present education system requires more computer skills, thus the equipment that improves students' literacy and critical thinking skills will take precedence. I would like to take this opportunity to thank Matrix for this donation, which will ease and enhance our students' learning progress. It will also be an important technological tool in teaching, which is equally essential."

~ Principal of SK Gadong Jaya

SUSTAINABILITY STATEMENT

DEEPAVALI JOY WITH SHELTER HOME SEREMBAN

Shelter Home Seremban is an NGO centre of development that protects, counsels and works to end domestic abuse against women and children.

In celebration of Deepavali, Matrix contributed sewing machines, an edging machine and an embroidery machine to Shelter Home Seremban on 1 November 2018.

Matrix continues to support the Shelter Home Seremban in curbing violence against women and children by providing moral support to these victims.

"I am very grateful for the contribution we received today as it will help and support the Shelter Home Seremban's sewing class for the women to learn and make a living for themselves in the future. In fact, this free sewing class will be conducted as part of the Shelter Home Seremban's activity for single mothers and poor women."

~ Vasanthi, Chairperson Shelter Home Seremban

SUSTAINABILITY STATEMENT

THREE-PEAT FOR NS MATRIX AT THE 60TH MABA/MATRIX AGONG CUP NATIONAL BASKETBALL CHAMPIONSHIPS 2018

The Malaysian Basketball Association MABA – Matrix 60th Agong Cup National Basketball Championship 2018 – is designed to unite Malaysians through sports. The championships also develop the sportsmanship of our athletes as it is one of the most important parts of any athletic endeavour.

Negeri Sembilan Basketball Association ("NSBA") has defended the title for three consecutive years in the Agong Cup Men's Champion, defeating Polis Diraja Malaysia ("PDRM") in 2018.

The NSBA women's team also won after defeating Segamat Basketball Association. This victory brought the Women's Championship home to Negeri Sembilan for the 11th time and for the first time since 1967.

Matrix has sponsored RM3.3 million to NSBA.

SEREMBAN HALF MARATHON

This year marked the first time in history for the oldest marathon event, the Seremban Half Marathon held at d'Tempat Country Club, Bandar Sri Sendayan. Matrix was the Platinum venue sponsor and organiser of the Seremban Half Marathon 2018. We are proud to provide better, safer and wider running routes with lush greenery.

More than 7,000 runners assembled for the flag-off by the Royal Patron of SHM, YAM Tunku Naquiyuddin ibni Tuanku Ja'afar, Tunku Laxamana Negeri Sembilan Darul Khusus.

The Seremban Half Marathon Committee introduced a special disabled (OKU) category this year. Two hundred and thirty disabled athletes took part in the marathon.

MGS REPRESENTS MALAYSIA IN THE HENGSHUI HIGH SCHOOL 6TH INTERNATIONAL CULTURE, EDUCATION AND ARTS FESTIVAL

Matrix sponsored 21 students and teachers from MGS to represent Malaysia in the Hengshui High School 6th International Culture, Education and Arts Festival.

Held in Hebei province, China, the festival provides a platform for cultural exchange and educational cooperation among countries. More than 200 students and teachers from over 20 countries took part in this memorable event.

OUR PEOPLE

During a recent survey, 72.2% of stakeholders believe Matrix adopts fair employment practices.

Matrix is committed to respecting the individuality of all employees and offering a rewarding working environment.

A Fair and Rewarding Workplace	Work Safety and Well-being	Talent Development	Diversity and Equal Opportunity
• Matrix seeks to create a fair and rewarding workplace, develop a strong and cohesive corporate culture, and foster an open atmosphere between the people and the Company	• Matrix has initiated a Group-wide occupational health and safety management system to protect all employees	• Matrix supports a systematic and structured talent development programme and encourages all employees to proactively advance their own careers	• Matrix is committed to driving growth and innovation, by cultivating a culture that respects diversity and allows the contribution of each and every employee

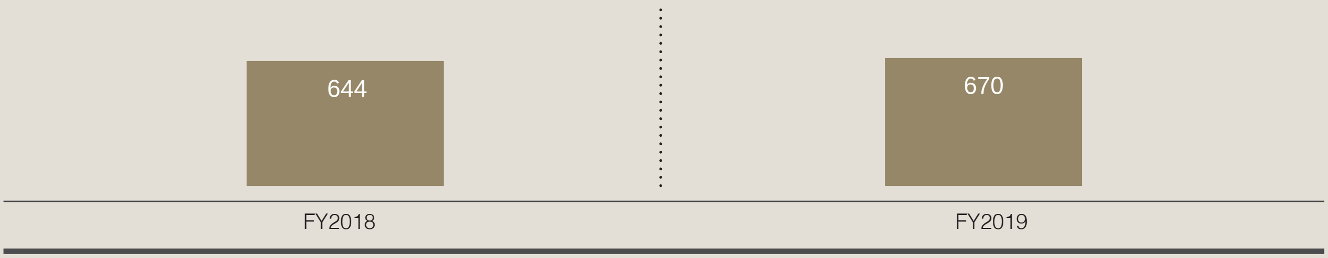
A WORKFORCE THAT REFLECTS OUR DIVERSE SOCIETY

Matrix embraces diversity and inclusivity regardless of gender, race, culture, nationality and background. We practise a localisation strategy where reasonable and practical. Matrix recorded a total workforce strength of 670 in FY2019 with 100% being Malaysian, except for site workers. Matrix's workforce has an almost equal ratio of men and women. Women are also well represented in both middle and senior management.

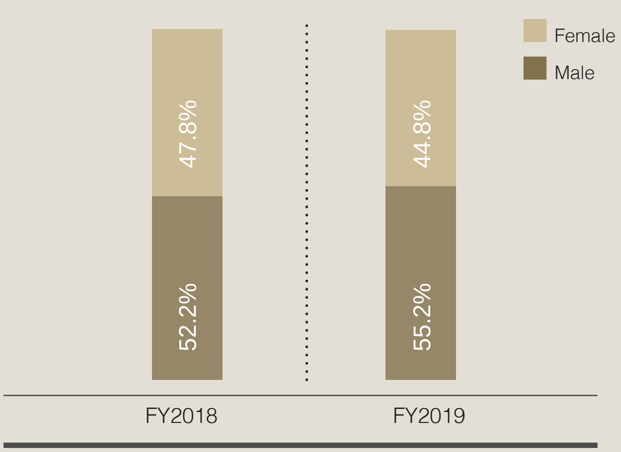
The average turnover rate for FY2019 was 3.3% which is good compared to the industry. Currently, the Human Resource Department is formulating a three-year manpower plan. This exercise commenced in the first quarter of FY2019 in line with Matrix's business plan.

SUSTAINABILITY STATEMENT

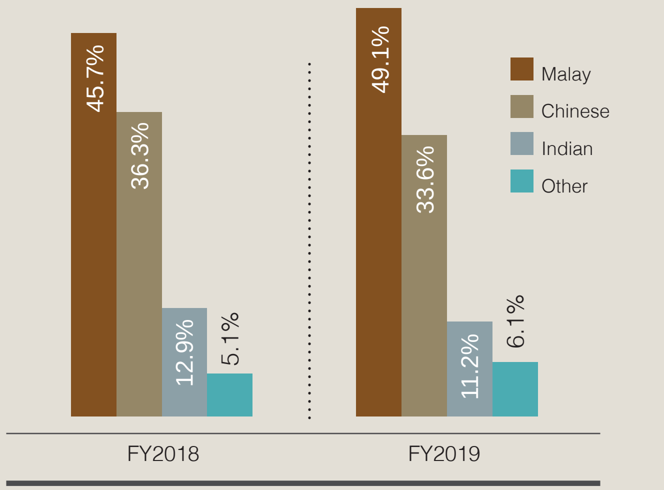
Total Workforce Strength



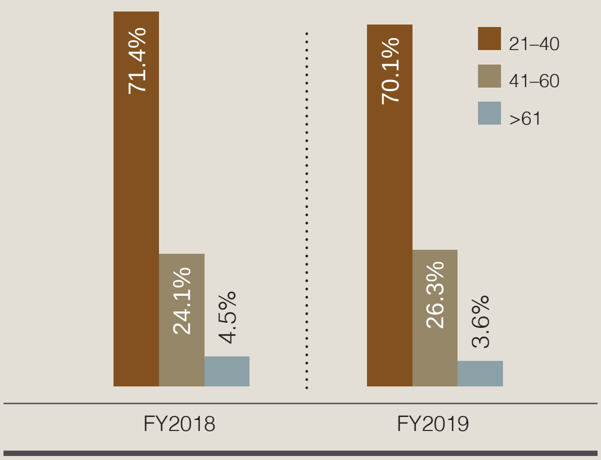
Workforce Breakdown by Gender



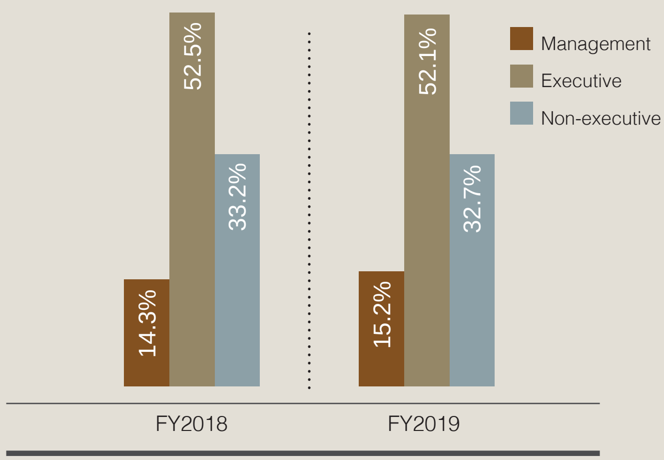
Workforce Breakdown by Ethnicity



Workforce Breakdown by Age Group



Workforce Breakdown by Category



SUSTAINABILITY STATEMENT

BENEFITS AND REWARDS

Rewarding employees helps us to retain, motivate and attain them. It encourages staff to behave positively with a good attitude which increases productivity, motivation and loyalty.

Employees who contribute to the Company should share in our success. Rewards are both monetary and non-monetary. Our fair remuneration system ensures an equal ratio of 1:1 between male and female employee.

Matrix complies with all applicable laws, agreements and industry standards on working hours and compensation. Other customary benefits are usually included in our employees' benefits package in addition to fixed salaries and variable remuneration. According to comparative analysis, Matrix offers some of the most attractive benefits in the industry. Our pay scale is at the 75th percentile, which exceeds the market rate.

In FY2019, we conducted an HR benefit policy revision which took effect during the financial year. Benefits affected included revising the:

- Medical outpatient treatment,
- Phone allowances for the Sales and Marketing Department,
- Insurance policy that covers inpatient treatment, and
- Car ownership benefits.

Matrix aspires to be the Employer of Choice by providing a conducive working environment for our people. The completion of our annexed office building, Wisma Matrix 2, provides employees with additional working space which is a more comfortable and spacious work area.

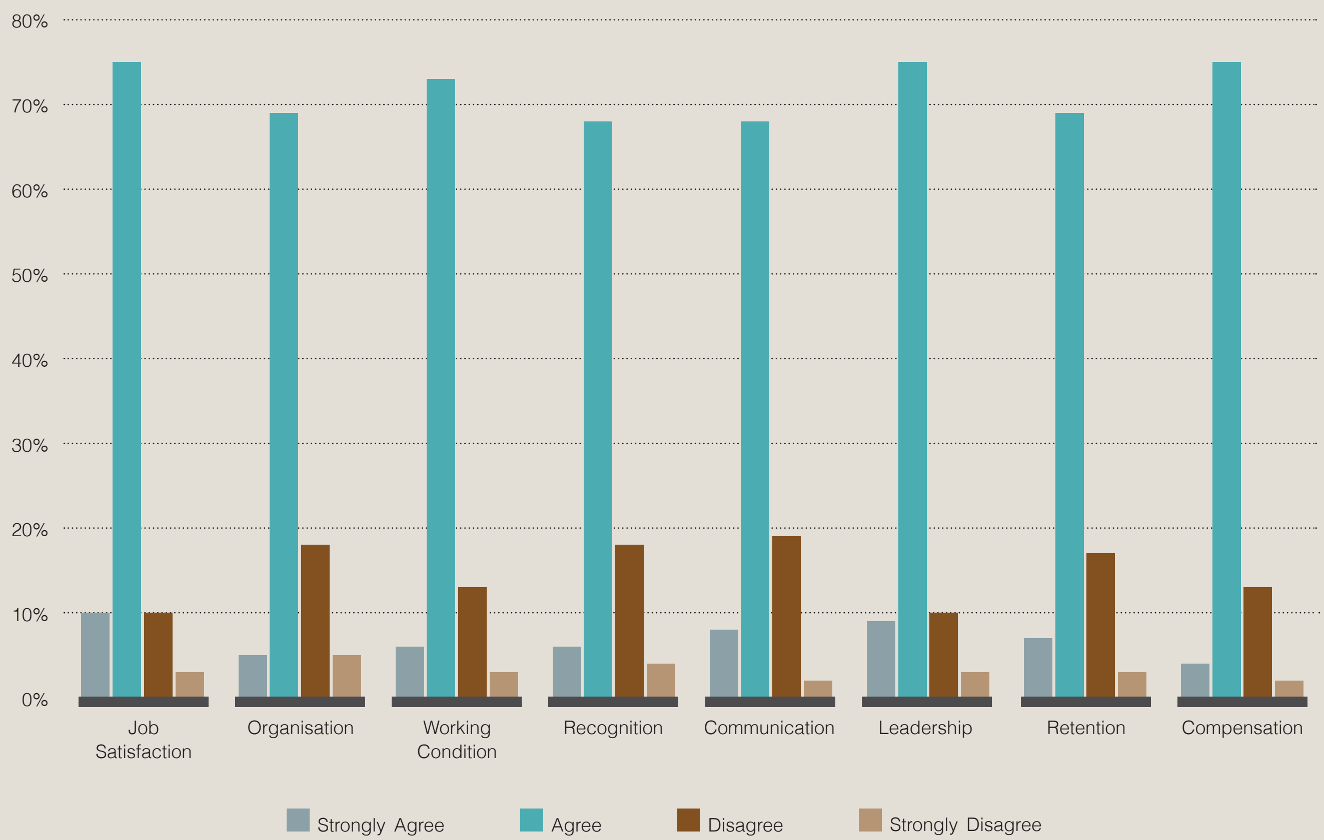
SUSTAINABILITY STATEMENT

EMPLOYEE ENGAGEMENT

An Employee Engagement Survey was conducted in November 2018 to gauge employees' work satisfaction and hopefully identify possible initiatives to facilitate continuous improvement. The exercise recorded a 61.6% response rate. Matrix's performance in the eight evaluated categories is presented in the chart below.

In summary, 87% of employees are happy and satisfied with their jobs. At least 76% of our people believe that Matrix is an exemplary organisation to work for with great leadership. We are proud that our employees agree that they are being treated well and fairly. This is reflected in the survey results which show 76% of employees feel they are being recognised for their dedication; 77% of employees agree that the Group encourages two-way communication and 82% of employees agree that the Group provides good benefits packages.

Employee Satisfaction Results FY2019



** Excluding MGS, d'Tempat Country Club and construction*

SUSTAINABILITY STATEMENT

LEARNING AND DEVELOPMENT

We believe in the holistic development of talents. We offer quality training opportunities and in-house courses that allow employees to upgrade their skill-sets and perform optimally. Employees are also encouraged to enrol themselves on external training courses that are relevant to their scope of work.

In FY2019, a total of RM268,292.87 was invested in training, an 89.83% increase from the previous year. The average number of training hours spent per employee has also increased significantly to 9.48 compared with 5.32 in FY2018. Personal development training such as grooming, improving self-esteem and other essential life skills are currently being developed for employees.

Summary of Training Hours and Budget

Indicator	FY2017	FY2018	FY2019
Average hours of training per year per employee	4.0	5.32	9.48
Total invested in training (RM)	114,693.40	141,329.69	268,292.87

Examples of Training Programmes Conducted in FY2019

Division	Training Programme Subject
AT GROUP LEVEL	• *Orang Asli* land and territorial rights • Wages and Employment Insurance System ("EIS") • 11th Malaysia Property Summit • Challenges in Hillside Development: Compliance with State Hillside Development and Seismic Code • Seminar Perubahan Dasar LPPSA Dan Hak-Hak Pembeli Unit Kediaman 2018 • Certified job analysis specialist • Strata management masterclass • Labour Law • Sustainability Foundation Programme
HOSPITALITY	• Managing disciplinary action in the workplace • Pool safety • Fire safety • Food handling • IFCA HSP365 • Electrical safety awareness
EDUCATION	• MGS Teacher Training • Continuing Professional Development ("CPD") Programme

NOTICE PERIOD

Any operational change is communicated to the relevant personnel for action. Matrix provides at least a one-month notice period for any operational changes that potentially affect employees.

SUSTAINABILITY STATEMENT

SAFETY FIRST

Matrix has introduced a Health and Safety Policy that guides our Health and Safety Team in the protection of employees, tenants, contractors and communities on our premises. We oversee and monitor health and safety performance across our supply chain. We have made provisions, planned and reviewed all health and safety precautions that are required by the Department of Safety and Health ("DOSH") and other legal requirements. Matrix continues to oversee and monitor its health and safety performance across all levels.

Regulations Against Which Matrix has Aligned its Safety Practices

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

MATRIX SAFETY AND HEALTH GOVERNANCE

Each operations site has its own safety committee with a chairman, two secretaries and both employer and employee representatives. The committee is a useful way of establishing a permanent forum for communication between workers and management on a range of health and safety issues. Each committee meets quarterly as required by law.

Responsibilities of Matrix's Safety and Health Committee

- Developing safe work practices
- Writing safety programmes
- Facilitating safety training
- Workplace self-inspections
- Accident investigations

Representation on Each Safety and Health Committee

Site	Chairman	Secretary	Employer Representatives	Employee Representatives
Residensi SIGC	1	2	2	3
Ara Sendayan Precinct 1A	1	2	3	3
Ara Sendayan Precinct 2A	1	2	3	2
Ara Sendayan Precinct 3	1	2	3	3
SD2 Resort Homes	1	2	2	2
SL1 Resort Homes	1	2	3	3
SL2 and 3 Resort Homes	1	2	3	3
SL Resort Homes	1	2	3	3
Sek. Ren. Kebangsaan	1	2	2	2
Nusari Mosque	1	2	2	3
Ara Precinct 1B	1	2	3	3
Ara Precinct 2B	1	2	2	2
Suriaman Biz	1	2	2	3
Suriaman 2	1	2	2	3
Tiara Sendayan Biz	1	2	3	4
Tiara Sendayan Precinct 1	1	2	2	2
Tiara Sendayan Precinct 2	1	2	2	2
Tiara Sendayan Precinct 4	1	2	2	2
SMP2B	1	2	2	2
Hijayu Aman	1	2	3	3
Sendayan Tech Park	1	2	2	2

SUSTAINABILITY STATEMENT

SAFETY TRAINING AND AWARENESS PROGRAMMES

Matrix operates in a diverse nature of business. The risks and most effective ways of mitigating them vary depending on the type of activity. Each business area manages health and safety in a manner that is appropriate to the type of work and risks faced. However, safety induction training is compulsory for all new employees. Nine major safety training programmes were conducted during this financial year.

Safety and Health Training Programmes Conducted/Attended in FY2019

Training Programme	Date	No. of Employees	No. of Site workers	Organiser
Site Supervisor Accreditation Training	24 April 2018	6	0	Construction Industry Development Board ("CIDB")
Accreditation for brick layers, drain layers, roof truss installers, plasterers, electricians, tilers and landscape workers	23 November 2018	0	75	CIDB
Cultivating a Safe and Health Work Environment for a Business Success	9 May 2018	1	0	Department of Occupational Safety and Health ("DOSH")
Centralised Information System Management on Project Declaration and Levy payment	15 May 2018	1	0	CIDB
21st Conference and Exhibition on Occupational Safety and Health	24 September 2018	1	0	DOSH
OSHCIM Principal Designer and Designer Competency Seminar	17 October 2018	3	0	Universiti Teknologi Malaysia ("UTM")
Latest Legislation on OSH (Building Construction and Engineering Works)	11 January 2019	4	3	DOSH
CIDB Green Card Training for Construction Workers	3 October 2019	0	40	CIDB
OSH Legislation in Construction Industry	15 March 2019	36	0	Matrix Excelcon Sdn Bhd

Health and Safety Initiatives Held in FY2019

- Fire drills
- Safety toolbox meetings
- Larviciding
- Fogging
- Site safety inspection and safety campaigns
- Safety induction
- *Gotong-royong* to clean the compound surrounding the Company, machinery and equipment inspection

FIRE DRILL

Matrix collaborated with Jabatan Bomba and Keselamatan Seremban in organising a lecture and practical fire drill on 20 July 2018. Twenty employees attended the session and representatives from each department were present.

A fire drill exercise was held at Matrix's Headquarters on 27 July 2018. Knowledge of the building's evacuation routes help in the event of a power outage, gas or chemical leak or other emergency situation. All employees were required to exit the building in a timely manner and familiarise themselves with the designated meeting area during such situations. A demonstration was also given on extinguishing fires.

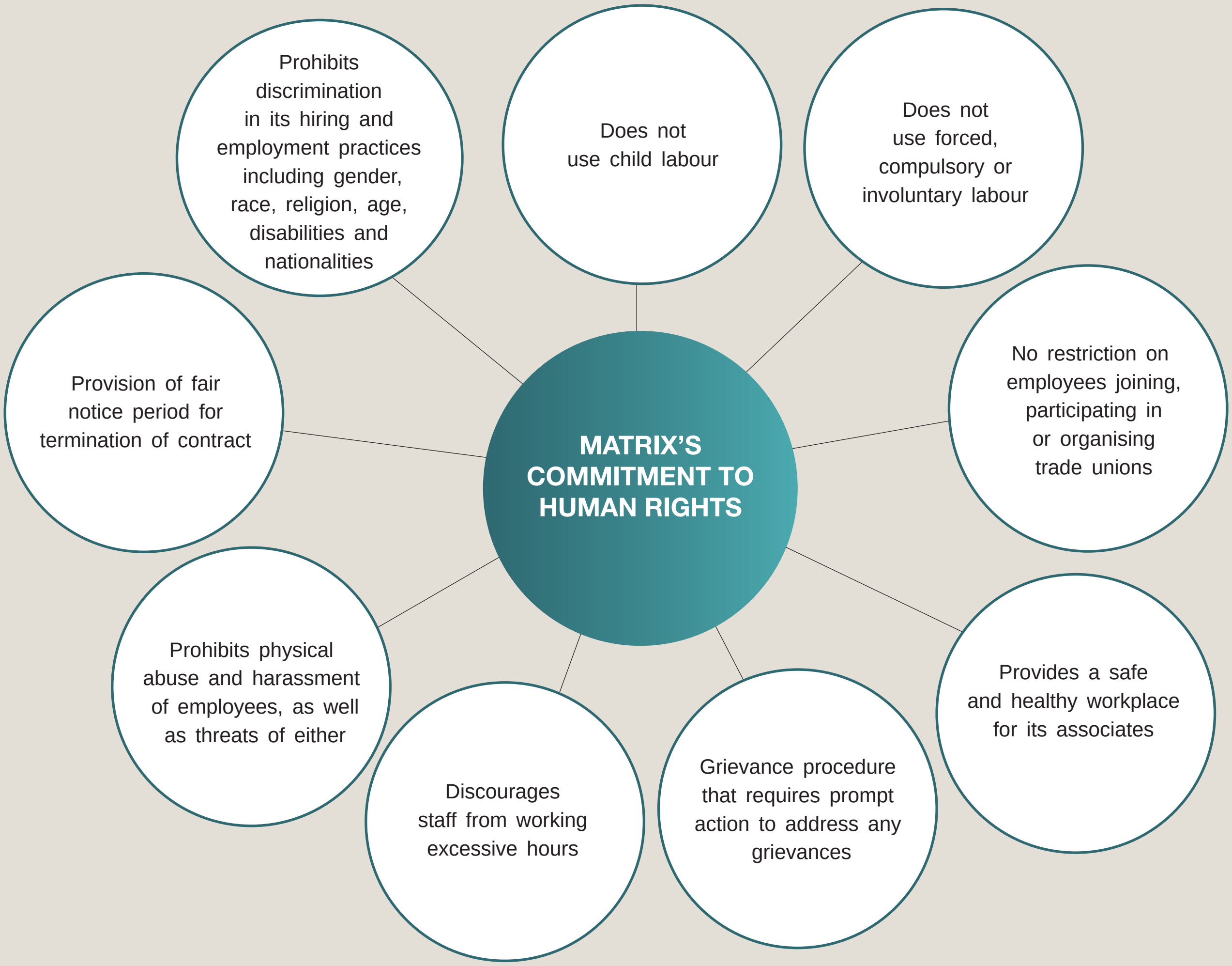
A post-fire drill evaluation was also conducted that audited the presence and functionality of all fire equipment including fire alarms, voice communication system and electromagnetic locking devices that release doors.

OUR SAFETY PERFORMANCE

Indicator	FY2017	FY2018	FY2019
Fatality Cases	0	0	0
Lost Workday Cases ("LWC")	1	0	0
Restricted Workday Cases ("RWC")	0	1	0
First Aid Cases ("FAC")	0	1	5
Near Miss Cases	0	0	0
Dangerous Occurrence Cases	0	0	0
Fire Cases	0	0	1
Total Safe Man-hours Worked	3,867,558	3,908,100	5,670,000

FAIR TREATMENT AND RESPECTING HUMAN RIGHTS

Matrix is committed to operating in a way that respects the human rights of all associates including supply chain personnel and local communities. While governments have the primary responsibility to protect human rights, Matrix's activities have the potential to impact the human rights of individuals affected by business operations.



Our human rights policy is summarised in Matrix's Code of Conduct and suppliers are expected to adhere to our high standards. As part of our risk assessment procedure, we regularly review the labour standards of all operations including existing and potential business and supply chain partners. All parties are familiarised with our Code of Conduct from time to time.

All people should be treated with dignity and respect and Matrix is committed to conducting its business in a manner consistent with this principle. All applicable employment and human rights regulations are adhered to regardless of where operations are based and suppliers are expected to do the same.

We adhere to the Employment Act 1955. Matrix is pleased to report that there have been no reported incidents of risks of child, forced or compulsory labour. There were no human rights violations of indigenous people at any time in the Company's history.

RESPONSIBLE OPERATIONS

> **During a recent survey, 68.1% of stakeholders believe Matrix offers quality services and fair prices.**

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

PRODUCT RESPONSIBILITY

Choosing Our Projects

From the first moment the Matrix team identifies a potential development opportunity, it goes through a germane process to create a home-feel concept.

Property Development

We do not build projects — we build homes that cover living aspects.

Local Community

We engage with the local community to ensure it benefits from our developments. This is reflected in our all-year-round sustainability and community projects.

Pricing Strategy

We have a value-based outlook when pricing our homes. Our clients receive value that is commensurate with their expectations in return for their investment.

ACTIVE ENGAGEMENT

Matrix regularly engages with stakeholders in a continual and interactive manner to make informed business and management decisions. Insightful feedback from stakeholders is of paramount importance to the Group for continuous improvement in delivering excellent products and services. Several engagement channels are actively practised by Matrix.

Engagement Channels Actively Practised by Matrix

- Matrix Bulletin
- Newsletters
- Corporate Website
- Community engagement events during festive periods
- General Meetings
- Analyst Briefings
- Media
- Other events with residents, customers, business associates, surrounding communities and the public

SUSTAINABILITY STATEMENT

Engaging with Our Stakeholders

Key Stakeholders	Management Approach	Methods of Engagement	Areas of Interests/Key Topics Raised
Clients and Customers	Matrix strives to develop and deliver quality products and services of the highest calibre to improve the business efficiency and quality of clients and customers. We aim to secure the satisfaction and trust of all valued customers through effective communication and by providing constructive holistic solutions.	• Half-yearly bulletins • Customer charter and complaints handling • Specialised customer care teams • Social media • Annual materiality assessment	• Project features description and services • Green development • Project quality • Future sustainable developments • Surrounding amenities and facilities • Customer support
Shareholders, Investors and Analysts	Matrix endeavours to remain a key revenue-generating company, delivering healthy returns to shareholders and investors.	• Annual General Meeting (“AGM”) • Quarterly analyst briefing • Annual report • Bursa Malaysia announcement • Quarterly reports • Website • Annual materiality assessment	• Return on Investment • Financial performance • Future outlook
Business Associates	Relationships with business associates ensure that we deliver the best value to clients and customers.	• Agreement with business partners • Partnership approach to procurement and project work • Annual materiality assessment	• The Group’s performance • Branding and reputation • Current and future projects
Employees	Matrix has invested and engaged in a wide range of initiatives to improve employee satisfaction, increase their sense of belonging and raise diversity. We provide training and development so that employees can reach their full potential. This approach helps them cope with different challenges, achieving success in both their personal and professional lives.	• Ongoing engagement such as meetings and the intranet • Celebrations such as festivals and birthdays • Events such as annual dinners and festive celebrations • Continuous education programme • Annual materiality assessment	• Career development opportunities • Benefits and remuneration • Welfare and well-being

SUSTAINABILITY STATEMENT

Key Stakeholders	Management Approach	Methods of Engagement	Areas of Interests/Key Topics Raised
Community Members and the Public	As a responsible corporate citizen, we do our utmost to recognise and address local social needs within our developments. Utilising our core competencies helps us create a better society and cultivate a strong, loving and caring "network" that serves the community.	• Community programmes • Roadshows • Social media • Corporate website • Annual materiality assessment	• Societal contributions • Socio-economic impact from operations
Suppliers, Contractors and Subcontractors	Matrix recognises the importance of promoting sustainability, not only within its own operations but also across the entire supply chain. While the cost factor remains an important consideration, we have developed strong relationships with our suppliers and will try to nurture a green and competitive supply chain that is mutually beneficial for all parties.	• Appreciation Day • Suppliers, contractors and subcontractors are also invited to our annual dinner • Annual materiality assessment	• Fair supply chain process • Sustainable partnership with Matrix
Authorities and Regulators	Compliance with all applicable laws and regulations is a minimum requirement for our licence to operate. We support the Government's agenda by constructing affordable homes and building the nation through infrastructure development.	• Compliance reports • Site visits • Annual materiality assessment	• Compliance • Supporting Government and local authorities initaitives
Media	Media engagement is vital for presenting our message to a variety of key stakeholders.	• Press conferences • Media appreciation night • Festive celebrations • Annual materiality assessment	• Ongoing and future projects • Business outlook
Non-Governmental Organisations	We engage with NGOs and charities with similar interests or that may affect our business. We encourage them to work openly and collaboratively with us to ensure we can deliver mutual benefit.	• Community programme partnerships • Discussions and consultations on social events • Charity events • Annual materiality assessment	• Partnership with Matrix • Positive impact on the society

SUSTAINABILITY STATEMENT

ENSURING SATISFACTION

> **During a recent survey, 70.4% of stakeholders believe Matrix is customer oriented and delivers good customer service.**

Customer satisfaction remains a top priority for Matrix. During vacant possession of units with buyers, our Customer Service Unit ("CSU") addresses defect reports expeditiously and as efficiently as possible. Recent reports demonstrate that our defects management is under control.

Matrix Customer Support Channels

Matrix Customer Service Department

Is responsible for customers' portfolio, complaints, feedback and satisfaction

Matrix Corporate Communications Department

Champions the planning and organising of events and engagement sessions with residents, customers, business associates, surrounding community and the public to create sustainable communities in its townships

BRINGING PEOPLE TOGETHER FROM WITHIN AND AROUND OUR DEVELOPMENTS

Matrix also brings people together from within and outside of its developments so that communities can live and grow in a vibrant township. Engagement activities are hosted for residents and the surrounding community, especially during festive periods. These events promote harmonious living and boost awareness of the township.

We are honoured to celebrate the rich cultures of the diverse community that we serve. Matrix invited families from surrounding communities to a Chinese New Year celebration at d'Tempat Country Club. More than 100 people joined the Prosperity Lou Sang tossing session.

Visitors enjoyed lion dances and acrobatic lion dances, Chinese drumming, traditional mask changing, a games booth, God of Prosperity and traditional dance performances.

SUSTAINABILITY STATEMENT

RAMADHAN AL-MUBARAK WITH MEDIA AND LEGENDARY ROCK MALAYSIA

In conjunction with the month of Ramadhan, Matrix organised a breaking fast ceremony with the media and Legendary Rock Malaysia at d'Tempat Country Club, Bandar Sri Sendayan. The event showed appreciation to various media partners who have supported Matrix over the years.

This ceremony was a symbolic effort to appreciate and celebrate the media who have helped Matrix reach out to the general public, especially those in Negeri Sembilan.

MATRIX AIDILFITRI FESTIVAL

Visitors had an opportunity to explore XPark's fun activities such as the push bike race, strider cup race, pump track battle, team relay and BMX track day.

Influential rock groups, SEARCH and SPIDER and indie group, HUJAN, delivered memorable performances to more than 6,000 people.

The Matrix Raya Concert was held in conjunction with the Aidilfitri Festival at d'Tempat Country Club, Bandar Sri Sendayan. The festival also celebrated Matrix's 21st anniversary and fifth year being listed on Bursa Malaysia.

This celebration was a community get-together and allowed Matrix to express its appreciation to Bandar Sri Sendayan residents for their outstanding support.

The music brought people together and Malaysians were united through great food, great music and fun activities.

SUSTAINABILITY STATEMENT

RIANG RAYA WITH THE COMMUNITY

Following a month of fasting, Matrix's Kluang Branch hosted a *Hari Raya* celebration with the community at Matrix Galleria, Impiana Square, Bandar Seri Impian.

Visitors were entertained with performances by famous local artists and stage performances which included a magic show and Man in Balloon show. There were also activities for children including sand art, a balloon clown and fun competition. Visitors were treated to a delicious spread of *Raya* delicacies.

Riang Raya is a community event for residents and community members from within and outside the township. Events such as these promote solidarity, peace and harmony.

ENCHANTED CHRISTMAS

Matrix organised an Enchanting Christmas for residents of Bandar Sri Sendayan and nearby residential areas with almost a month of fun activities. The three-week Enchanted Christmas celebrations, which attracted more than 3,000 visitors, ended with a fireworks display on New Year's Eve. All activities were free for all.

This was the third consecutive year organising fun activities for the whole family to enjoy leading up to Christmas and New Year. These events help foster greater understanding between the different communities. One of the main attractions was the stunning Christmas tree which was adorned with lights and beautiful decorations. We are a developer that keeps the local community close to our heart. Creating magical memories and unforgettable experiences helps us share the joy of festive celebrations with an open heart.

Other Enchanted Christmas Activities

- An inflatable snow globe
- Cooking decorating workshop
- Winter ballet performance
- Jingle bells and ring toss game stalls
- Magic and dance show
- Horse carriage rides
- Live deer feeding

RECOGNISING OUR MEDIA PARTNERS DURING NEW YEAR

A special New Year Countdown celebration was organised for our media partners on 31 December 2018 at d'Tempat Country Club, Bandar Sri Sendayan. The event was a token of appreciation for the good working relationships and to thank our partners for the support rendered throughout the years. Approximately 80 media partners from Kuala Lumpur and Negeri Sembilan attended the event.

SPARKLING NIGHT CELEBRATION COUNTDOWN 2019

A New Year countdown celebration was held at d'Tempat Country Club, Bandar Sri Sendayan with dazzling lights and energetic music. The countdown to welcome the New Year of 2019 was enlivened by a special appearance from famous local Chinese drama artist cum singer, John Wee.

The club also offered a memorable dining experience with its Sparking Night package which included a buffet by the poolside with stunning performances by guest artistes. Food lovers also enjoyed the local delicacies offered at Sphere Bowling.

Families and children were entertained by non-stop performances and activities such as the fire-eater show, live band, belly-dancing and a forest wonderland.

The night ended with a countdown, cannon firing and spectacular fireworks at the stroke of midnight.

CUSTOMER PRIVACY

Matrix believes in protecting the privacy of personal information. The Group respects customer confidentiality and endeavours to comply with the Personal Data Protection Act 2010 ("PDPA").

COMPLIANCE

Matrix's Code of Conduct defines our business standards and behaviours. It outlines our principles for conducting business and commitment to complying with laws, rules and regulations.

We are pleased to report that there were no incidences of non-compliance concerning the safety of our development projects, provision of information and marketing communication.

MOVING FORWARD: SUSTAINABILITY, STRATEGY AND IMPACT

Sustainability and inclusive development continue to be our core focus in order to remain resilient in today's dynamic industry landscape. We continuously refine our strategic alignment with the United Nations Sustainable Development Goals. Due to the nature of our industry, the following goals have been prioritised.

Goal 17 that promotes 'PARTNERSHIPS FOR THE GOALS', underpins all our activities

GOALS	HOW WE DELIVER	DESCRIPTION
	Placemaking	Create attractive and engaging townships. Matrix continues to become part of the neighbourhood, fund community projects as well as upgrading infrastructure, facilities and amenities within its townships.
	Innovation	Embarking on a digital transformation which involves integrating digital technology into all areas of a business. The journey will result in fundamental changes to how our businesses operate and how they deliver value to our stakeholders and the Group as a whole.
	Community Well-being	Buildings make spaces, but people make places. Matrix creates green spaces, promotes active lifestyles and inclusive places that welcome multi-generations and multi-culture.
	Environmental Stewardship	Our developments promote positive emotions and environmental stewardship. From improving efficiency to installing solar panels, we are delivering savings for tenants and residents, generating income and protecting asset value.

GRI CONTENT INDEX

The GRI content index lists all GRI disclosures included in the report, including references to where they can be found in the report. The GRI standards have been used as a main reference in preparing this Sustainability Statement.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS ("THE BOARD") OF MATRIX CONCEPTS HOLDINGS BERHAD ("MATRIX" OR "THE GROUP") REMAINS COMMITTED TO UPHOLDING AND ENHANCING CORPORATE GOVERNANCE WITHIN THE ORGANISATION. THE BOARD VIEWS THE PRACTICE OF GOOD CORPORATE GOVERNANCE AS INTEGRAL TO BUSINESS AND OPERATIONAL SUSTAINABILITY WHILE SAFEGUARDING THE INTEREST OF STAKEHOLDERS AND SHAREHOLDERS' VALUE.

This Corporate Governance Overview Statement ("CG Overview Statement") provides a summary disclosure of Matrix's strategic efforts in continuing to uphold the following:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Overview Statement is to be read together with Matrix's Corporate Governance Report ("CG Report") which provides detailed disclosure of how the Group, during this financial year, applied the individual corporate governance practices of the Malaysian Code on Corporate Governance ("MCCG") 2017.

The CG Report can be accessed via www.mchb.com.my and is disclosed to the Exchange in a prescribed format and published at the same time as Matrix's Financial Year 2019 ("FY2019") Annual Report.

Progressively, Matrix has strengthened its corporate governance policies and practices and the Group endeavours to further enhance its frameworks, processes and controls towards the realisation of improved accountability, transparency and disclosure within the Group.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board continues to uphold its responsibility as the highest decision making body of the Group. The Board assumes the key roles of providing leadership and broad strategic direction for Matrix, while also seeking to cultivate a dynamic organisational culture and a strong corporate governance focus across the Group that will support the realisation of Matrix's business goals and objectives.

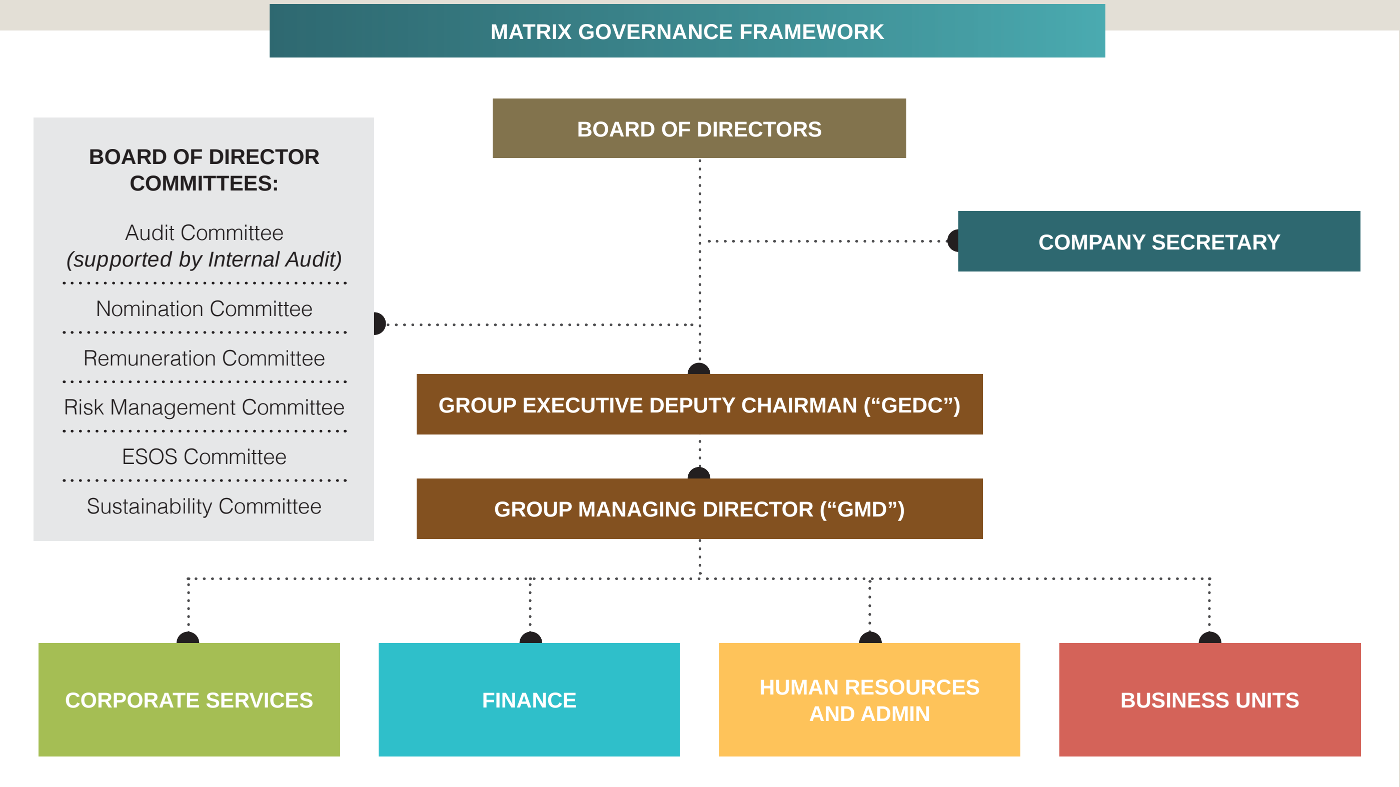
The Board is guided by the Company's Constitution and its Board Charter as well as the supporting Board Committees' Terms of Reference ("TOR") towards the effective discharge of its fiduciary duties. The Board Charter is periodically updated as and when required to ensure its relevance and robustness in tandem with evolving business requirements and a dynamic external operating environment.

The Board Charter also provides the framework for Board balance and composition, Board's authorities, schedule of matters reserved for the Board, the establishment of Board Committees, processes and procedures for convening Board meetings, the Board's assessment and review of its performance, compliance with ethical standards, Board's access to information and advice, and declarations of conflict of interest. It also defines the roles and responsibilities of the Chairman of the Board and that of independent and non-independent as well as executive and non-executive directors which also includes limits of authority.

While the Board at its discretion may choose to delegate certain roles and responsibilities to Senior Management, it retains the ultimate responsibility for decision making and is responsible for stewardship of the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Group is also guided by additional policies that help to govern and set the standard for desired organisational culture and behaviour. These polices include (but are not limited to the following):

- Code of Ethics for Directors and Employees;
- Whistle Blowing Policy;
- Sustainability Policy;
- Risk Management Framework;
- Environmental Management Policy; and
- Anti Corruption Policy

The aforementioned policies allow Matrix to further cultivate its desired organisational culture and behaviours to all working levels within the Group, thus supporting the development of a unified and shared mindset that sets the tone for expected behaviour and professionalism within Matrix.

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

Within the Board Charter, there is a formal schedule of matters reserved for the Board. The Board may alter the matters reserved for its decision, subject to the limitations imposed by the Company’s Constitution and the law.

Following are the key matters reserved for the Board:

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

- Oversee the conduct of the Company’s business, including monitoring the performance of the Management to determine whether the business is being properly managed;

- Identify principle business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Put succession planning in place by ensuring that all candidates appointed to Senior Management positions are of sufficient calibre and that there are avenues to provide for the orderly succession of Senior Management;

- Review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace;

- Review the adequacy and integrity of the Company's management information and internal control systems;

- Ensure that there is a sound framework of reporting internal controls and regulatory compliance; and

- Oversee the Group's adherence to high standards of conduct or ethics and corporate behaviour, including the Code of Ethics for directors.

The Board is ably supported by the Senior Management team, who are responsible for translating the strategic goals set by the Board into actionable business plans and targets and to oversee the day-to-day management of the Company and the Group.

The Senior Management team provides the Board all required information on a timely basis so that the Board is in the best position possible to make decisions in the best interest of the Group.

SEPARATION OF THE ROLES OF CHAIRMAN AND THE GROUP MANAGING DIRECTOR

In ensuring independence of function and an effective system of check and balance, the role of Chairman, GEDC and GMD are held by three different individuals at all times. In addition, there is a clear division of responsibilities and authority between all three positions.

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

The GMD and Senior Management are responsible for the strategic day-to-day management of Matrix. This includes financial, business and operational matters within the prescribed limits of authority and in accordance with the Group's standard operating procedures.

The GMD is responsible for the performance of the Group and reports to the Board on a regular basis. The GMD is also an executive director and sits on the Board of Directors. This is imperative towards enabling Senior Management to better understand the Board's vision and to enable the Board to better feel the pulse of the Group towards understanding the nature, issues and developments of Matrix's day-to-day operations.

ACCESS TO INFORMATION AND ADVICE

At all times, the Board has full access to all Group and Company's information. This includes information on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports, or upon specific requests by the Board, the respective Board Committees or by individual Board members.

Board members are provided with Board papers and other relevant information – five (5) to seven (7) days prior to meetings. This is to ensure that they can prepare accordingly for said meetings towards contributing constructively to the deliberation and decision making process.

Board members may also seek external advice at the Company's expense should they feel this is necessary in facilitating the execution of their duties. Directors shall consult the Chairman or other Board members prior to seeking any independent professional advice.

QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board is supported by a professionally qualified and highly experienced Company Secretary. All directors may consult the Company Secretary on matters regarding their fiduciary duties, responsibilities and authority.

The role of the Company Secretary includes advising the Board and its members on related policies and procedures, matters pertaining to Company's Law and the Company's Constitution and other matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ACTIVITIES AND TASKS IN FY2019

During the financial year, the Board has undertaken the following activities and tasks either directly or through the respective Board Committees or management committees. The respective Committees are the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Employee Share Option Scheme Committee, Sustainability Committee and Executive Management Committee.

Focus Area	Activities and Accomplishments
FINANCIAL AND OPERATIONAL	• Review of quarterly and year-end financial results as well as audit related matters • Review of financial and operational performance against budget, cash flow and proposed dividends • Review of recurrent related party transactions as recommended by the Audit Committee • Review of performance bonus and annual salary increment for FY2019 • Dividend approvals • Budget FY2019
STRATEGIC PLANS AND INVESTMENTS	• Review and approval of landbank acquisitions • Review and approval of business plan • Review and approval of all corporate proposals including strategic alliances, MOUs and business partnerships • Review of overall business strategy and the setting and adjustment of broad goals and overall strategic direction
CORPORATE GOVERNANCE	• Ensuring good practice in line with the MCCG 2017 and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") • Continuing to stay abreast of current developments in corporate governance practices • Ensuring continued progress and improvement across the Group in terms of creating a corporate governance oriented mindset and culture • Board diversity, evaluation and effectiveness
SUSTAINABILITY	• Matching business goals and objectives with relevant Economic, Environment and Social perspectives to ensure the Group's profitability and growth are consistent with sustainability principles and create positive impact and value for all stakeholders • Review of annual sustainability report • Review of mid-year sustainability evaluation report

BOARD COMMITTEES

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

The composition of the Board Committees is shown in Corporate Information section of this Annual Report. Minutes of Committee meetings are tabled at the Board level to keep Board members appraised of matters being discussed at the Committee level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Committee	Responsibilities
AUDIT COMMITTEE	• Reviews issues of accounting policy and presentation for external financial reporting • Monitors the work of the internal audit function • Ensures an objective and professional relationship is maintained with External Auditors
NOMINATION COMMITTEE	• Proposing new nominees to the Board and Board Committees • Assessing on an annual basis, the contribution of each individual director and the overall effectiveness of the Board
REMUNERATION COMMITTEE	• Evaluate, deliberate and recommend to the Board a remuneration policy for key management who are executive directors that is fairly guided by market norms and industrial practice • Recommends the key executive directors' remuneration and benefits based on their individual performances and that of the Group • Reviews the remuneration packages, reward structure and fringe benefits applicable to the GEDC, GMD and top key management annually • Reviews the overall performance of the Company and the specific KPIs of the GEDC and GMD

Committee	Responsibilities
RISK MANAGEMENT COMMITTEE	• Advise the Board on the Company's overall risk appetite, tolerance and strategy • Review the Company's capability to identify and manage new risk • Review reports on any material breaches of risk limits and the adequacy of proposed action and all reports on the Company from the risk officer • Review the effectiveness of the Company's internal financial controls, internal controls and risk management systems • Review and monitor management's responsiveness to the findings and recommendations of the risk officer
EMPLOYEE SHARE OPTION SCHEME ("ESOS") COMMITTEE	• Determine basis of allocation of share options to all Eligible Persons and to make the Offer to Eligible Persons upon such terms and conditions as it deems fit in accordance with the provisions of the Bylaws • Vary, amend, waive or modify any of the terms and conditions of offer at any time and from time to time as it deems necessary and appropriate • Accept or reject any application for the exercise of share options as it deems fit in accordance with the provisions of the Bylaws
SUSTAINABILITY COMMITTEE	• Overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals

CORPORATE GOVERNANCE OVERVIEW STATEMENT

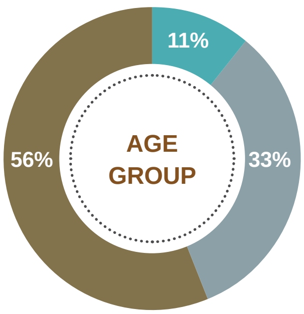
BOARD COMPOSITION

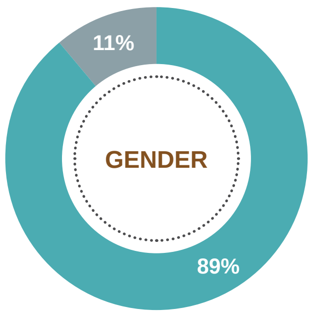
The Board comprises nine (9) directors, of which two (2) are non-independent non-executive directors, two (2) are executive directors and five (5) are independent non-executive directors. The above composition exceeds Bursa Malaysia's MMLR and is in compliance with Practice 4.1 of the MCCG 2017 which stipulates that the Board should have a majority of independent directors.

No alternate directors have been appointed in respect of any of the directors.

The Board's present composition reflects diversity in terms of gender and ethnicity and where members bring a wide range of skill sets, professional expertise and related experience to allow for a more rigorous and informed decision-making process. The Board, through its present composition, is able to draw from the varied and vast knowledge of its skills matrix.

The following is the Board's present composition and its skills matrix:





Age Group		Gender		Ethnicity	
50-60	3	Male	8	Malay	4
61-70	5	Female	1	Chinese	3
71-80	1			Indian	2

COLLECTIVE SKILLS AND COMPETENCE OF THE BOARD

Skill/Competence	Description
LEADERSHIP	Overall stewardship of the Group, strategy formulation, strong and established business networks, and related corporate or public listed company experience.
ENTREPRENEURIAL ACUMEN	Business development, and assessment of existing and emerging opportunities.
TECHNICAL OR PROFESSIONAL QUALIFICATIONS	Engineering, architectural, real estate and property development, construction, and other related skills.
SUSTAINABILITY AND STAKEHOLDER MANAGEMENT	Governmental relations, community and investor relations, corporate governance and sustainability, and environment and industrial relations.
FINANCE AND CORPORATE SERVICES	Accounting, company secretarial, audit, legal, financial literacy, human resources and business administration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INDEPENDENCE OF DIRECTORS

The Board continues to assess directors' independence as an essential prerequisite to ensure that directors continue to demonstrate objectivity and impartiality in the discharge of their duties. Directors are assessed for independence by the Nomination Committee ("NC") prior to their appointment and thereafter on an annual basis and at any time deemed necessary.

The concept of independence adopted by the Board is in tandem with the definition of an independent director in the MMLR. In particular, an independent director should not be an employee of the Company and should not be engaged in any type of business dealings with the Company. Also assessed is whether the individual director is able to exercise and continue exercising independence of judgement at all times in accordance to the criteria set out in the MMLR.

Hitherto, none of the independent directors are engaged in the day-to-day management of the Company, participate in any business dealings or are involved in any other relationship with the Company (other than in situations permitted by the applicable regulations).

The Board is satisfied with the level of independence demonstrated by its directors for the financial year. As at the date of this Statement, none of the independent directors has served more than nine (9) years on the Board.

CONFLICTS OF INTEREST

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

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

En Rezal Zain Bin Abdul Rashid is the Senior Independent Non-Executive Director ("SINED"). The role of the SINED includes serving as a point of contact for shareholders.

BOARD APPOINTMENTS

Appointments to the Board are made based on the requirements of the Group, in tandem with strengthening the Board skills mix, in response to developments in the external environment and to inject new ideas and strategies into the Board. Board appointments may also be made to retain the skill sets and experience of Senior Management.

Sourcing and selection of potential directors are conducted via various means. Beyond the recommendation of sitting and past directors and Senior Management, the NC who is responsible for Board appointments also look at external sources for director appointments.

In evaluating the suitability of candidates, the NC considers inter-alia their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Group. This is consistent with the Group's practice where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

In the appointment of independent non-executive directors, the candidates' independency must be established.

In line with Matrix's Constitution and the MMLR, one third (1/3) of sitting directors, or the number nearest to one third (1/3), shall retire from office each year such that all directors would have retired at least once in every three (3) years at the Annual General Meeting ("AGM"). The retiring directors shall be eligible for re-election subject to shareholders' approval at the AGM.

At the forthcoming AGM, Mr Ho Kong Soon, Dato' Logendran A/L K Narayanasamy and Dato' (Ir.) Batumalai A/L Ramasamy will be retiring and eligible for re-election. The Board has reviewed the performance of the said directors and has given its recommendation for their reappointment.

TIME COMMITMENT

Directors are assessed based on their time commitment to Matrix, which includes meeting attendance. All directors are expected to commit themselves to their respective roles and responsibilities. Directors must notify the Chairman officially before accepting any new directorships in other companies and the notification shall explain the expectation and an indication of time commitment that will be spent on the new appointments.

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

Paragraph 15.06 of the MMLR allows a director to sit on the boards of five (5) listed issuers at a given time. At present, no directors have more than five (5) directorships during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD AND COMMITTEES MEETING ATTENDANCE

The following is the attendance of Board members for Board meetings and Board Committee meetings held during the year:

	No. of Meetings Held						
Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	ESOS Committee	Sustainability Committee
DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN Non-Independent and Non-Executive Chairman	6/6	–	–	–	–	–	2/2
DATO' LEE TIAN HOCK Group Executive Deputy Chairman	6/6	–	–	–	–	–	2/2
HO KONG SOON Group Managing Director	6/6	–	–	–	2/2	–	2/2
REZAL ZAIN BIN ABDUL RASHID Senior Independent and Non-Executive	6/6	5/5	2/2	–	2/2	–	–
DATO' LOGENDRAN A/L K NARAYANASAMY Non-Independent and Non-Executive	6/6	–	–	–	2/2	–	1/2
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN Independent and Non-Executive	6/6	5/5	–	1/1	2/2	–	–
DATO' (IR.) BATUMALAI A/L RAMASAMY Independent and Non-Executive	6/6	5/5	–	1/1	–	–	–
DATO' HON CHOON KIM Independent and Non-Executive	6/6	5/5	2/2	1/1	–	–	–
DATO' HAJAH KALSOM BINTI KHALID Independent and Non-Executive	6/6	4/5	2/2	1/1	2/2	–	–
TOTAL NUMBER OF MEETINGS HELD	**6**	**5**	**2**	**1**	**2**	**0**	**2**

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTOR'S TRAINING

The Company continues to ensure its directors receive the necessary training and professional development that will allow them to effectively undertake their duties. Such training and professional development is based on the findings from the annual Board Effectiveness Evaluation ("BEE") exercise, which identifies the development requirements of individual directors. Training is also provided in response to developments in the external environment including changes in the industry, accounting or financial standards, as well as the regulatory environment.

In FY2019, Matrix's Board of Directors attended the following training and professional development programmes:

Name of Director	Topics of Training Attended
DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN	• 9th Annual Affordable Housing Projects
DATO' LEE TIAN HOCK	• 9th Annual Affordable Housing Projects
HO KONG SOON	• Sustainability Foundation Programme
REZAL ZAIN BIN ABDUL RASHID	• Sustainability Foundation Programme
DATO' LOGENDRAN A/L K NARAYANASAMY	• Board Dynamics – What Are The Key Essential Requirements
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN	• Practical Approach and Guidelines For Risk Management and Internal Control • Common Offenses and Pitfalls To Avoid Under The Companies Act 2016
DATO' (IR.) BATUMALAI A/L RAMASAMY	• Sustainability Foundation Programme • Common Offenses and Pitfalls To Avoid Under The Companies Act 2016 • Preparation of Corporate Liability On Corruption
DATO' HON CHOON KIM	• Sustainability Foundation Programme • Directors' Training Module 7 – Corporate Governance (Part One)
DATO' HAJAH KALSOM BINTI KHALID	• Sustainability Foundation Programme • Practical Approach and Guidelines For Risk Management and Internal Control

The directors will continue to undergo periodic training of relevant courses as well as attend seminars, conferences and similar events in keeping themselves abreast with the latest skills and knowledge to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ASSESSMENT

During the financial year, the Chairman of the NC is supported by the Company Secretary to conduct a BEE exercise to independently assess the performance of every member of the Board. Directors were assessed based on effectiveness with key focus areas being Board Committees' compositions, roles and responsibilities, time commitment and contribution of Directors during Board and Board Committees' meetings.

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

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

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

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

The individual Director is assessed based on his/her competence, capability, commitment, objectivity, participation in Board's deliberations and their contribution to the objectives of the Board and the Board Committees on which they served.

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

The criteria that are used in the assessment of the Board include the adequacy of the Board structure, gender diversity, the efficiency and integrity of the Board's operations and the effectiveness of the Board in the discharge of its duties and responsibilities. A full set of the results plus summarized version which are reviewed by the NC, are also provided to the Board for their information.

The Board is satisfied with the outcome of the BEE for FY2019. The performance of the respective Board Committees and individual directors have been satisfactory with areas of improvement noted. Directors will be sent for training where there may be potential gaps or a future requirement to acquire and apply any particular competency or skill.

DIRECTORS' REMUNERATION

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

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

Bonuses payable to executive directors are performance based and relate to the individual and the Company's as well as Group's achievement of specific goals. The non-executive directors do not receive any performance related remuneration.

In accordance with the Companies Act 2016 ("the Act"), payment of directors' fees and benefits shall be approved at a general meeting. The Board shall seek shareholders' approval at the upcoming AGM for the payment of directors' fees and benefits for the directors of the Group for FY2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The following is the Remuneration for the Board of Directors in FY2019:

	Company					Subsidiaries				
	Fees RM	Salaries & Bonus RM	Benefits RM	Others RM	Total RM	Fees RM	Salaries & Bonus RM	Benefits RM	Others RM	Total RM
EXECUTIVE DIRECTORS										
Dato' Lee Tian Hock	–	–	–	–	–	–	8,095,000.00	86,255.97	1,214,250.00	9,395,505.97
Ho Kong Soon	–	–	–	–	–	–	8,745,000.00	42,589.30	1,312,673.40	10,100,262.70
TOTAL	**–**	**–**	**–**	**–**	**–**	**–**	**16,840,000.00**	**128,845.27**	**2,526,923.40**	**19,495,768.67**
NON-EXECUTIVE DIRECTORS										
Dato' Haji Mohamad Haslah Bin Mohamad Amin	–	–	–	–	–	1,380,000.00	–	35,200.00	–	1,415,200.00
Rezal Zain Bin Abdul Rashid	140,000.00	–	694.70	17,000.00	157,694.70	–	–	–	–	–
Dato' Logendran A/L K Narayanasamy	–	–	–	–	–	450,000.00	–	–	–	450,000.00
Dato' Firdaus Muhammad Rom Bin Harun	61,000.00	–	1,389.30	13,000.00	75,389.30	–	–	–	–	–
Dato' (Ir.) Batumalai A/L Ramasamy	61,000.00	–	17,089.30	11,000.00	89,089.30	–	–	–	–	–
Dato' Hon Choon Kim	61,000.00	–	694.70	13,000.00	74,694.70	–	–	–	–	–
Dato' Hajah Kalsom Binti Khalid	61,000.00	–	1,389.30	14,000.00	76,389.30	230,000.00	–	–	–	230,000.00
TOTAL	**384,000.00**	**–**	**21,257.30**	**68,000.00**	**473,257.30**	**2,060,000.00**	**–**	**35,200.00**	**–**	**2,095,200.00**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group has provided disclosure in terms of aggregate remuneration and in bands for its top Senior Management positions. The aggregate remuneration for FY2019 is RM7,042,526.66. The breakdown of the remuneration of the top Senior Management personnel (excluding executive directors) is provided for in the following bands as below:

Bands of RM50,000 (RM)	Group
1,150,000 - 1,200,000	1
1,350,000 - 1,400,000	1
2,200,000 - 2,250,000	1
2,250,001 - 2,300,000	1
TOTAL	**4**

** Note : 1) The remuneration of GEDC and GMD who are executive directors are provided in the Directors' Remuneration table.*
2) Remuneration of the top Senior Management are paid at Group level only.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Company's Audit Committee ("AC") comprises exclusively of independent directors. The AC Chairman is a certified accountant and a member of the Malaysian Institute of Accountants.

Audit matters are managed by the AC in accordance with its TOR, which can be viewed at www.mchb.com.my.

The AC is supported by the Company's external and internal audit functions, as well as the Risk Management Committee ("RMC") on matters pertaining to risk.

The AC is responsible for ensuring that the Group's and the Company's financial statements are made out in line with recognised accounting standards such as the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), and that a balanced and fair view of the financial state and performance of the Group, which includes results and cash flows, is presented.

The said financial statements comprise of quarterly financial reports announced to Bursa Malaysia and the annual statutory financial statements.

Having assessed the performance of the AC during the financial year, the Board is satisfied that the AC has effectively discharged its duties. The Board is satisfied that in preparing the financial statements of the Company and of the Group for FY2019, the Group has applied the appropriate accounting standards and policies with consistency in the preparation of these financial statements.

A detailed report on the AC's scope of works is given in the Audit Committee Report of this Annual Report. The Statement of Directors' Responsibility is enclosed on page 135 of the Annual Report.

EXTERNAL AUDITORS

The Group's external audit function is performed by Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia), an independent external party who reports to the AC and conducts its audit based on an AC approved audit plan.

The External Auditors has provided written assurance of their independence in accordance with the independence rules of the Malaysian Institute of Accountants.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The AC is satisfied that the External Auditors continue to possess the competency, independence and experience required to fulfil their duties effectively. The AC has recommended their reappointment to the Board, subject to shareholders' approval at the 22nd AGM.

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

Fees	FY2018	FY2019
Audit Fees	534,000	**610,000**
Non-Audit Fees	239,900	**187,000**

INTERNAL AUDIT FUNCTION

Matrix's internal audit function ("IAF") is supported by Wensen Asia Consulting (M) Sdn Bhd, an independent external firm which provides additional resources to augment the Company's IAF. The external firm also provides an additional check and balance mechanism to bolster the overall IAF processes. The IAF executes its work scope based on a defined audit plan that is approved by the AC.

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

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board accepts responsibility that the annual audited financial statements and interim financial results have been prepared to comply with the Act and applicable financial reporting standards in Malaysia. This includes adopting all necessary measures to ensure all applicable accounting policies have been applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates.

RELATED PARTY TRANSACTIONS

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

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Company has established a comprehensive Risk Management Framework. Oversight of risk comes under the purview of the RMC.

The framework allows Matrix to develop a strategic response to its various operational, financial, strategic and other forms of risk towards more effective mitigation and management.

The framework is based on a triple defence mechanism where responsibility for risk mitigation is established across the organisation, be it at the working, management and Board levels.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

STAKEHOLDER RELATIONSHIP AND COMMUNICATION

The Board continues to focus on developing its relationships with stakeholders and towards this end, has actively engaged with shareholders, the investor community, the media and the community at large throughout the financial year.

The Board views regular and accurate communication as vital in developing the overall corporate branding of Matrix and in providing stakeholders a better understanding of Matrix's business strategies, highlights and achievements. Importantly, the Board believes that communication should be mutual with stakeholders also approaching the Company with clarification and enquiries.

As stipulated in the MMLR, the Board has formalised an Investor Relations policy, which addresses the requirement for timely and accurate disclosure on corporate announcements, circulars to shareholders and financial results.

This includes the Annual Report that provides a detailed account of Matrix's performance for the financial year as well as its business plans and strategies going forward. The Annual Report is sent to shareholders 28 days prior to the AGM in fulfilment of Practice 12.1 of the MCCG. The Notice of AGM and Proxy Form is also sent 28 days prior to the AGM to enable shareholders to have sufficient time to make arrangements to attend, or to send a proxy in their stead.

The Board continues to encourage shareholders to attend and voice their opinions and concerns and to vote accordingly.

Through its website www.mchb.com.my and its announcements on Bursa Malaysia's website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results. The quarterly financial results are announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

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

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

Carmen Loo
Email: carmen@mchb.com.my; or

Fadzli Suhaimi
Email: mohdfadzli@mchb.com.my

CONDUCT OF GENERAL MEETINGS

The Company values its AGM as a key shareholder engagement channel. AGMs are conducted in a transparent manner with comprehensive disclosure of financial results, business strategies, the Group's risk factors and its prospects going forward.

Shareholders are provided all information beforehand, including information packs for them to review during the AGM. Shareholders are encouraged to ask questions of the Board and Senior Management who are present during the AGM. Questions are answered to the satisfaction of the floor and where required additional information is provided, either during or after the AGM.

All resolutions put forward for voting are explained in detail to shareholders so they may make an informed judgement and vote accordingly.

Poll voting is used and the process is monitored and the results validated by an independent scrutineer. All resolutions proposed were duly passed. The outcome of the AGM was announced to Bursa Malaysia on the same meeting day. The Company shall continue with this practice for all future general meetings.

AUDIT COMMITTEE REPORT

THE BOARD OF DIRECTORS OF MATRIX CONCEPTS HOLDINGS BERHAD ("MATRIX" OR "THE COMPANY") IS PLEASED TO PRESENT THE REPORT ON THE AUDIT COMMITTEE (THE "COMMITTEE") OF THE BOARD FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 ("FY2019").

OBJECTIVE

The Committee was established in line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") to act as a Committee of the Board of Directors to fulfill its fiduciary responsibilities in accordance with the Terms of Reference of the Audit Committee of the Company and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration and reporting as well as internal control.

A MEMBERS OF THE AUDIT COMMITTEE

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

- Encik Rezal Zain Bin Abdul Rashid - Chairman
  Senior Independent Non-Executive Director

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

- Dato' (Ir.) Batumalai A/L Ramasamy - Member
  Independent Non-Executive Director

- Dato' Hon Choon Kim - Member
  Independent Non-Executive Director

- Dato' Hajah Kalsom Binti Khalid - Member
  Independent Non-Executive Director

B SUMMARY ON KEY SCOPE OF RESPONSIBILITIES

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

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

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

C DESCRIPTION OF DUTIES PERFORMED BY THE COMMITTEE

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

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

AUDIT COMMITTEE REPORT

The salient matters that the Committee considered during the FY2019 are as described below:-

1. Financial statements and reporting

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

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

2. Going concern assessment

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

3. Internal audit

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

The Head of Group Internal Audit, reports functionally to the Committee, and the Committee reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during FY2019. The Committee also reviewed the adequacy of the scope, functions, competency and resources of the internal audit function during the year.

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

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

The total costs incurred for the internal audit function of the Group for the FY2019 was RM548,720 (FY2018: RM523,132).

4. Assessing the effectiveness of external audit process

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

In reviewing the audit plan, the Committee discussed the significant and elevated risk areas identified by the External Auditors which are most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis. The Committee met with the External Auditors without management's presence, to discuss their audit plan and any issues arising from the audit. The Committee had met privately one (1) time with the External Auditors without the management's presence on 28 May 2019.

AUDIT COMMITTEE REPORT

5. **Other matters reviewed by the Committee**

   The Committee also reviewed the following matters:-

   (i) the Group's compliance with the relevant provision set out under the Malaysian Code on Corporate Governance 2017 for the purpose of preparing the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia.

   (ii) the Circular to Shareholders on the proposed renewal of shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

   (iii) the internal audit report relating to existing related party transactions.

   (iv) Recurrent Related Party Transactions on quarterly basis.

   (v) Solvency Assessment by the management in relation to the declaration of dividends.

Overall Summary of work done by the Committee

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

1. Reviewed with the internal auditors and report to the Board on the following matters:-

   i) the Group's internal control procedures, including organizational and operational controls.
   ii) the internal audit's scope of work, functions, competency and resources and that it has the necessary authority to carry out its work.
   iii) the internal audit plan, scope of work and its findings at every quarter, and to highlight to the Board on any material findings.
   iv) the regular management information and to ensure that audit recommendations regarding management weaknesses are effectively implemented.

2. Reviewed with the External Auditors and report to the Board on the following matters:-

   i) the audit planning memorandum.
   ii) evaluation of the system of internal controls.
   iii) the audit reports, to ensure that their recommendations regarding management weaknesses are implemented.
   iv) the annual financial statements and recommend the adoption of the financial statements.
   v) the audit fees.
   vi) the related party transactions and conflict of interest that may arise within the Company and the Group including any transaction, procedure or course of conduct that raise questions of management integrity.

3. The 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 the implementation of major accounting policy.
   ii) significant and unusual events.
   iii) compliance with accounting standards and other legal requirements.
   iv) Solvency Assessment by the management in relation to the declaration of dividends.

4. Reviewed the quarterly unaudited financial results and make necessary recommendations to the Board prior to release to the relevant authorities and public on:-

   i) compliance with existing and new accounting standards, policies and practices.
   ii) highlight any significant adjustment or unusual events.
   iii) compliance with Listing Requirements of Bursa Malaysia, Companies Act 2016 and other regulatory requirements.

5. Make enquiry if there are any recurrent related party transactions and to review and to ensure the recurrent related party transactions, if any, are on ordinary commercial terms and are not favourable to the related party than is generally available to the public, and that the transactions are not detrimental to the minority shareholders.

AUDIT COMMITTEE REPORT

D. INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

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

Corporate Services

1) Building Maintenance and Office Housekeeping (Wisma Matrix 1 and 2)
2) Group Human Resources and Payroll Management

Property Development

1) Customer Care and Complaint Management
2) Pricing, Discount and Rebates Compliance (Chambers Kuala Lumpur)

Construction

1) Project Management (Johor)
2) Project Construction (Negeri Sembilan)
3) Procurement of Material Management
4) Project Tendering Management

Education

1) Customer Care and Complaint Management
2) Student (Local and Overseas) Enrolment and Registration Management

Hospitality

1) d'Tempat Country Club
   - Facilities Management
   - Club Security and Emergency Management
   - Human Resources Management

2) d'Sora Boutique Business Hotel
   - Financial and Asset Management and Facilities Maintenance

Others

Revenue Collection (X-Park Bandar Sri Sendayan)

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

E ATTENDANCE

Details of Attendance

A total of five (5) meetings were held during the FY2019. The attendance record of each member is as tabulated below:-

Members	Total Number of Meetings	Number of Meetings Attended
Rezal Zain Bin Abdul Rashid	5	5
Dato' Firdaus Muhammad Rom Bin Harun	5	5
Dato' (Ir.) Batumalai A/L Ramasamy	5	5
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	4

F ANNUAL REVIEW AND PERFORMANCE EVALUATION OF THE EXTERNAL AUDITORS

As required by its Terms of Reference, the Committee conducted their annual performance evaluation in an effort to continuously improve its processes. The Committee's responsibility is to monitor and review the processes performed by the management and the External Auditors. It is not the Committee's duty or responsibility to conduct auditing or accounting reviews or procedures. The Committee members are not employees of the Company. Therefore, the Committee has relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objective and in conformity with approval accounting principles generally accepted in Malaysia and on the representations of the External Auditors included in its reports on the Company's financial statements.

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

(i) Auditors' effectiveness

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

AUDIT COMMITTEE REPORT

(ii) Independence and objectivity

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

The audit engagement partner is required to rotate at least every three (3) years as per the External Auditors policy, which is in accordance with the By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants ("MIA"). The current audit engagement partner has been changed in line with the rotation policy as the previous year audit engagement partner has held the position for three (3) years. The Committee always consider the audit partner's independence in relation to the audit and was assured by the External Auditors that they have complied with professional requirements in relation to their independence.

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

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

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

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

The total of audit fees and non-audit fees paid/payable to the External Auditors during the FY2019 is set out in the Note 31 of the audited financial statements.

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

The Committee is satisfied that the quantum of the non-audit relative to the audit fees (being 31% of the total audit fees on a group basis payable to the External Auditors and affiliates) and the Committee concluded that the auditors' independence for the Group was not compromised.

(iv) External audit fees

The Committee was satisfied that the level of audit fees paid/payable in respect of the external audit services provided (RM610,000 for FY2019) [FY2018 RM534,000] was appropriate. The existing authority for the Directors (including the Committee) to determine the current remuneration of the External Auditors is derived from the shareholders' approval granted at the Company's Annual General Meeting ("AGM") held in August 2018.

G RECOMMENDATION FOR APPOINTMENT

Following the annual assessment and performance review on the External Auditors, the Committee has recommended to the Board, the re-appointment of Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia) as the External Auditors for the ensuing year. The Board has accepted this recommendation and a resolution for its re-appointment for a further year will be put to the shareholders at the forthcoming annual general meeting.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

The Board, through its Risk Management Committee, is entrusted with the responsibility of implementing and maintaining the Enterprise Risk Management ("ERM") framework to achieve the following objectives:-

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Risk Management Framework

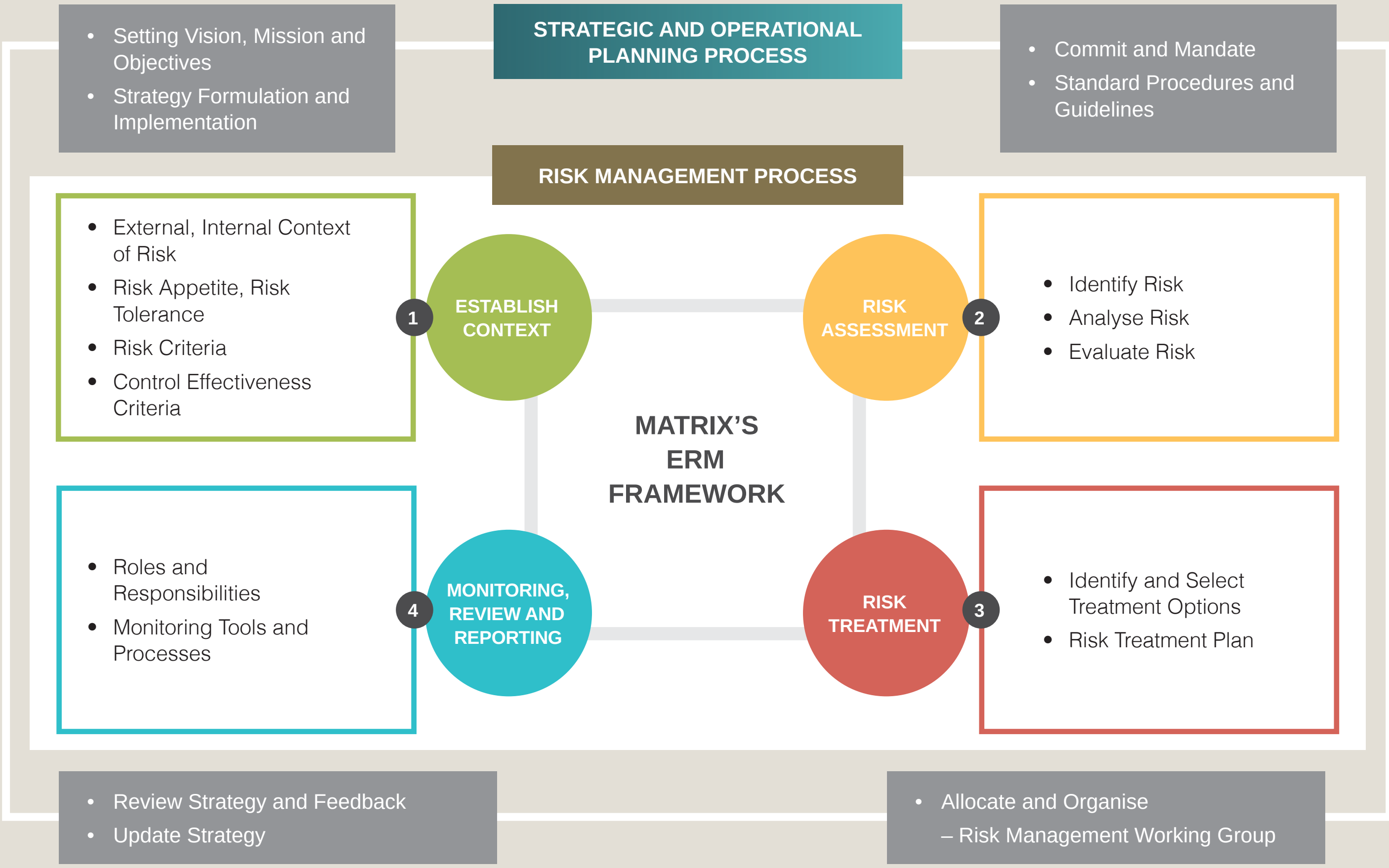
The Risk Management Committee has been established by the Board with clear defined lines of accountability and authority.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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



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

RISK RATING SCALE – 5 BY 5 MATRIX

Impact					
1. CATASTROPHIC					
2. MAJOR					
3. MODERATE					
4. MINOR					
5. INSIGNIFICANT					
LIKELIHOOD OF OCCURENCE	1. UNLIKELY	2. LOW PROBABILITY	3. POSSIBLE	4. HIGH PROBABILITY	5. ALMOST CERTAIN

HIGH KEY MEDIUM LOW

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

- Continuously review the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group; and

- Continuously monitor the action plans derived by the "Risk Owners" to address principal risks of the Group.

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

Organisation Structure

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

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

Audit Committee

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

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

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

Internal Audit

During the financial year ended 31 March 2019, internal audit function of the Group has been undertaken via an in-house internal audit team led by Encik Nik Li R Deraman (Head of Internal Audit) together with an independent, external consulting firm, namely Wensen Consulting Asia (M) Sdn Bhd (collectively known as "Internal Auditor") to assist the Audit Committee and the Board primarily in formalising the Internal Audit Plan based on the established risk profile of the Group. The Head of Internal Audit graduated with a Bachelor's Degree in Accounting (Hons) from University Utara Malaysia ("UUM"), is a Chartered member of The Institute of Internal Auditors Malaysia and Malaysian Institute of Accountants.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

External Auditors

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

OTHER KEY INTERNAL CONTROL MECHANISMS

The Group manages its risks by implementing various internal control mechanisms. The key elements of the internal control systems are as described below:-

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

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, ESOS Committee and Sustainability Committee.

- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to senior management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.

- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in the regular management meetings attended by division and business unit heads. The Group Executive Deputy Chairman/Group Managing Director meet regularly with senior management to consider the Group's financial performance, business initiatives and other management and corporate issues.

- There are regular Board meetings, at least five (5) times conducted annually and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.

- The Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board, particularly on issues relating to compliance with the Main Market Listing Requirements, the Companies Act 2016 and other relevant laws and regulations.

- The Audit Committee reviews the effectiveness of the Group's system of internal controls on behalf of the Board. The Audit Committee comprises Non-Executive members of the Board, who are Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the Internal and External Auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.

- Review by the Audit Committee of internal control issues identified by the External and Internal Auditors and actions taken by Management in respect of the findings arising there from. The Internal Audit function reports directly to the Audit Committee. All findings are communicated to Management and the Audit Committee with recommendations for improvements and are followed up to confirm that all agreed recommendations are implemented. The Internal Audit Plan is structured on risk based approach and is reviewed and approved by the Audit Committee.

- Review of all proposals for material capital and investment opportunities by the management committee and approval for the same by the Board prior to expenditure being committed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management Accounts are prepared timely and on a quarterly basis and is reviewed by the Group Managing Director and senior management.

- The professionalism and competency of staff are enhanced through training and development program. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.

- In the course of conducting annual statutory audit, the External Auditor will highlight any significant audit, accounting and internal control matters which require attention of the Board and Audit and Risk Management Committees. At least once a year, the Audit and Risk Management Committees shall meet the External Auditor without the Executive Directors and management being present. This year, the Audit Committee met once with the External Auditor without the Executive Directors and management being present.

- Whistleblowing Policy

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

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

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

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

a) Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;

b) Assessments of major business units and functional controls by respective management to complement the above input in providing a holistic view on the effectiveness of the Group's risk and control framework; and

c) The work by the internal audit function in accordance with the Internal Audit Plan document highlighting the key processes, which have been defined based on the Risk Profile of the Group as well as Internal Audit reports to the Audit and Risk Management Committees together with recommendations for improvement.

The Audit and Risk Management Committees 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 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.

RISKS REVIEW FOR THE FINANCIAL YEAR

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

- Conducted reviews and updates of risk profiles of principal risks and emerging risks which will potentially derail the achievement of the business objectives and goals.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Evaluated the adequacy of key processes, systems, and internal controls in relation to the rated principal risks, and established strategic responses, actionable programmes and tasks to manage the aforementioned and/or eliminate performance gaps.

- Ensured internal audit programmes covered identified principal risks. Audit findings throughout the financial period served as key feedback to validate effectiveness of risk management activities and embedded internal controls.

- Reviewed implementation progress of actionable programmes, and evaluated post-implementation effectiveness.

- Reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

The review includes the following:-

- Regular Internal Audit reports which are tabled quarterly to Board of Directors and the Risk Management Committee.

- Bi-annual risk reviews compiled by the respective units' risk owners and presentation to and discussion with the Risk Management Committee, the Board and Internal Auditors.

- Operating unit's response to the Questionnaire on control and Regulations.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 31 March 2019 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of risk management and internal controls within the Group.

AAPG 3 does not require the External Auditors to consider whether the Director's Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. AAPG 3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the Annual Report will, in fact, mitigate the risks identified or remedy the potential problems.

CONCLUSION

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

This statement is made in accordance with a resolution of the Board of Directors dated 27 June 2019.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

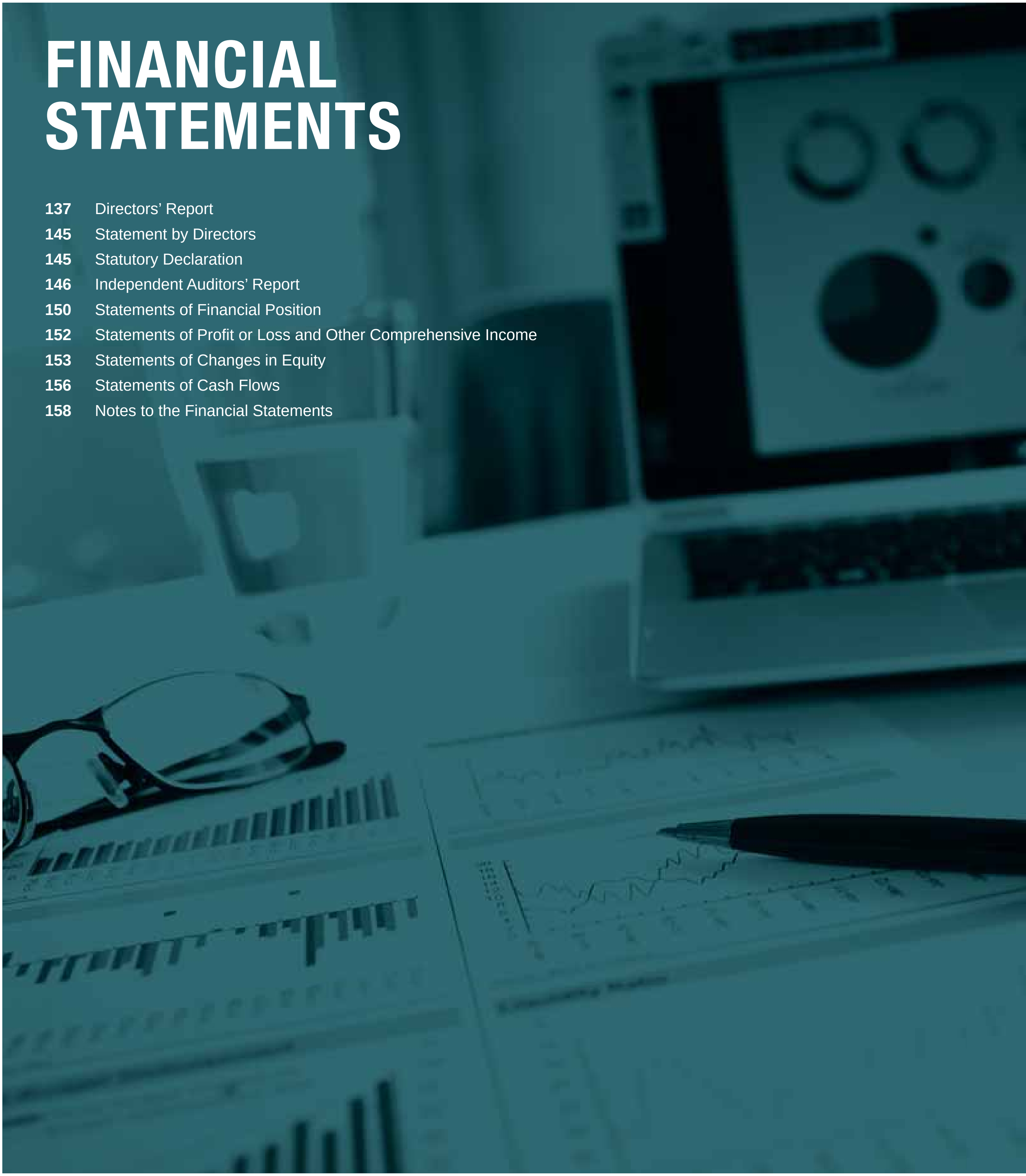
IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS (PURSUANT TO PARAGRAPH 15.26 (A) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD).

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2019, and of the results of their operations and cash flows for the year ended on that date.

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

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



FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	218,229	159,931
Attributable to:		
Owners of the Company	218,389	159,931
Non-controlling interests	(160)	–
	218,229	159,931

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2018 are as follows:-

	RM'000
In respect of the financial year ended 31 March 2018:-	
- 4th interim single tier dividend of 3.50 sen per ordinary share, paid on 11 July 2018	26,333
In respect of the financial year ended 31 March 2019:-	
- 1st interim single tier dividend of 3.25 sen per ordinary share, paid on 10 October 2018	24,466
- 2nd interim single tier dividend of 3.25 sen per ordinary share, paid on 9 January 2019	24,466
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 10 April 2019	22,585
	97,850

Subsequent to the end of financial year, the directors, on 31 May 2019 declared a fourth interim single tier dividend of 3.00 sen per ordinary share amounting to RM23,604,285 and a special single tier dividend of 0.25 sen per ordinary share amounting to RM1,967,024 in respect of the current financial year, payable on 10 July 2019 to shareholders whose names appeared in the record of depositors on 21 June 2019. The financial statements for the current financial year do not reflect the above declared dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2020.

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

DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM796,217,278 to RM800,219,905 by way of:-

 (i) issuance of 1,518,344 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise prices as disclosed in Note 18 to the financial statements which amounted to RM3,186,694; and

 (ii) issuance of 424,965 new ordinary shares from the exercise of Warrants 2015/2020 at the exercise price of RM1.92 per Warrant which amounted to RM815,933.

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

(b) there were no issues of debentures by the Company except as disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

EMPLOYEE SHARE OPTION SCHEME

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

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

WARRANTS

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

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

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

DIRECTORS' REPORT (CONT'D)

WARRANTS (CONT'D)

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	RM1.92 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Governing law	Laws and regulations of Malaysia.

The movements in the Warrants are as follows:-

	Entitlement For Ordinary Shares		
	At 1.4.2018	Converted	At 31.3.2019
Number of unconverted Warrants	64,360,251	(424,965)	63,935,286

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 42 to the financial statements. At the date of this report, there does not exist:-

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

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

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

DATO' HJ. MOHD BAHRUDIN BIN MAHFUZ
DATO' LEE YUEN FONG
DATO' MOHD JAAFAR BIN MOHD ATAN
DATO' DR THAVANAISON A/L ARUMUGAM
HIROSHI KATO
LEE TIAN ONN
LEE JON WEE
MASAYUKI KAWANO
SUHAIMI BIN ALI
TAN SAY KUAN
TUAN HAJI MUSTAZA BIN MUSA
TUNG AH QUI
AHMAD IZZUDDIN BIN ISMAIL *(APPOINTED ON 18.6.2019)*
DATO' LIM KHENG LOY *(APPOINTED ON 1.3.2019)*
DATO' LIM SI BOON *(APPOINTED ON 1.3.2019)*
EDWIN TAN BEOW AIK *(APPOINTED ON 1.3.2019)*
FONG FEE JUNE *(APPOINTED ON 1.9.2018)*
KELVIN LEE CHIN CHUAN *(APPOINTED ON 2.7.2018)*
KRISNARAGA SYARFUAN *(APPOINTED ON 16.10.2018)*
NG JUN LIP *(APPOINTED ON 16.10.2018)*
LEONG JEE VAN *(APPOINTED ON 18.5.2018)*
LIM CHEW HENG *(APPOINTED ON 2.5.2018)*
TEOH SIEW YIEN *(APPOINTED ON 1.9.2018)*
YB MOHD KHIDIR BIN MAJID *(APPOINTED ON 19.7.2018)*
YB DATO' DR. RAZALI BIN AB. MALIK *(APPOINTED ON 19.7.2018)*
YEW AH TEE *(APPOINTED ON 1.9.2018)*
AIMI AIZAL BIN NASHARUDDIN *(RESIGNED ON 8.10.2018)*
DATO' JOHANI BIN HASSAN *(RESIGNED ON 2.7.2018)*
DATO' LIM KIU HOCK *(RESIGNED ON 1.4.2018)*
DATO' SERI MAT ALI BIN HASSAN *(RESIGNED ON 2.7.2018)*
DATO' TAHAR BIN SUDIN *(RESIGNED ON 2.7.2018)*
MOHD NOR ADLI BIN ZAKARIA *(RESIGNED ON 8.10.2018)*
SHUY YAU LENG *(RESIGNED ON 2.7.2018)*
TEOW KIM SIONG *(RESIGNED ON 2.7.2018)*
TIONG TING HAP *(RESIGNED ON 2.7.2018)*

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
The Company	At 1.4.2018	Bought	Sold	At 31.3.2019
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	2,151,037	–	–	2,151,037
Dato' Lee Tian Hock	115,569,276	–	–	115,569,276
Ho Kong Soon	8,270,411	–	–	8,270,411
Rezal Zain Bin Abdul Rashid	1,029,871	–	(36,700)	993,171
Dato' Firdaus Muhammad Rom Bin Harun	200,000	93,752	(293,752)	–
Dato' (Ir) Batumalai A/L Ramasamy	802,915	–	(200,000)	602,915
Dato' Hon Choon Kim	462,500	–	–	462,500
Dato' Logendran A/L K Narayanasamy	1,543,437	–	–	1,543,437
Dato' Hajah Kalsom Binti Khalid	246,300	–	(45,000)	201,300
Indirect Interests				
Dato' Lee Tian Hock [(i)]	166,301,535	–	–	166,301,535
Ho Kong Soon [(ii)]	29,162,043	–	–	29,162,043
Dato' (Ir) Batumalai A/L Ramasamy [(iii)]	45,000	5,000	–	50,000
Dato' Hon Choon Kim [(iv)]	17,500	–	–	17,500

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn. Bhd., Ambang Kuasa Sdn. Bhd., Magnitude Point Sdn. Bhd. and Yakin Teladan Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") and the shareholdings of his spouse pursuant to Section 59 (11)(c) of the Act.

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

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

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

	Number of Warrants			
The Company	At 1.4.2018	Acquired	Converted	At 31.3.2019
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	165,625	–	–	165,625
Dato' Lee Tian Hock	260,342	–	–	260,342
Ho Kong Soon	803,215	–	–	803,215
Rezal Zain Bin Abdul Rashid	87,499	–	–	87,499
Dato' Firdaus Muhammad Rom Bin Harun	10,416	–	–	10,416
Dato' (Ir) Batumalai A/L Ramasamy	50,000	–	–	50,000
Dato' Logendran A/L K Narayanasamy	86,562	–	–	86,562

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

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

	Number of Options over Ordinary Shares			
	At 1.4.2018	**Exercised**	**Lapsed**	**At 31.3.2019**
Share Options of the Company				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,875,000	–	(1,875,000)	–
Dato' Firdaus Muhammad Rom Bin Harun	206,252	(93,752)	(112,500)	–
Dato' Hon Choon Kim	162,500	–	(162,500)	–

By virtue of his shareholdings in the Company, Dato' Lee Tian Hock is deemed to have interests in the shares in the Company and its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 39 to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 38 to the financial statements.

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 45 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 46 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia which was previously known as Crowe Horwath), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 31 to the financial statements.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 27 JUNE 2019

Dato' Lee Tian Hock

Ho Kong Soon

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Lee Tian Hock and Ho Kong Soon, being two of the directors of Matrix Concepts Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 150 to 235 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2019 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 27 JUNE 2019

Dato' Lee Tian Hock | **Ho Kong Soon**

STATUTORY DECLARATION

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

I, Tan Say Kuan, MIA Membership Number: 20012, being the officer primarily responsible for the financial management of Matrix Concepts Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 150 to 235 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Say Kuan, NRIC Number: 740912-01-5787
at Seremban
in the state of Negeri Sembilan
on this 27 June 2019

Before me | **Tan Say Kuan**

Wong Chuak Mong (N091)
Commissioner for Oaths

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

(INCORPORATED IN MALAYSIA) (COMPANY NO: 414615-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Matrix Concepts Holdings Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 150 to 235.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

<table>
<tr><td colspan="2">Reasonableness of revenue recognition arising from contracts with customers
Refer to Note 4.1(e), 4.23(a) and 28 to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>Area of focus
Most of the Group's revenue is derived from property development activities.

Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:-

• interpreting of contract terms and conditions;
• assessing and identifying the performance obligations;
• assessing the computation of revenue recognition.</td><td>To address this risk, our audit procedures involved the following by:

• reviewing the contract terms and identifying performance obligations stipulated in the contracts;
• evaluating whether the performance obligations are satisfied at point in time or over time;
• evaluating the reasonableness of percentage of completion using the input method;
• assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers".</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA) (COMPANY NO: 414615-U)

Key Audit Matters (Cont'd)

Reasonableness of attributable profits arising from property development projects Refer to Note 4.1(e), 9(b), 28 and 29 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
Area of focus The Group's property development division recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely on project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures included, amongst others: • Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project development revenue and cost. • Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold. • Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA) (COMPANY NO: 414615-U)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA) (COMPANY NO: 414615-U)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Tan Lin Chun
02839/10/2019 J
Chartered Accountant

Melaka

27 June 2019

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2019

	NOTE	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000 (RESTATED)	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**–**	–	**243,729**	249,394
Property, plant and equipment	6	**256,168**	235,046	**–**	–
Investment properties	7	**243**	590	**–**	–
Goodwill	8	*****	*	**–**	–
Inventories	9	**454,128**	634,205	**–**	–
Amount owing by subsidiaries	14	**–**	–	**289,162**	197,320
Deferred tax assets	10	**26,683**	15,300	**–**	–
		737,222	885,141	**532,891**	446,714
CURRENT ASSETS					
Inventories	9	**671,435**	389,805	**–**	–
Trade receivables and contract assets	11	**373,440**	274,010	**–**	–
Other receivables, deposits and prepayments	13	**51,606**	35,383	**2**	32
Amount owing by subsidiaries	14	**–**	–	**561,374**	488,474
Fixed deposits with licensed banks	15	**76,339**	86,633	**51,548**	74,902
Cash and bank balances	16	**187,871**	193,795	**8,945**	39,538
		1,360,691	979,626	**621,869**	602,946
TOTAL ASSETS		**2,097,913**	1,864,767	**1,154,760**	1,049,660

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AT 31 MARCH 2019

	NOTE	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	**800,220**	796,217	**800,220**	796,217
Retained profits		**533,437**	406,892	**87,496**	19,409
Other reserves	18	**(6,542)**	3,382	**–**	6,489
Equity attributable to owners of the Company		**1,327,115**	1,206,491	**887,716**	822,115
Non-controlling interests		**831**	501	**–**	–
TOTAL EQUITY		**1,327,946**	1,206,992	**887,716**	822,115
NON-CURRENT LIABILITIES					
Long-term borrowings	19	**200,166**	181,270	**140,000**	80,000
Deferred tax liabilities	10	**981**	697	**–**	–
Other payables, deposits and accruals	25	**–**	7,439	**–**	–
		201,147	189,406	**140,000**	80,000
CURRENT LIABILITIES					
Trade payables and contract liabilities	24	**174,709**	190,048	**–**	–
Other payables, deposits and accruals	25	**206,923**	122,752	**25,170**	27,390
Amount owing to subsidiaries	14	**–**	–	**7,806**	47,270
Bank overdrafts	26	**35,456**	26,446	**3,895**	1,476
Short-term borrowings	27	**126,681**	107,355	**90,000**	70,000
Current tax liabilities		**25,051**	21,768	**173**	1,409
		568,820	468,369	**127,044**	147,545
TOTAL LIABILITIES		**769,967**	657,775	**267,044**	227,545
TOTAL EQUITY AND LIABILITIES		**2,097,913**	1,864,767	**1,154,760**	1,049,660

* - Less than RM1,000

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000 (RESTATED)	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000
REVENUE	28	**1,045,531**	818,477	**195,000**	–
COST OF SALES	29	**(523,314)**	(350,990)	**–**	–
GROSS PROFIT		**522,217**	467,487	**195,000**	–
OTHER INCOME		**15,883**	7,470	**39,899**	29,436
		538,100	474,957	**234,899**	29,436
SELLING AND MARKETING EXPENSES		**(83,431)**	(52,256)	**–**	–
ADMINISTRATIVE EXPENSES		**(153,606)**	(122,375)	**(11,398)**	(4,282)
FINANCE COSTS		**(3,296)**	(5,098)	**(11,763)**	(1,099)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	30	**–**	–	**(47,640)**	–
PROFIT BEFORE TAXATION	31	**297,767**	295,228	**164,098**	24,055
INCOME TAX EXPENSE	32	**(79,538)**	(81,947)	**(4,167)**	(5,874)
PROFIT AFTER TAXATION		**218,229**	213,281	**159,931**	18,181
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES	33	**(3,435)**	(5,433)	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**214,794**	207,848	**159,931**	18,181
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**218,389**	213,280	**159,931**	18,181
Non-controlling interests		**(160)**	1	**–**	–
		218,229	213,281	**159,931**	18,181
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**214,954**	207,847	**159,931**	18,181
Non-controlling interests		**(160)**	1	**–**	–
		214,794	207,848	**159,931**	18,181
EARNINGS PER SHARE (SEN)					
Basic	34(a)	**29.0**	32.0		
Diluted	34(b)	**29.0**	31.6		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

THE GROUP	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OPTION RESERVE RM'000	TRANSLATION RESERVES RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		← NON-DISTRIBUTABLE			→	DISTRIBUTABLE			
Balance at 1.4.2017		577,122	43,405	12,574	2,326	388,532	1,023,959	*	1,023,959
Profit after taxation for the financial year		–	–	–	–	213,280	213,280	1	213,281
Other comprehensive income for the financial year									
- Foreign currency translation differences	18(b)	–	–	–	(5,433)	–	(5,433)	–	(5,433)
Total comprehensive income for the financial year		–	–	–	(5,433)	213,280	207,847	1	207,848
Contribution by and distribution to owners of the Company:-									
- Share of net assets arising from the acquisition of a subsidiary		–	–	–	–	–	–	500	500
- Bonus issue	17, 18(c)	147,778	(43,405)	–	–	(104,373)	–	–	–
- Dividends	36	–	–	–	–	(91,388)	(91,388)	–	(91,388)
- Employees' share options exercised	17	70,243	–	(10,517)	–	–	59,726	–	59,726
- ESOS lapsed		–	–	(841)	–	841	–	–	–
- Share options to employees		–	–	5,273	–	–	5,273	–	5,273
- Warrant exercised	17	1,074	–	–	–	–	1,074	–	1,074
Total transactions with owners		219,095	(43,405)	(6,085)	–	(194,920)	(25,315)	500	(24,815)
Balance at 31.3.2018		796,217	–	6,489	(3,107)	406,892	1,206,491	501	1,206,992

* - Less than RM1,000

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		← NON-DISTRIBUTABLE →			DISTRIBUTABLE			
THE GROUP	NOTE	SHARE CAPITAL RM'000	OPTION RESERVE RM'000	TRANSLATION RESERVES RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Balance at 1.4.2018		796,217	6,489	(3,107)	406,892	1,206,491	501	1,206,992
Profit after taxation for the financial year		–	–	–	218,389	218,389	(160)	218,229
Other comprehensive income for the financial year								
- Foreign currency translation differences	18(b)	–	–	(3,435)	–	(3,435)	–	(3,435)
Total comprehensive income for the financial year		–	–	(3,435)	218,389	214,954	(160)	214,794
Contribution by and distribution to owners of the Company:-								
- Share of net assets arising from the acquisition of a subsidiary		–	–	–	–	–	490	490
- Dividends	36	–	–	–	(97,850)	(97,850)	–	(97,850)
- Employees' share options exercised	17	3,187	(483)	–	–	2,704	–	2,704
- ESOS lapsed		–	(6,006)	–	6,006	–	–	–
- Warrant exercised	17	816	–	–	–	816	–	816
Total transactions with owners		4,003	(6,489)	–	(91,844)	(94,330)	490	(93,840)
Balance at 31.3.2019		800,220	–	(6,542)	533,437	1,327,115	831	1,327,946

* - Less than RM1,000

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

THE COMPANY	NOTE	SHARE CAPITAL RM'000	← NON-DISTRIBUTABLE → SHARE PREMIUM RM'000	OPTION RESERVE RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
Balance at 1.4.2017		577,122	43,405	12,574	196,148	829,249
Profit after taxation/Total comprehensive income for the financial year		–	–	–	18,181	18,181
Contribution by and distribution to owners of the Company:-						
- Bonus issue	17,18(c)	147,778	(43,405)	–	(104,373)	–
- Dividends	36	–	–	–	(91,388)	(91,388)
- Employees' share options exercised	17	70,243	–	(10,517)	–	59,726
- ESOS lapsed		–	–	(841)	841	–
- Share options to employees		–	–	5,273	–	5,273
- Warrant exercised	17	1,074	–	–	–	1,074
Total transactions with owners		219,095	(43,405)	(6,085)	(194,920)	(25,315)
Balance at 31.3.2018/1.4.2018		**796,217**	**–**	**6,489**	**19,409**	**822,115**
Profit after taxation/Total comprehensive income for the financial year		**–**	**–**	**–**	**159,931**	**159,931**
Contribution by and distribution to owners of the Company:-						
- Dividends	36	**–**	**–**	**–**	**(97,850)**	**(97,850)**
- Employees' share options exercised	17	**3,187**	**–**	**(483)**	**–**	**2,704**
- ESOS lapsed		**–**	**–**	**(6,006)**	**6,006**	**–**
- Warrant exercised	17	**816**	**–**	**–**	**–**	**816**
Total transactions with owners		**4,003**	**–**	**(6,489)**	**(91,844)**	**(94,330)**
Balance at 31.3.2019		**800,220**	**–**	**–**	**87,496**	**887,716**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000 (RESTATED)	2019 RM'000	2018 RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**297,767**	295,228	**164,098**	24,055
Adjustments for:-				
Bad debts written off	**–**	78	**–**	–
Depreciation of property, plant and equipment	**10,539**	9,638	**–**	–
Depreciation of investment properties	**7**	17	**–**	–
Equipment written off	**–**	331	**–**	–
ESOS expenses	**–**	5,273	**–**	–
Impairment loss on amount owing by a subsidiary	**–**	–	**47,640**	–
Impairment loss on investment in a subsidiary	**–**	–	**8,400**	–
Impairment loss on trade receivables	**–**	408	**–**	–
Interest expenses	**5,595**	5,966	**11,763**	1,099
Interest income	**(6,383)**	(5,846)	**(39,512)**	(29,435)
Gain on disposal of investment property	**(247)**	(194)	**–**	–
Gain on disposal of property, plant and equipment	**(221)**	(14)	**–**	–
Operating profit/(loss) before working capital changes	**307,057**	310,885	**192,389**	(4,281)
Increase in inventories	**(89,124)**	(82,540)	**–**	–
(Increase)/Decrease in receivables and contract assets	**(114,881)**	(42,208)	**30**	(8)
Increase in payables and contract liabilities	**72,527**	92,314	**1,475**	607
CASH FROM/(FOR) OPERATIONS	**175,579**	278,451	**193,894**	(3,682)
Interest received	**5,611**	4,993	**39,512**	29,435
Income tax paid	**(89,721)**	(83,596)	**(5,403)**	(6,715)
Income tax refunded	**2,367**	1,415	**–**	–
Interest paid	**(15,978)**	(18,926)	**(11,763)**	(1,099)
NET CASH FROM OPERATING ACTIVITIES	**77,858**	182,337	**216,240**	17,939

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

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000 (RESTATED)	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000 (RESTATED)
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to related companies		**–**	–	**(212,382)**	(80,773)
Investment in subsidiary companies		**–**	–	**(2,735)**	(25,000)
Net cash outflow from acquisition of a subsidiary	35	*****	–	**–**	–
Placements of pledged deposits with licensed banks		**(9,396)**	(3,297)	**(90)**	(88)
Withdrawal/(Placements) of deposits with licensed banks with maturity date more than 3 months		**27,496**	(53,901)	**27,496**	(53,901)
Proceeds from disposal of investment property		**587**	506	**–**	–
Proceeds from disposal of property, plant and equipment		**677**	1,042	**–**	–
Purchase of property, plant and equipment		**(32,117)**	(11,273)	**–**	–
NET CASH FOR INVESTING ACTIVITIES		**(12,753)**	(66,923)	**(187,711)**	(159,762)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid		**(101,545)**	(85,203)	**(101,545)**	(85,203)
Increase in investment of non-controlling interest in a subsidiary		**490**	500	**–**	–
Drawdown of term loans	37(b)	**9,909**	6,456	**–**	–
Drawdown of revolving credits	37(b)	**–**	29,867	**–**	–
Drawdown of Sukuk Wakalah	37(b)	**100,000**	150,000	**100,000**	150,000
Proceeds from issuance of ordinary shares		**3,520**	60,800	**3,520**	60,800
(Repayment of)/Advances from fellow subsidiaries	37(b)	**–**	–	**(39,464)**	33,380
Repayment of long-term payable	37(b)	**(9,485)**	(21,061)	**–**	–
Repayment of revolving credits	37(b)	**(3,654)**	(16,198)	**–**	–
Repayment of term loans	37(b)	**(47,714)**	(111,305)	**–**	–
Repayment of hire purchase obligations	37(b)	**(319)**	(315)	**–**	–
Repayment of Sukuk Wakalah	37(b)	**(20,000)**	–	**(20,000)**	–
NET CASH (FOR)/FROM FINANCING ACTIVITIES		**(68,798)**	13,541	**(57,489)**	158,977
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,693)**	128,955	**(28,960)**	17,154
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**(3,435)**	(5,426)	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**187,395**	63,866	**56,072**	38,918
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(a)	**180,267**	187,395	**27,112**	56,072

* - Less than RM1,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 June 2019.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140 – Transfers of Investment Property
Annual Improvements to MFRS Standards 2014 – 2016 Cycles
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

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

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) 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. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the historical credit losses experienced, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 12 to the financial statements.

(d) Impairment of Non-Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for non-trade financial assets. The Group develops the expected loss rates based on the historical credit losses experienced, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of non-trade financial assets. The carrying amounts of other receivables as at the reporting date are disclosed in Note 13 to the financial statements.

(e) Revenue and Profit Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract.

The Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed todate over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) 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.

(h) Deferred Tax Assets

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

Critical Judgements Made in Applying Accounting Policies

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

(a) Classification between Investment Properties and Owner-occupied Properties

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

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

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

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

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

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

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed 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 9 (2018 – MFRS 139) or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

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

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

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

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates.

4.4 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). 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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

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

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

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

Ordinary Shares

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group and the Company designates performance bond granted in favour of third parties for contract work undertaken by the Group and corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group and the Company recognises these performance bonds and corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accounting Policies Applied Until 31 March 2018

The Group has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with its previous accounting policies as summarised below:-

- Receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

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

Buildings, machinery and moulds in progress are not depreciated as these assets are not yet available for use.

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

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

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

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES (CONT'D)

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

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

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

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

4.9 LEASED ASSETS

(a) Finance Assets

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

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

(b) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

4.10 INVENTORIES

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

(a) Properties Held for Future Development

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES (CONT'D)

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

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

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

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

(b) Properties Under Development for Sale

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

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

(c) Completed Properties Held for Sale

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

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

(d) Club and Hotel Operating Supplies

Cost is determined using first-in, first-out method and comprises food and beverage supplies.

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

4.11 DEFERRED EXPENDITURE

Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

The deferred expenditure are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 DEFERRED EXPENDITURE (CONT'D)

Incremental Costs of Obtaining A Contract (Cont'd)

An impairment loss is recognised in the profit or loss when the carrying amount of the deferred expenditure exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the deferred expenditure does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.12 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 – Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.13 CASH AND CASH EQUIVALENTS

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

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.15 PROVISIONS

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

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 EMPLOYEE BENEFITS (CONT'D)

(c) Share-based Payment Transactions

The Group operates an Employees' Share Options Scheme ("ESOS") under which the Group receives services from employees. This ESOS has expired on 27 May 2018.

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

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

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

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

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.18 CONTINGENT LIABILITIES

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

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

4.19 OPERATING SEGMENTS

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

4.20 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise of ESOS and Warrants.

4.21 BORROWING COSTS

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 BORROWING COSTS (CONT'D)

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee relating to the capitalisation of borrowing costs for over time transfer of constructed good, the Company is required to change its existing accounting policy to cease the capitalisation of borrowing costs on development properties when the assets are ready for their intended sale for reporting period ending 31 March 2022. The Company is currently assessing the potential impact from this change in accounting policy and may opt for early compliance.

4.22 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Property Development Activities

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(b) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance, and the Group has a present right to payment for goods sold. Revenue is measured based on the consideration specified in a contract with customer and where applicable, net of goods and services tax, expected returns, cash and trade discounts.

(c) Rendering of Services

Revenue is recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for, the services.

4.24 OTHER OPERATING INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

(b) Dividend Income

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

(c) Rental Income

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000
Unquoted shares, at cost	**252,129**	249,394
Accumulated impairment losses	**(8,400)**	–
	243,729	249,394
Unquoted shares, at cost:		
At 1 April	**249,394**	224,394
Addition during the year	**2,735**	25,000
At 31 March	**252,129**	249,394
Accumulated impairment losses:		
At 1 April	**–**	–
Addition during the year	**8,400**	–
At 31 March	**8,400**	–

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	Percentage of Issued Share Capital Held by Parent 2018 %	Principal Activities
Subsidiaries of the Company				
Matrix Excelbuilder Sdn. Bhd. (Formerly known as Pembinaan Juwasan Sdn. Bhd.)	Malaysia	**100**	100	Investment holding
Matrix Concepts (Central) Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts (NS) Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix Global Education Sdn. Bhd.	Malaysia	**100**	100	Provision of education services
Masuda Corporation Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
Subsidiaries of the Company				
Matrix Concepts (Southern) Sdn. Bhd. (Formerly known as Seventech Sdn. Bhd.)	Malaysia	**100**	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	**100**	100	Property development
BSS Development Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix Properties Sdn. Bhd. (Formerly known as MCHB Properties Sdn. Bhd.)	Malaysia	**100**	100	Property investment and investment holding
Insani Utama Sdn. Bhd.	Malaysia	**100**	100	Dormant
Matrix IBS Sdn. Bhd.	Malaysia	**80**	80	Investment holding and manufacturing prefabricated building materials by using the technology of industrialised building system
Matrix Realty Management Sdn. Bhd. (Formerly known as Matrix Property Services Sdn. Bhd.)	Malaysia	**100**	100	Property management services
Matrix Healthcare Sdn. Bhd.	Malaysia	**100**	100	Dormant
Matrix Concepts (Australia) Pty Ltd @	Australia	**100**	100	Property development
Matrix Development (Australia) Pty Ltd ^	Australia	**100**	–	Property development
PT Matrix Perkasa Indonesia ^	Indonesia	**100**	–	Property development
Subsidiaries of Matrix Excelbuilder Sdn. Bhd. (Formerly known as Pembinaan Juwasan Sdn. Bhd.)				
Matrix Excelcon Sdn. Bhd.	Malaysia	**100**	100	General contractors
Matrix Exceltrading Sdn. Bhd. (Formerly known as Matrix Excelbuilder Sdn. Bhd.)	Malaysia	**100**	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
Subsidiary of Masuda Corporation Sdn. Bhd.				
Matrix Project Management Sdn. Bhd. (Formerly known as MCHB Management Services Sdn. Bhd.)	Malaysia	**100**	100	Project management and administrative services
Subsidiaries of Matrix Concepts Sdn. Bhd.				
Matrix Country Club Sdn. Bhd.	Malaysia	**100**	100	Clubhouse operator
Matrix Hotels Management Sdn. Bhd.	Malaysia	**100**	100	Hotel management and hospitality services
Subsidiary of Matrix Global Education Sdn. Bhd.				
Matrix Educare Sdn. Bhd. ^	Malaysia	**51**	–	Dormant
Subsidiary of Matrix Concepts (Central) Sdn. Bhd.				
Matrix Concepts (Cheras) Sdn. Bhd. (Formerly known as NZA Power Properties Sdn. Bhd.)	Malaysia	**100**	–	Property development
Subsidiaries of Matrix Development (Australia) Pty Ltd				
Matrix 333 St Kilda (Australia) Pty Ltd @	Australia	**100**	–	Property development
Matrix Greenvale (Australia) Pty Ltd @	Australia	**100**	–	Property development

@ These subsidiaries were audited by other firm of chartered accountant.

^ Not required to be audited under the laws of the country of incorporation as these are newly incorporated entities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial year:-

(a) the Company subscribed 1,200 new ordinary shares in Matrix Development (Australia) Pty Ltd for a total consideration of Australian Dollar 1,200;

(b) the Company subscribed 10,000 new ordinary shares in PT Matrix Perkasa Indonesia for a total consideration of Indonesian Rupiah 10,000,000,000;

(c) Matrix Global Education Sdn. Bhd. ("MGE"), a wholly-owned subsidiary of the Company, subscribed 510,000 new ordinary shares of Matrix Educare Sdn. Bhd. ("MEC"), for a total cash consideration of RM510,000. Subsequent to the subscription, MEC became a 51% owned subsidiary of MGE;

(d) Matrix Concepts (Central) Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest in Matrix Concepts (Cheras) Sdn. Bhd. (Formerly known as NZA Power Properties Sdn. Bhd.) for a total cash consideration of RM100. The details of the acquisition are disclosed in Note 35 to the financial statements;

(e) Matrix Development (Australia) Pty Ltd, a wholly-owned subsidiary of the Company, subscribed 1,200 new ordinary shares in Matrix 333 St Kilda (Australia) Pty Ltd for a total consideration of Australian Dollar 1,200;

(f) Matrix Development (Australia) Pty Ltd, a wholly-owned subsidiary of the Company, subscribed 1,200 new ordinary shares in Matrix Greenvale (Australia) Pty Ltd for a total consideration of Australian Dollar 1,200; and

(g) summarised financial information of non-controlling interests have not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2018 RM'000	ADDITIONS RM'000	DISPOSAL/ WRITE OFF RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2019 RM'000
2019					
Carrying Amount					
Freehold land	**1,257**	**–**	**–**	**–**	**1,257**
Buildings	**214,253**	**535**	**(2)**	**(5,188)**	**209,598**
Leasehold land and buildings	**138**	**–**	**–**	**(2)**	**136**
Office equipment, furniture and fittings	**13,235**	**3,869**	**(1)**	**(3,184)**	**13,919**
Plant and machinery	**502**	**136**	**–**	**(138)**	**500**
Motor vehicles	**5,590**	**4,490**	**(453)**	**(2,027)**	**7,600**
Building in progress	**71**	**12,703**	**–**	**–**	**12,774**
Machinery in progress	**–**	**5,488**	**–**	**–**	**5,488**
Moulds in progress	**–**	**4,896**	**–**	**–**	**4,896**
Total	**235,046**	**32,117**	**(456)**	**(10,539)**	**256,168**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

THE GROUP	AT 1.4.2017 RM'000	ADDITIONS RM'000	RE-CLASSIFICATION RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	DISPOSAL/ WRITE OFF RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2018 RM'000
2018							
Carrying Amount							
Freehold land	1,257	–	–	–	–	–	1,257
Buildings	191,754	5,906	21,797	–	–	(5,204)	214,253
Leasehold land and buildings	140	–	–	–	–	(2)	138
Office equipment, furniture and fittings	13,576	2,665	–	(6)	(332)	(2,668)	13,235
Plant and machinery	627	–	–	–	–	(125)	502
Motor vehicles	5,817	1,456	–	–	(44)	(1,639)	5,590
Building in progress	21,605	1,246	(21,797)	–	(983)	–	71
Total	234,776	11,273	–	(6)	(1,359)	(9,638)	235,046

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2019			
Freehold land	**1,257**	**–**	**1,257**
Buildings	**231,716**	**(22,118)**	**209,598**
Leasehold land and buildings	**173**	**(37)**	**136**
Office equipment, furniture and fittings	**25,581**	**(11,662)**	**13,919**
Plant and machinery	**1,706**	**(1,206)**	**500**
Motor vehicles	**17,453**	**(9,853)**	**7,600**
Building in progress	**12,774**	**–**	**12,774**
Machinery in progress	**5,488**	**–**	**5,488**
Moulds in progress	**4,896**	**–**	**4,896**
Total	**301,044**	**(44,876)**	**256,168**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2018			
Freehold land	1,257	–	1,257
Buildings	231,184	(16,931)	214,253
Leasehold land and buildings	173	(35)	138
Office equipment, furniture and fittings	21,714	(8,479)	13,235
Plant and machinery	1,570	(1,068)	502
Motor vehicles	14,874	(9,284)	5,590
Building in progress	71	–	71
Total	270,843	(35,797)	235,046

(a) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a total carrying value of RM1,055,000 (2018 – RM1,286,000), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 22 to the financial statements.

(b) Certain freehold land and buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21, 23 and 26 to the financial statements.

7. INVESTMENT PROPERTIES

THE GROUP	AT 1.4.2018 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2019 RM'000
2019				
Carrying Amount				
Houses	**590**	**(340)**	**(7)**	**243**

THE GROUP	AT 1.4.2017 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2018 RM'000
2018				
Carrying Amount				
Houses	919	(312)	(17)	590

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

7. INVESTMENT PROPERTIES (CONT'D)

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2019			
Houses	**350**	**(107)**	**243**

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2018			
Houses	825	(235)	590

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM602,000 (2018 – RM1,419,000).

8. GOODWILL

	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000
Goodwill arising from consolidation	**18**	18
Accumulated impairment losses	**(18)**	(18)
At 31 March	*****	*

* - Less than RM1,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. INVENTORIES

	NOTE	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000 (RESTATED)
Non-current			
Properties held for future development	9(a)	**454,128**	634,205
Current			
Properties under development for sale	9(b)	**566,622**	336,024
Completed properties held for sale	9(c)	**104,697**	53,700
Operating supplies	9(d)	**116**	81
		671,435	389,805
Recognised in profit or loss:-			
Inventories of property development		**95,426**	24,981
Cost of property development recognised during the current financial year		**388,092**	288,659

(i) Included in the development costs are interests on borrowings capitalised during the financial year of RM12,429,000 (2018 – RM16,914,000).

(ii) Certain development properties have been pledged to secure borrowings as disclosed in Note 21, 23 and 26 to the financial statements.

(a) Properties held for future development

	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000 (RESTATED)
Land, at cost		
At beginning of the year	**477,515**	544,152
Acquisition of a subsidiary (Note 35)	**13,173**	–
Costs incurred during the year	**34,270**	33,333
Transferred to properties under development for sale (Note 9(b))	**(245,984)**	(99,970)
At the end of the year	**278,974**	477,515
Development costs		
At beginning of the year	**156,690**	191,783
Costs incurred during the year	**77,071**	36,125
Transferred to properties under development for sale (Note 9(b))	**(58,607)**	(71,218)
At the end of the year	**175,154**	156,690
Cumulative cost / Carrying amount	**454,128**	634,205

9. INVENTORIES (CONT'D)

(b) Properties under development for sale

	THE GROUP	
	2019 RM'000	2018 RM'000 (RESTATED)
Land, at cost		
At beginning of the year	**149,537**	63,037
Costs incurred during the year	**84,051**	2,028
Transferred from properties held for future development (Note 9(a))	**245,984**	99,970
Reversal of completed projects	**(58,649)**	(12,826)
Reclassification from development costs	**5,163**	–
Effect of movement in exchange rate	**(16)**	(2,672)
At the end of the year	**426,070**	149,537
Development costs		
At beginning of the year	**495,019**	270,578
Costs incurred during the year	**376,382**	346,683
Transferred from properties held for future development (Note 9(a))	**58,607**	71,218
Reversal of completed projects	**(645,029)**	(191,163)
Reclassification to land costs	**(5,163)**	–
Effect of movement in exchange rate	**105**	(2,297)
At the end of the year	**279,921**	495,019
Cumulative costs	**705,991**	644,556
Cumulative cost recognised in profit or loss		
At beginning of the year	**(308,532)**	(216,694)
Recognised during the year	**(388,092)**	(288,659)
Unsold units transferred to completed properties held for sale (Note 9(c))	**(146,423)**	(7,168)
Reversal of completed projects	**703,678**	203,989
At the end of the year	**(139,369)**	(308,532)
Carrying amount	**566,622**	336,024

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. INVENTORIES (CONT'D)

(c) Completed properties held for sale

	THE GROUP	
	2019 RM'000	2018 RM'000 (RESTATED)
At beginning of the year	**53,700**	71,513
Unsold units transferred from properties under development for sale (Note 9(b))	**146,423**	7,168
Disposals during the year	**(95,426)**	(24,981)
Cumulative cost / Carrying amount	**104,697**	53,700

(d) Operating supplies

As at the end of the reporting year, all operating supplies for the Group are stated at cost.

10. DEFERRED TAX (ASSETS)/LIABILITIES

THE GROUP	At 1.4.2018 RM'000	Recognised in Profit or Loss (Note 32) RM'000	At 31.3.2019 RM'000
2019			
Deferred Tax Liability			
Property, plant and equipment	**697**	**284**	**981**
Deferred Tax Assets			
Deferred income	**–**	**(47)**	**(47)**
Property development costs	**–**	**(8,602)**	**(8,602)**
Unused business losses	**(536)**	**39**	**(497)**
Unabsorbed capital allowances	**(32)**	**–**	**(32)**
Unrealised profits	**(14,732)**	**(2,773)**	**(17,505)**
	(15,300)	**(11,383)**	**(26,683)**
	(14,603)	**(11,099)**	**(25,702)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

THE GROUP	At 1.4.2017 RM'000	Recognised in Profit or Loss (Note 32) RM'000	At 31.3.2018 RM'000
2018			
Deferred Tax Liability			
Property, plant and equipment	768	(71)	697
Deferred Tax Assets			
Unused business losses	(241)	(295)	(536)
Unabsorbed capital allowances	(32)	–	(32)
Unrealised profits	(10,629)	(4,103)	(14,732)
	(10,902)	(4,398)	(15,300)
	(10,134)	(4,469)	(14,603)

11. TRADE RECEIVABLES AND CONTRACT ASSETS

	THE GROUP 2019 RM'000	2018 RM'000
Trade receivables	**178,287**	148,919
Contract assets in relation to property development (Note 12)	**195,561**	125,499
	373,848	274,418
Less: Allowance for impairment losses	**(408)**	(408)
	373,440	274,010
Allowance for impairment losses:		
At the beginning of the year	**408**	417
Addition during the financial year	**–**	408
Written off during the year	**–**	(417)
At the end of the year	**408**	408

(a) The credit terms of the Group range from 14 to 60 (2018 – 14 to 60) days.

(b) Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2019 and 31 March 2018 were not impacted by significant changes in contract terms.

	THE GROUP	
	2019	**2018**
	RM'000	**RM'000**
Net carrying amount of contract assets/(liabilities) is analysed as follows:-		
At 1 April		
- contract assets	**125,499**	121,474
- contract liabilities	**(123,015)**	(40,115)
Property development and construction revenue recognised on performance obligation during the financial year	**1,010,926**	785,928
Less: Billings during the financial year	**(901,089)**	(864,803)
At 31 March	**112,321**	2,484
At 31 March		
- contract assets (Note 11)	**195,561**	125,499
- contract liabilities (Note 24)	**(83,240)**	(123,015)
	112,321	2,484

(a) Contract assets represent the Group's rights to consideration for property development activities carried out but not billed at the end of the reporting period. This balance will be billed progressively in the future upon the fulfillment of contractual milestones notwithstanding the control of the properties under development has not been transferred to buyers.

(b) Contract liabilities represent the excess of progress billings to buyers over revenue recognised in profit or loss at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The following table shows revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:-

	THE GROUP		
	2020	**2021**	**2022**
	RM'000	**RM'000**	**RM'000**
2019			
Property development revenue	**696,493**	**416,701**	**150,645**
Education service	**8,166**	**–**	**–**
Membership fee	**298**	**–**	**–**
	704,957	**416,701**	**150,645**

	The GROUP		
	2019	**2020**	**2021**
	RM'000	**RM'000**	**RM'000**
2018			
Property development revenue	682,776	281,320	85,438
Education service	4,209	–	–
Membership fee	244	–	–
	687,229	281,320	85,438

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Other receivables:-				
Third parties	**4,021**	4,987	**–**	30
Goods and services tax recoverable	**1,663**	2,480	**–**	–
	5,684	7,467	**–**	30
Deposits	**11,447**	10,276	**2**	2
Prepayment	**452**	4,049	**–**	–
Deferred expenditure (Note (a))	**34,023**	13,591	**–**	–
	51,606	35,383	**2**	32

(a) Deferred expenditure:

	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000	THE COMPANY 2019 RM'000	THE COMPANY 2018 RM'000
Incremental costs of obtaining a contract				
At beginning of the year	**13,591**	–	**–**	–
Add: Incurred during the financial year	**94,955**	57,180	**–**	–
	108,546	57,180	**–**	–
Less: Cost recognised in profit or loss during the financial year	**(74,523)**	(43,589)	**–**	–
At the end of the year	**34,023**	13,591	**–**	–

Deferred expenditure relating to sales agent commission, contract coordinator costs and legal costs incurred to secure sales of property units are recognised in the profit or loss in proportion to the income recognised for the respective financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2019	**2018**
	RM'000	**RM'000**
Amount owing by:		
Non-current		
- Subsidiaries (Non-trade)	**289,162**	197,320
Current		
- Subsidiaries (Non-trade)	**609,014**	488,474
Less: Impairment losses	**(47,640)**	–
	561,374	488,474
Impairment losses:-		
At 1 April	**–**	–
Additions during the year (Note 30)	**47,640**	–
At 31 March	**47,640**	–
Amount owing to:		
Current		
- Subsidiaries (Non-trade)	**(7,806)**	(47,270)

The non-trade balances represent payments made on behalf which bear an interest of 5% per annum (2018 – 5% per annum). The amounts owing have no fixed terms of repayment.

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.73% to 4.00% (2018 – 2.80% to 4.00%) per annum and 2.95% to 3.85% (2018 – 2.80% to 3.85%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2018 – 30 to 365) days and 30 to 365 (2018 – 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 RM22,082,000 (2018 – RM12,686,000) and RM3,081,000 (2018 – RM2,991,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

16. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM122,301,000 (2018 – RM123,448,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

17. SHARE CAPITAL

The movements in the paid-up share capital of the Company are as follows:-

	THE GROUP/THE COMPANY			
	2019	2018	2019	2018
	Number of shares ('000)		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary shares:-				
At 1 April	**750,866**	574,165	**796,217**	577,122
New shares issued:				
- bonus shares	**–**	147,778	**–**	147,778
- ESOS exercised	**1,518**	28,474	**3,187**	70,243
- warrant conversion	**425**	449	**816**	1,074
At 31 March	**752,809**	750,866	**800,220**	796,217

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.

18. RESERVES

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
Non-distributable:-					
Employee share option reserve	(a)	**–**	6,489	**–**	6,489
Translation reserves	(b)	**(6,542)**	(3,107)	**–**	–
Share premium	(c)	**–**	–	**–**	–
		(6,542)	3,382	**–**	6,489

18. RESERVES (CONT'D)

(a) EMPLOYEES' SHARE OPTION SCHEME

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

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

The main features of the ESOS are as follows:-

(i) The maximum number of new ordinary shares of the Company under the ESOS shall not exceed in aggregate 10%, or any such amount or percentage may be permitted by relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(ii) Eligible directors or employees of the Group are directors or employees of the Group who have been confirmed in the service of the Group prior to the offer or, if the employee is serving under an employment contract, the contract should be for a duration of at least one (1) year. The maximum allowable allotments for the directors have been approved by the shareholders of the Company in a general meeting.

(iii) Not more than 10% of the shares available under the ESOS is allocated to any individual director or employee who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.

(iv) The option price may be subjected to a discount of not more than ten percent (10%) from the weighted average market price of the Company's shares for the five (5) trading days preceding the date of the offer or such maximum discount as may be permitted by Bursa Malaysia Securities Berhad, whichever is higher.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so acquired and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

(vi) The unexercised option granted to eligible employees will lapse when they are no longer in employment with the Group unless a claim was made that is subjected to the discretion of the Option Committee.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. RESERVES (CONT'D)

(a) EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

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

			← Number of Options over Ordinary Shares →			
Date of Offer	Exercise Price	Remaining Contractual Life of Options	At 1 April 2018	Exercised	Lapsed	At 31 March 2019
6.5.2013	RM0.98	–	**102,801**	**(45,932)**	**(56,869)**	**–**
29.1.2014	RM1.46	–	**424,553**	**(132,335)**	**(292,218)**	**–**
9.12.2014	RM1.66	–	**728,513**	**(378,855)**	**(349,658)**	**–**
19.10.2016	RM1.87	–	**7,192,077**	**(635,722)**	**(6,556,355)**	**–**
2.10.2017	RM1.99	–	**15,171,513**	**(325,500)**	**(14,846,013)**	**–**
			23,619,457	**(1,518,344)**	**(22,101,113)**	**–**

The options have lapsed and therefore, became null and void and ceased to be exercisable with effect from 27 May 2018.

				← Number of Options over Ordinary Shares →					
Date of Offer	Exercise Price Before Bonus Issue	Exercise Price After Bonus Issue	Remaining Contractual Life of Options	At 1 April 2017	Granted	Bonus Issue	Exercised	Lapsed	At 31 March 2018
6.5.2013	RM1.23	RM0.98	57 days	315,954	–	40,857	(169,382)	(84,628)	102,801
29.1.2014	RM1.83	RM1.46	57 days	1,949,986	–	161,819	(1,589,998)	(97,254)	424,553
9.12.2014	RM2.08	RM1.66	57 days	4,686,728	–	286,017	(4,067,722)	(176,510)	728,513
19.10.2016	RM2.34	RM1.87	57 days	22,710,375	–	2,544,341	(16,892,140)	(1,170,499)	7,192,077
2.10.2017	–	RM1.99	57 days	–	21,970,250	–	(5,754,837)	(1,043,900)	15,171,513
				29,663,043	21,970,250	3,033,034	(28,474,079)	(2,572,791)	23,619,457

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of the any other company.

The number of options exercisable as at 31 March 2018 was 23,619,457 and have an exercise price in the range of RM0.98 to RM1.99 and a remaining contractual life of 57 days. The Company has granted 21,970,250 share options under the ESOS.

The options which lapsed were due to resignation of employees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. RESERVES (CONT'D)

(a) EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	THE GROUP/THE COMPANY ESOS GRANTED ON				
	2.10.2017	**19.10.2016**	**9.12.2014**	**29.1.2014**	**6.5.2013**
Fair value of share options at the grant date (RM)	0.24	0.42	0.52	0.78	0.43
Weighted average share price (RM)	2.21	2.62	2.36	3.57	2.57
Exercise price (RM)	1.99	2.34	2.46	3.26	2.20
Expected volatility (%)	14.87	25.87	43.73	29.10	20.49
Expected life (years)	0.65	1.61	3.43	4.32	5.00
Risk free rate (%)	3.57	3.33	3.98	3.96	3.41
Expected dividend yield (%)	3.79	5.44	8.59	6.53	–

(b) FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(c) SHARE PREMIUM

	THE GROUP/THE COMPANY	
	2019 RM'000	**2018 RM'000**
At 1 April	**–**	43,405
Bonus issue of new shares	**–**	(43,405)
At 31 March	**–**	–

19. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Sukuk Wakalah (Note 20)	**140,000**	80,000	**140,000**	80,000
Term loans (Note 21)	**49,631**	86,756	**–**	–
Hire purchase payables (Note 22)	**520**	845	**–**	–
Revolving credits (Note 23)	**10,015**	13,669	**–**	–
	200,166	181,270	**140,000**	80,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. SUKUK WAKALAH

The Company had established an Islamic Commercial Papers ("ICP") and Islamic Medium Term Note ("IMTN") programme with a combined limit of RM250 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") (collectively, the ICP and the IMTN shall be referred to as "Sukuk Wakalah"). The Sukuk Wakalah Programme is for tenures of 7 years commencing from 15 August 2017 to 14 August 2024.

Details of the Sukuk Wakalah as at 31 March 2019 are as follows:-

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic distribution rate (per annum) %	Maturity date
IMTN				
15 August 2017	48	**80,000**	6.50	15 August 2022
19 November 2018	12	**20,000**	6.70	20 November 2019
19 November 2018	24	**20,000**	6.71	19 November 2020
19 November 2018	36	**20,000**	6.72	19 November 2021
19 November 2018	48	**20,000**	6.78	18 November 2022
19 November 2018	60	**20,000**	6.85	17 November 2023
ICP				
15 February 2019	3	**50,000**	4.95	15 May 2019
		230,000		

Details of the Sukuk Wakalah as at 31 March 2018 are as follows:-

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic distribution rate (per annum) %	Maturity date
IMTN				
15 August 2017	60	100,000	6.50	15 August 2022
ICP				
15 February 2018	3	50,000	4.95	15 May 2018
		150,000		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. SUKUK WAKALAH (CONT'D)

(a) Details of the Sukuk Wakalah outstanding are as follows:

	THE GROUP/ THE COMPANY 2019 RM'000	2018 RM'000
Current liabilities (Note 27)	**90,000**	70,000
Non-current liabilities (Note 19)	**140,000**	80,000
	230,000	150,000

(b) The Sukuk Wakalah are secured by first legal assignment and charge of the Finance Service Reserve Account ("FSRA") and monies standing to the credit of the FSRA, including Permitted Investment (as defined in *(Permitted investments, if applicable)*).

21. TERM LOANS (SECURED)

	THE GROUP 2019 RM'000	2018 RM'000
Current liabilities (Note 27)	**26,353**	27,033
Non-current liabilities (Note 19)	**49,631**	86,756
	75,984	113,789

(a) The term loans are repayable over 12 to 24 (2018 – 48 to 84) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 26 to the financial statements.

(b) The interest rate profile of the term loans is summarised below:-

	THE GROUP EFFECTIVE INTEREST RATE 2019 %	2018 %
Floating rate term loans	**5.38 – 6.95**	5.90 – 6.10

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

22. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000
Minimum hire purchase payments:-		
- not later than 1 year	**363**	363
- later than 1 year and not later than 5 years	**561**	923
	924	1,286
Less: Future finance charges	**(76)**	(119)
Present value of hire purchase payables	**848**	1,167
Analysed by:-		
Current liabilities (Note 27)	**328**	322
Non-current liabilities (Note 19)	**520**	845
	848	1,167

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase finance leases as disclosed in Note 6 to the financial statements. The hire purchase arrangements are expiring in 3 (2018 – 4) years.

(b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 3.96% to 4.75% (2018 – 3.96% to 4.75%). The interest rates are fixed at the inception of the hire purchase arrangements.

23. REVOLVING CREDITS

	THE GROUP 2019 RM'000	THE GROUP 2018 RM'000
Current liabilities (Note 27)	**10,000**	10,000
Non-current liabilities (Note 19)	**10,015**	13,669
	20,015	23,669

(a) The revolving credits are secured in the same manner as the bank overdrafts as disclosed in Note 26 to the financial statements.

(b) The interest rate profile of the revolving credits is summarised below:-

	THE GROUP EFFECTIVE INTEREST RATE 2019 %	THE GROUP EFFECTIVE INTEREST RATE 2018 %
Floating rate revolving credits	**6.00 – 6.20**	5.90 – 6.10

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24. TRADE PAYABLES AND CONTRACT LIABILITIES

	THE GROUP	
	2019	**2018**
	RM'000	**RM'000**
Trade payables	**86,960**	50,253
Retention sum	**315**	363
Contract liabilities in relation to property development (Note 12)	**83,240**	123,015
Accruals	**4,194**	16,417
	174,709	190,048

The normal trade credit terms granted to the Group range from 30 days to 60 days (2018 – 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	THE GROUP		THE COMPANY	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
Other payables and accruals	**–**	7,439	**–**	–
Current				
Other payables	**49,352**	39,983	**3**	4
Goods and services tax payables	**95**	87	**–**	–
Sales and services tax payables	**11**	–	**–**	–
Tourism tax payable	**15**	41	**–**	–
Withholding tax payable	**107**	–	**–**	–
Deposits	**5,741**	5,266	**–**	–
Accruals	**120,523**	46,559	**2,582**	1,106
Dividend payables	**22,585**	26,280	**22,585**	26,280
Deferred income	**8,494**	4,536	**–**	–
	206,923	122,752	**25,170**	27,390
	206,923	130,191	**25,170**	27,390

26. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
Bank overdrafts	**7.59**	7.88	**8.60**	8.50

The bank overdrafts, term loans and revolving credits are secured by the following:-

(i) Facilities agreements;
(ii) Legal charge over certain development properties and properties of certain subsidiary companies;
(iii) Guaranteed jointly and severally by certain directors of the Company and of certain subsidiary companies;
(iv) Pledge of fixed deposits of the Company and of certain subsidiary companies;
(v) Corporate guarantee on principal sums plus interest thereon by the Company;
(vi) The Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad under Working Capital Guarantee Scheme; and
(vii) A specific debenture over certain charged properties of subsidiaries companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

27. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Sukuk Wakalah (Note 20)	**90,000**	70,000	**90,000**	70,000
Term loans (Note 21)	**26,353**	27,033	**–**	–
Hire purchase payables (Note 22)	**328**	322	**–**	–
Revolving credits (Note 23)	**10,000**	10,000	**–**	–
	126,681	107,355	**90,000**	70,000

28. REVENUE

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Contract with customers:-				
- Property development and construction revenue	**855,958**	698,267	**–**	–
- Sales of completed properties	**154,968**	87,661	**–**	–
- Revenue from hospitality segment	**13,346**	13,579	**–**	–
- Revenue from education segment	**19,821**	18,806	**–**	–
Dividend income	**–**	–	**195,000**	–
Others	**1,438**	164	**–**	–
	1,045,531	818,477	**195,000**	–

The disaggregation of revenue from contracts with customers is presented under 'Operating Segments' in Note 40.2 to financial statements.

29. COST OF SALES

Included in cost of sales are the following:-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000 (RESTATED)	2019 RM'000	2018 RM'000
Cost of inventories recognised:-				
- property development costs	**388,092**	288,659	**–**	–
- completed properties	**95,426**	24,981	**–**	–
Cost of services	**38,890**	37,017	**–**	–
Others	**906**	333	**–**	–
	523,314	350,990	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

30. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	THE COMPANY	
	2019 RM'000	2018 RM'000
Impairment losses during the financial year:		
- Individually impaired under MFRS 9 (Note 14)	**(47,640)**	–

31. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees:				
- current year	**610**	534	**70**	68
- under provision in prior year	**27**	–	**–**	–
- non-audit fees:				
- auditors of the Company	**8**	77	**8**	8
Bad debts written off	**–**	78	**–**	–
Depreciation of investment properties	**7**	17	**–**	–
Depreciation of property, plant and equipment	**10,539**	9,638	**–**	–
Directors' remuneration (Note 38)	**27,642**	25,955	**473**	742
Equipment written off	**–**	331	**–**	–
Impairment loss on investment in a subsidiary	**–**	–	**8,400**	–
Impairment loss on amount owing by a subsidiary	**–**	–	**47,640**	–
Impairment loss on trade receivables	**–**	408	**–**	–
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	**1,175**	1,039	**165**	114
- finance charges	**21**	57	**–**	–
- hire purchase	**43**	48	**–**	–
- inter-company	**–**	–	**1,201**	985
- term loan	**1,209**	868	**–**	–
- revolving credit	**612**	–	**–**	–
- imputed interest	**2,046**	3,954	**–**	–
- Sukuk interest	**489**	–	**10,397**	–
	5,595	5,966	**11,763**	1,099
Rental of equipment	**589**	475	**–**	–
Rental of excavators and cranes	**11,264**	9,486	**–**	–
Rental of land	**34**	2	**–**	–
Rental of premises	**3,124**	2,328	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Staff costs (including other key management personnel as disclosed in Note 38):				
- short-term employee benefits	**55,328**	46,380	**–**	–
- defined contribution benefits	**6,909**	5,995	**–**	–
- ESOS expenses	**–**	4,697	**–**	–
- others	**2,937**	4,241	**–**	–
	65,174	61,313	**–**	–
Gain on disposal of property, plant and equipment	**(221)**	(14)	**–**	–
Gain on disposal of investment properties	**(247)**	(194)	**–**	–
Interest income of financial assets that are not at fair value through profit or loss:				
- fixed deposits with licensed banks	**(2,084)**	(2,808)	**(1,758)**	(2,713)
- imputed interest	**(772)**	(853)	**–**	–
- inter-company	**–**	–	**(37,272)**	(26,722)
- late payment interest waived/(charged)	**129**	(604)	**–**	–
- bank interest	**(3,656)**	(1,581)	**(482)**	–
	(6,383)	(5,846)	**(39,512)**	(29,435)
Rental income	**(989)**	(692)	**–**	–

32. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax expenses	**86,520**	85,604	**5,667**	6,128
Under/(Over) provision in the previous financial year	**4,117**	812	**(1,500)**	(254)
	90,637	86,416	**4,167**	5,874
Deferred tax expenses (Note 10):-				
- Origination and reversal of temporary differences	**(9,226)**	(4,448)	**–**	–
- Over provision of deferred tax liabilities in the previous financial year	**(13)**	(21)	**–**	–
- Under provision of deferred tax assets in the previous financial year	**(1,860)**	–	**–**	–
	(11,099)	(4,469)	**–**	–
	79,538	81,947	**4,167**	5,874

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

32. INCOME TAX EXPENSE (CONT'D)

Subject to agreement with the tax authorities, at the end of the reporting year, the unused tax losses, unabsorbed capital allowances and unabsorbed industrial building allowances of the Group are as follows:

	THE GROUP	
	2019 RM'000	2018 RM'000
Unused tax losses	**42,408**	33,844
Unabsorbed capital allowances	**7,707**	6,881
Unabsorbed industrial building allowances	**22,594**	19,571
	72,709	60,296

No deferred tax assets are recognised in the Group in respect of the following items:-

	THE GROUP	
	2019 RM'000	2018 RM'000
Unused tax losses	**42,299**	31,551
Unabsorbed capital allowances	**6,129**	4,503
Others	**298**	4,452
	48,726	40,506

From year of assessment 2019 onwards, the unused tax losses will be allowed to be carried forward for a maximum period of 7 consecutive years of assessment. However, the availability of unused tax losses for offsetting against future taxable profits are subjected to no substantial changes in shareholdings of the Company under the Income Tax Act 1967 and guidelines issued by the tax authority.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before taxation	**297,767**	295,228	**164,098**	24,055
Tax at the applicable corporate tax rate of 24% (2018 - 24%)	**71,464**	70,855	**39,384**	5,773
Tax effects of:-				
Non-deductible expenses	**3,453**	6,813	**14,040**	677
Non-taxable income	**(99)**	(369)	**(47,757)**	(322)
Deferred tax assets not recognised during the financial year	**1,973**	3,857	**–**	–
Effects of differential in tax rates of subsidiaries	**503**	–	**–**	–
Under/(Over) provision of Malaysian Income Tax in the previous financial year	**4,117**	812	**(1,500)**	(254)
Over provision of deferred tax liabilities in the previous financial year	**(13)**	(21)	**–**	–
Under provision of deferred tax assets in the previous financial year	**(1,860)**	–	**–**	–
Income tax expense for the financial year	**79,538**	81,947	**4,167**	5,874

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2019 RM'000	2018 RM'000
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation:		
- changes during the financial year	**(3,435)**	(5,433)

34. EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company and divided by the weighted average number of ordinary shares in issue during the year under review.

	THE GROUP	
	2019	2018
Profit attributable to owners of the Company (RM'000)	**218,389**	213,280
Weighted average number of ordinary shares in issue ('000)	**752,554**	665,889
Basic earnings per share (Sen)	**29.0**	32.0

(b) Diluted

The calculation of diluted earnings per share was based on the profit attributable to equity holders of the Company and divided by the weighted average number of ordinary shares that would have been in issue upon full exercise of the option under the ESOS granted and warrants issued, adjusted for the number of such shares that would have been issued at fair value during the year under review.

	THE GROUP	
	2019	2018
Profit attributable to owners of the Company (RM'000)	**218,389**	213,280
Weighted average number of ordinary shares for basic earnings per share ('000)	**752,554**	665,889
Effect of potential exercise of ESOS ('000)	**–**	1,977
Effect of potential exercise of warrants ('000)	**1,623**	7,362
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**754,177**	675,228
Diluted earnings per share (Sen)	**29.0**	31.6

35. ACQUISITION OF A SUBSIDIARY

Financial year ended 31 March 2019

On 5 October 2018, Matrix Concepts (Central) Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest in Matrix Concepts (Cheras) Sdn. Bhd. (Formerly known as NZA Power Properties Sdn. Bhd.). The acquisition of this subsidiary is to enable the Group to expand its business in property development. This is in line with the Group's strategic direction to focus on property development activities to sustain its growth.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Cash Flows Arising from Acquisition

	THE GROUP 2019 RM'000
Inventories (Note 9)	**13,173**
Cash and bank balances	*****
Other payables and accruals	**(13,170)**
Amount owing to a director	**(4)**
Net identifiable assets and liabilities/Total purchase consideration, to be satisfied by cash	*****
Less: Cash and bank balances of subsidiary acquired	*****
Net cash outflow from the acquisition of a subsidiary	*****

* - Less than RM1,000

(b) Impact of Acquisition on the Group's Results

Matrix Concepts (Cheras) Sdn. Bhd. (Formerly known as NZA Power Properties Sdn. Bhd.) did not contribute any revenue and profit after taxation to the Group's results as the subsidiary has not commenced its intended principal activity as a property developer during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

36. DIVIDENDS

	THE GROUP/THE COMPANY	
	2019 RM'000	2018 RM'000
In respect of the financial year ended 31 March 2017:-		
- 4th interim single tier dividend of 3.75 sen per ordinary share, paid on 20 June 2017	–	21,787
In respect of the financial year ended 31 March 2018:-		
- 1st interim single tier dividend of 3.25 sen per ordinary share, paid on 11 October 2017	–	19,172
- 2nd interim single tier dividend of 3.25 sen per ordinary share, paid on 10 January 2018	–	24,149
- 3rd interim single tier dividend of 3.50 sen per ordinary share, paid on 11 April 2018	–	26,280
- 4th interim single tier dividend of 3.50 sen per ordinary share, paid on 11 July 2018	**26,333**	–
In respect of the financial year ended 31 March 2019:-		
- 1st interim single tier dividend of 3.25 sen per ordinary share, paid on 10 October 2018	**24,466**	–
- 2nd interim single tier dividend of 3.25 sen per ordinary share, paid on 9 January 2019	**24,466**	–
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 10 April 2019	**22,585**	–
	97,850	91,388

Subsequent to the end of financial year, the directors, on 31 May 2019 declared a fourth interim single tier dividend of 3.00 sen per ordinary share amounting to RM23,604,285 and a special single tier dividend of 0.25 sen per ordinary share amounting to RM1,967,024 in respect of the current financial year, payable on 10 July 2019 to shareholders whose names appeared in the record of depositors on 21 June 2019.

37. CASH FLOW INFORMATION

(a) The cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fixed deposits with licensed banks (Note 15)	**76,339**	86,633	**51,548**	74,902
Cash and bank balances (Note 16)	**187,871**	193,795	**8,945**	39,538
Bank overdrafts (Note 26)	**(35,456)**	(26,446)	**(3,895)**	(1,476)
	228,754	253,982	**56,598**	112,964
Less: Fixed deposits pledged to licensed banks (Note 15(b))	**(22,082)**	(12,686)	**(3,081)**	(2,991)
Fixed deposits with maturity of more than 3 months	**(26,405)**	(53,901)	**(26,405)**	(53,901)
	180,267	187,395	**27,112**	56,072

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

THE GROUP	TERM LOANS RM'000	SUKUK WAKALAH RM'000	HIRE PURCHASE RM'000	REVOLVING CREDITS RM'000	LONG-TERM PAYABLE RM'000	OTHERS RM'000	TOTAL RM'000
2019							
At 1 April	**113,789**	**150,000**	**1,167**	**23,669**	**7,439**	**–**	**296,064**
Changes in Financing Cash Flows							
Proceeds from drawdown	**9,909**	**100,000**	**–**	**–**	**–**	**–**	**109,909**
Repayment of borrowing principal	**(47,714)**	**(20,000)**	**(319)**	**(3,654)**	**–**	**–**	**(71,687)**
Repayment of borrowing interests	**(2,856)**	**(10,397)**	**(43)**	**(1,241)**	**–**	**(1,441)**	**(15,978)**
Repayment of long term payable	**–**	**–**	**–**	**–**	**(9,485)**	**–**	**(9,485)**
Non-cash Changes							
Finance charges recognised in profit or loss	**1,209**	**489**	**43**	**612**	**2,046**	**1,196**	**5,595**
Finance charges capitalised under inventories	**1,647**	**9,908**	**–**	**629**	**–**	**245**	**12,429**
At 31 March	**75,984**	**230,000**	**848**	**20,015**	**–**	**–**	**326,847**

THE GROUP	TERM LOANS RM'000	SUKUK WAKALAH RM'000	HIRE PURCHASE RM'000	REVOLVING CREDITS RM'000	LONG-TERM PAYABLE RM'000	OTHERS RM'000	TOTAL RM'000
2018							
At 1 April	218,638	–	1,482	10,000	24,546	–	254,666
Changes in Financing Cash Flows							
Proceeds from drawdown	6,456	150,000	–	29,867	–	–	186,323
Repayment of borrowing principal	(111,305)	–	(315)	(16,198)	–	–	(127,818)
Repayment of borrowing interests	(11,785)	(5,583)	(48)	(212)	–	(1,298)	(18,926)
Repayment of long term payable	–	–	–	–	(21,061)	–	(21,061)
Non-cash Changes							
Finance charges recognised in profit or loss	868	–	48	–	3,954	1,096	5,966
Finance charges capitalised under inventories	10,917	5,583	–	212	–	202	16,914
At 31 March	113,789	150,000	1,167	23,669	7,439	–	296,064

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

THE COMPANY	LOAN FROM RELATED COMPANIES RM'000	SUKUK WAKALAH RM'000	OTHERS RM'000	TOTAL RM'000
2019				
At 1 April	**47,270**	**150,000**	**–**	**197,270**
Changes in Financing Cash Flows				
Net repayment to subsidiaries	**(39,464)**	**–**	**–**	**(39,464)**
Proceeds from drawdown	**–**	**100,000**	**–**	**100,000**
Repayment of borrowing principal	**–**	**(20,000)**	**–**	**(20,000)**
Repayment of borrowing interests	**(1,201)**	**(10,397)**	**(165)**	**(11,763)**
Non-cash Changes				
Finance charges recognised in profit or loss	**1,201**	**10,397**	**165**	**11,763**
At 31 March	**7,806**	**230,000**	**–**	**237,806**

THE COMPANY	LOAN FROM RELATED COMPANIES RM'000	SUKUK WAKALAH RM'000	OTHERS RM'000	TOTAL RM'000
2018				
At 1 April	13,890	–	–	13,890
Changes in Financing Cash Flows				
Net advances from subsidiaries	33,380	–	–	33,380
Proceeds from drawdown	–	150,000	–	150,000
Repayment of borrowing interests	(985)	–	(114)	(1,099)
Non-cash Changes				
Finance charges recognised in profit or loss	985	–	114	1,099
At 31 March	47,270	150,000	–	197,270

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(a) Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**16,844**	13,799	**–**	–
Defined contribution benefits	**2,526**	2,043	**–**	–
	19,370	15,842	**–**	–
Non-executive Directors				
Short-term employee benefits:				
- fees	**2,454**	2,064	**384**	354
- other benefits	**89**	428	**89**	388
	2,543	2,492	**473**	742
	21,913	18,334	**473**	742
Directors of the subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**1,308**	622	**–**	–
- salaries, bonuses and other benefits	**3,848**	5,733	**–**	–
	5,156	6,355	**–**	–
Defined contribution benefits	**573**	690	**–**	–
ESOS expense	**–**	576	**–**	–
	5,729	7,621	**–**	–
Total directors' remuneration (Note 31)	**27,642**	25,955	**473**	742

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM161,000 and RM Nil (2018 – RM131,000 and RM Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(b) Other Key Management Personnel				
Short-term employee benefits	**3,103**	2,938	**–**	–
Defined contribution benefits	**436**	414	**–**	–
ESOS expense	**–**	176	**–**	–
Total compensation for other key management personnel (Note 31)	**3,539**	3,528	**–**	–

39. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Subsidiaries				
Dividend income	**–**	–	**(195,000)**	–
Interest income	**–**	–	**(37,272)**	(26,722)
Interest expenses	**–**	–	**1,201**	985
Person connected to directors of the Company and of certain subsidiary companies				
Sales of development properties	**(769)**	–	**–**	–
Corporations connected to directors of the Company and of certain subsidiary companies				
Lead architect and architectural consultancy services	**265**	501	**–**	–
Purchases of building materials and sub-contract charges	**50,256**	37,630	**–**	–
Rental paid	**60**	60	**–**	–
Sales of development properties	**–**	(5,401)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40. 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 and Construction – involves in development and construction of commercial and residential properties

(b) Education – involves in managing and administering a private and international school

(c) Hospitality – involves in managing and operating a clubhouse and hotel

(d) Others – involves in property management services

40.1 BUSINESS SEGMENTS

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2019					
Revenue					
External revenue	1,010,926	19,821	13,346	1,438	1,045,531
Inter-segment revenue	374,677	1,854	2,395	–	378,926
	1,385,603	21,675	15,741	1,438	1,424,457
Consolidation adjustments					(378,926)
Consolidated revenue					1,045,531
Results					
Segment results	312,993	(8,541)	2,428	645	307,525
Interest income					6,383
					313,908
Depreciation					(10,546)
Finance costs					(5,595)
Profit before taxation					297,767
Income tax expense					(79,538)
Consolidated profit after taxation					218,229

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2019					
Segment results includes the followings:-					
Rental of excavators and cranes	**11,264**	**–**	**–**	**–**	**11,264**
Rental of equipment	**244**	**307**	**38**	**–**	**589**
Rental of land	**34**	**–**	**–**	**–**	**34**
Rental of premises	**3,063**	**–**	**61**	**–**	**3,124**
Rental income	**(853)**	**(136)**	**–**	**–**	**(989)**
Gain on disposal of property, plant and equipment	**(221)**	**–**	**–**	**–**	**(221)**
Gain on disposal of investment properties	**(247)**	**–**	**–**	**–**	**(247)**

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2018					
Revenue					
External revenue	785,928	18,806	13,579	164	818,477
Inter-segment revenue	354,182	1,189	933	431	356,735
	1,140,110	19,995	14,512	595	1,175,212
Consolidation adjustments					(356,735)
Consolidated revenue					818,477
Results					
Segment results	319,969	(7,346)	(1,990)	(357)	310,276
Interest income					5,846
					316,122
Depreciation					(9,655)
Finance costs					(5,966)
Share options to employees					(5,273)
Profit before taxation					295,228
Income tax expense					(81,947)
Consolidated profit after taxation					213,281

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2018					
Segment results includes the followings:-					
Bad debts written off	2	–	76	–	78
Equipment written off	331	–	–	–	331
Impairment loss on trade receivables	–	408	–	–	408
Rental of excavators and cranes	9,486	–	–	–	9,486
Rental of equipment	192	223	60	–	475
Rental of land	2	–	–	–	2
Rental of premises	2,253	–	75	–	2,328
Rental income	(454)	(238)	–	–	(692)
Gain on disposal of property, plant and equipment	(14)	–	–	–	(14)
Gain on disposal of investment properties	(194)	–	–	–	(194)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2019					
Assets					
Segment assets	**1,842,237**	**145,464**	**83,067**	**462**	**2,071,230**
Unallocated assets	**26,636**	**–**	**–**	**47**	**26,683**
Consolidated total assets					**2,097,913**
Liabilities					
Segment liabilities	**705,842**	**36,118**	**1,424**	**551**	**743,935**
Unallocated liabilities	**26,012**	**–**	**(2)**	**22**	**26,032**
Consolidated total liabilities					**769,967**
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	**30,718**	**1,168**	**231**	**–**	**32,117**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2018					
Assets					
Segment assets	1,616,139	148,484	84,537	307	1,849,467
Unallocated assets	15,300	–	–	–	15,300
Consolidated total assets					1,864,767
Liabilities					
Segment liabilities	618,414	15,436	1,083	377	635,310
Unallocated liabilities	23,844	–	(1,438)	59	22,465
Consolidated total liabilities					657,775
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	3,406	7,084	783	–	11,273

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40. OPERATING SEGMENTS (CONT'D)

40.2 DISAGGREGATION OF REVENUE

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as below:-

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2019					
Primary Geographical Markets					
Malaysia	**925,428**	**19,821**	**13,346**	**1,438**	**960,033**
Australia	**85,498**	**–**	**–**	**–**	**85,498**
	1,010,926	**19,821**	**13,346**	**1,438**	**1,045,531**
Timing of Revenue Recognition					
At a point of time	**154,968**	**–**	**6,237**	**–**	**161,205**
Over time	**855,958**	**19,821**	**7,109**	**1,438**	**884,326**
	1,010,926	**19,821**	**13,346**	**1,438**	**1,045,531**

	Property Development RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2018					
Primary Geographical Markets					
Malaysia	785,928	18,806	13,579	164	818,477
Timing of Revenue Recognition					
At a point of time	87,661	–	6,797	–	94,458
Over time	698,267	18,806	6,782	164	724,019
	785,928	18,806	13,579	164	818,477

40.3 MAJOR CUSTOMERS

There is no single customer that contributed more than 10% to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

41. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Purchase of land held for property development	**170,892**	108,634	**–**	–
Purchase of property, plant and equipment	**–**	282	**–**	–
Construction of building	**231**	16,916	**–**	–
Share of capital commitment of joint venture	**129,150**	–	**129,150**	–
	300,273	125,832	**129,150**	–

42. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	THE COMPANY	
	2019 RM'000	2018 RM'000
Corporate guarantee given to licensed banks and third parties for credit facilities granted to subsidiaries	**186,008**	212,969

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. 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.

43.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Indonesian Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	AUD RM'000	IDR RM'000	Total RM'000
THE GROUP 2019			
Financial Assets			
Amortised cost			
Other receivables and deposits	1,433	–	1,433
Fixed deposit with licensed banks	5,791	–	5,791
Cash and bank balances	6,898	17	6,915
	14,122	17	14,139

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

Foreign Currency Exposure (Cont'd)

	AUD RM'000	IDR RM'000	Total RM'000
THE GROUP 2019			
Financial Liabilities			
Amortised cost			
Trade payables and contract liabilities	**1,119**	**180**	**1,299**
Other payables, deposits and accruals	**389**	**–**	**389**
Borrowings	**8,686**	**–**	**8,686**
	10,194	**180**	**10,374**
Net financial assets / Currency exposure	**3,928**	**(163)**	**3,765**

	AUD RM'000
THE GROUP 2018	
Financial Assets	
Loans and Receivables Financial Assets	
Other receivables and deposits	742
Cash and bank balances	8,432
	9,174
Financial Liabilities	
Other Financial Liabilities	
Trade payables	2,208
Net financial assets / Currency exposure	6,966

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		THE GROUP	
		2019	**2018**
		RM'000	**RM'000**
Effects on Profit After Taxation			
AUD/RM	– strengthened by 3% (2018 – 12%)	**+80**	+637
	– weakened by 3% (2018 – 12%)	**-80**	-637
IDR/RM	– strengthened by 2% (2018 – Nil%)	**-3**	–
	– weakened by 2% (2018 – Nil%)	**+3**	–

(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 rate borrowings and fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 21, 23 and 26 to the financial statements.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Effects on Profit After Taxation				
Increase of 25 basis points (2018 : 25 basis points)	**-178**	-216	**+1,010**	+1,021
Decrease of 25 basis points (2018 : 25 basis points)	**+178**	+216	**-1,010**	-1,021

(iii) Equity Price Risk

The Group does not have any quoted investment and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given 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 statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having significant balances, more than 90 days overdue and vacant possession delivered are deemed credit impaired.

The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised below:

THE GROUP	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2019			
Current (not past due)	**84,605**	**–**	**84,605**
1 to 30 days past due	**23,333**	**–**	**23,333**
31 to 60 days past due	**17,691**	**–**	**17,691**
61 to 90 days past due	**8,821**	**–**	**8,821**
More than 90 days past due	**43,429**	**–**	**43,429**
	177,879	**–**	**177,879**
Credit impaired:			
- individually impaired	**408**	**(408)**	**–**
Trade receivables	**178,287**	**(408)**	**177,879**
Contract assets	**195,561**	**–**	**195,561**
	373,848	**(408)**	**373,440**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables is as follows:-

THE GROUP	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2018				
Not past due	68,460	–	–	68,460
Past due:-				
- less than 1 month	20,381	–	–	20,381
- 1 to 3 months	26,700	(26)	–	26,674
- more than 3 months	33,378	(382)	–	32,996
Trade receivables	148,919	(408)	–	148,511
Contract assets	125,499	–	–	125,499
	274,418	(408)	–	274,010

Property Development Segment

The management is of the opinion that the recoverability of the amount owed by the purchasers is duly recoverable, due to the following reasons:-

(i) The transfer of the property to the purchaser is subject to the full payment of the outstanding amount;

(ii) Most of the purchasers have end financing arrangements, and payments are slow because of the credit processes of the end financiers; and

(iii) In the event the sale is terminated for non-payment, the Group will be able to recover the property.

Other Segments

Other segments are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Amount Owing By Subsidiaries

The Company considers loans and advances to subsidiaries have low credit risks. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries are summarised below:-

THE COMPANY	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2019			
Low credit risk	**850,536**	**–**	**850,536**
Credit impaired	**47,640**	**(47,640)**	**–**
	898,176	**(47,640)**	**850,536**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2019					
Non-derivative Financial Liabilities					
Trade payables	–	91,469	91,469	91,469	–
Other payables, deposits and accruals	–	198,201	198,201	198,201	–
Hire purchase payables	4.51	848	924	363	561
Term loans	6.50	75,984	86,029	29,721	56,308
Sukuk Wakalah	6.27	230,000	261,312	96,488	164,824
Revolving credits	6.10	20,015	22,997	10,884	12,113
Bank overdrafts	7.59	35,456	35,456	35,456	–
		651,973	696,388	462,582	233,806

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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 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	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2018						
Non-derivative Financial Liabilities						
Trade payables	–	67,033	67,033	67,033	–	–
Other payables, deposits and accruals	5.00	125,527	127,573	118,088	1,310	8,175
Hire purchase payables	4.52	1,167	1,286	363	923	–
Term loans	7.07	113,789	128,889	31,451	97,438	–
Sukuk Wakalah	5.98	150,000	166,837	76,448	90,389	–
Revolving credits	5.97	23,669	28,458	11,216	6,935	10,307
Bank overdrafts	7.88	26,446	26,446	26,446	–	–
		507,631	546,522	331,045	196,995	18,482

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2019					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	**–**	**25,170**	**25,170**	**25,170**	**–**
Amounts owing to subsidiaries	**5.00**	**7,806**	**7,806**	**7,806**	**–**
Sukuk Wakalah	**6.27**	**230,000**	**261,312**	**96,488**	**164,824**
Bank overdraft	**8.60**	**3,895**	**3,895**	**3,895**	**–**
		266,871	**298,183**	**133,359**	**164,824**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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 at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2018					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	–	27,390	27,390	27,390	–
Amounts owing to subsidiaries	5.00	47,270	47,270	47,270	–
Sukuk Wakalah	5.98	150,000	166,837	76,448	90,389
Bank overdrafts	8.50	1,476	1,476	1,476	–
		226,136	242,973	152,584	90,389

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 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	
	2019 RM'000	2018 RM'000
Term loans (Note 21)	**75,984**	113,789
Hire purchase payables (Note 22)	**848**	1,167
Bank overdrafts (Note 26)	**35,456**	26,446
Sukuk Wakalah (Note 20)	**230,000**	150,000
Revolving credits (Note 23)	**20,015**	23,669
	362,303	315,071
Less: Fixed deposits with licensed banks (Note 15)	**76,339**	86,633
Less: Cash and bank balances (Note 16)	**187,871**	193,795
	264,210	280,428
Net debt	**98,093**	34,643
Total equity	**1,327,946**	1,206,992
Debt-to-equity ratio (times)	**0.07**	0.03

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP 2019 RM'000	THE COMPANY 2019 RM'000
Financial Assets		
Amortised cost		
Trade receivables (Note 11)	177,879	–
Other receivables and deposits (Note 13)	15,468	2
Amount owing by subsidiaries (Note 14)	–	850,536
Fixed deposits with licensed banks (Note 15)	76,339	51,548
Cash and bank balances (Note 16)	187,871	8,945
	457,557	911,031
Financial Liabilities		
Amortised cost		
Trade payables (Note 24)	91,469	–
Other payables, deposits and accruals (Note 25)	198,201	25,170
Amount owing to subsidiaries (Note 14)	–	7,806
Bank overdrafts (Note 26)	35,456	3,895
Hire purchase payables (Note 22)	848	–
Sukuk Wakalah (Note 20)	230,000	230,000
Term loans (Note 21)	75,984	–
Revolving credits (Note 23)	20,015	–
	651,973	266,871

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	THE GROUP 2018 RM'000	THE COMPANY 2018 RM'000
Financial Assets		
Loans and Receivables Financial Assets		
Trade receivables (Note 11)	148,511	–
Other receivables and deposits (Note 13)	15,263	32
Amount owing by subsidiaries (Note 14)	–	685,794
Fixed deposits with licensed banks (Note 15)	73,947	71,911
Cash and bank balances (Note 16)	193,795	39,538
	431,516	797,275
Held-to-maturity Financial Assets		
Fixed deposits with licensed banks (Note 15)	12,686	2,991
Financial Liabilities		
Other Financial Liabilities		
Trade payables (Note 24)	67,033	–
Other payables, deposits and accruals (Note 25)	125,527	27,390
Amount owing to subsidiaries (Note 14)	–	47,270
Bank overdrafts (Note 26)	26,446	1,476
Hire purchase payables (Note 22)	1,167	–
Sukuk Wakalah (Note 20)	150,000	150,000
Term loans (Note 21)	113,789	–
Revolving credits (Note 23)	23,669	–
	507,631	226,136

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	THE GROUP 2019 RM'000	THE COMPANY 2019 RM'000
Financial Assets		
Amortised cost		
Net gains/(losses) recognised in profit or loss	**6,383**	**(8,128)**
Financial Liabilities		
Amortised cost		
Net losses recognised in profit or loss	**(5,595)**	**(11,763)**

	THE GROUP 2018 RM'000	THE COMPANY 2018 RM'000
Financial Assets		
Loans and Receivables Financial Assets		
Net gains recognised in profit or loss	2,552	26,722
Held-to-maturity Financial Assets		
Net gains recognised in profit or loss	2,808	2,713
Financial Liabilities		
Other Financial Liabilities		
Net losses recognised in profit or loss	(5,966)	(1,099)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company that are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total	Carrying
	Level 1	Level 2	Level 3	Fair Value	Amount
THE GROUP	RM'000	RM'000	RM'000	RM'000	RM'000
2019					
Financial liabilities					
Sukuk Wakalah	**–**	**227,951**	**–**	**227,951**	**230,000**
Term loans	**–**	**75,984**	**–**	**75,984**	**75,984**
Hire purchase payables	**–**	**904**	**–**	**904**	**848**
Revolving credits	**–**	**20,015**	**–**	**20,015**	**20,015**
2018					
Financial liabilities					
Other payables and accruals	–	9,485	–	9,485	7,439
Sukuk Wakalah	–	148,917	–	148,917	150,000
Term loans	–	113,789	–	113,789	113,789
Hire purchase payables	–	1,188	–	1,188	1,167
Revolving credits	–	23,669	–	23,669	23,669

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period (Cont'd):-

THE COMPANY	Fair Value of Financial Instruments not Carried at Fair Value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2019					
Financial asset					
Amount owing by subsidiaries (non-current)	**–**	**289,162**	**–**	**289,162**	**289,162**
Financial liability					
Sukuk Wakalah	**–**	**227,951**	**–**	**227,951**	**230,000**
2018					
Financial asset					
Amount owing by subsidiaries (non-current)	–	197,320	–	197,320	197,320
Financial liability					
Sukuk Wakalah	–	148,917	–	148,917	150,000

(a) The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of amounts owing by subsidiaries (non-current) approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair values of the term loans and revolving credits that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(iii) The fair values of hire purchase payables and Sukuk Wakalah that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	THE GROUP 2019 %	THE GROUP 2018 %	THE COMPANY 2019 %	THE COMPANY 2018 %
Hire purchase payables	**4.44 – 4.83**	3.72 – 4.73	**–**	–
Sukuk Wakalah	**4.95 – 6.84**	4.95 – 6.75	**4.95 – 6.84**	4.95 – 6.75

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

44. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

(i) Certain costs directly attributable to property development activities, rendering of education services and hotel operation were reclassified to costs of sales.

	THE GROUP	
	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income (Extract):-		
Cost of sales	(350,990)	(345,157)
Administrative expenses	(122,375)	(128,208)

(ii) The property development costs were reclassified to current as the development activities for these properties were completed and transferred to properties held for sale.

	THE GROUP	
	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Financial Position (Extract):-		
Inventories (Non-current)	634,205	643,900
Inventories (Current)	389,805	380,110

(iii) The cash flows were reclassified to operating activities as it relates to operating nature.

	THE GROUP		THE COMPANY	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000
Statements of Cash Flows (Extract):-				
Net cash from operating activities	182,337	161,276	17,939	17,434
Net cash from financing activities	13,541	34,602	158,977	159,482

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) Joint Venture Agreement between Matrix Concepts Holdings Berhad, PT Bangun Kosambi Sukses ("BKS") and PT Nikko Securitas Indonesia ("NSI")

The Company had on 15 May 2018, announced that the Company had entered into a Memorandum of Understanding ("MOU") with BKS and NSI for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta, Indonesia. The purpose of the MOU is to create a platform for the parties to commit their intention and to strengthen the mutual understanding to set up a collaboration for a proposed joint venture for the said development. It is anticipated that the definitive joint venture agreement will be executed within 6 months from the date of the MOU. In the event the parties are unable to execute the definitive joint venture agreement at the expiry of 6 months, the MOU shall be terminated by mutual consent of all parties.

Further to the above, the Company had on 2 October 2018, announced that it had entered into a Joint Venture Agreement with BKS and NSI to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

On 2 April 2019, the Company together with BKS and NSI had entered into a supplemental agreement to extend the period for the capital injection by the respective parties.

(ii) Joint Venture cum Shareholders Agreement between Matrix Global Education Sdn. Bhd. ("MGE") and Bonanza Educare Sdn. Bhd. ("BESB") (formerly known as Ipoh Learning & Training Institution Sdn. Bhd.)

The Company had on 16 January 2019, announced that MGE, a wholly-owned subsidiary of the Company, had entered into a Joint Venture cum Shareholders Agreement ("JVSA") with BESB with a mutual objective to provide efficient operations and management of Matrix Global Schools based on an agreed business plan.

On 28 February 2019, Matrix Educare Sdn. Bhd. ("MEC"), being identified as the joint venture company, had completed its issuance of shares to BESB. Pursuant to the terms of the JVSA, MEC's shareholdings is now 51% held by MGE while the remaining 49% is held by BESB.

(iii) Private placement of up to 75,000,000 new Matrix Concepts Holdings Berhad ("MCHB") Shares

On behalf of the Company, Maybank Investment Bank Berhad ("Maybank IB") had on 12 March 2019, announced that the Company proposed to undertake a private placement of up to 75,000,000 new MCHB Shares ("Private Placement") pursuant to the general mandate applicable for the period granted by the shareholders of MCHB under Sections 75 and 76 of the Companies Act. The listing application for the Private Placement was submitted to Bursa Securities on 13 March 2019 and approved on 18 March 2019.

On 2 May 2019, Maybank IB had on behalf of the Company, announced the price fixing of the first tranche which entails the issuance of 21,000,000 new MCHB Shares at RM1.986 per share to be issued pursuant to the Private Placement ("First Tranche Placement"). The First Tranche Placement was completed on 10 May 2019.

On 15 May 2019, Maybank IB had on behalf of the Company, announced the price fixing of the second tranche which entails the issuance of 13,000,000 new MCHB Shares at RM2.00 per share to be issued pursuant to the Private Placement ("Second Tranche Placement"). The Second Tranche Placement was completed on 27 May 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

46. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Joint Venture between Matrix Concepts (Southern) Sdn. Bhd. ("MCS") (formerly known as Seventech Sdn. Bhd.) and Koperasi Kemajuan Tanah Negeri Johor Berhad ("KKTNJB")

The Company had on 2 May 2019 announced that MCS, a wholly-owned subsidiary of the Company, had entered into a Joint Venture Agreement with KKTNJB with a mutual objective and purpose of carrying out mixed development projects on part of the land owned by KKTNJB under the land title details of HS(D) 56852, PTD 74731 in the Mukim and District of Kluang and State of Johor measuring approximately 407.6 acres.

The said mixed development projects to be carried out will cover approximately 309.5 acres within the abovementioned land with the development costs to be borne by MCS. In return for the exclusive and irrevocable right granted by KKTNJB for MCS to develop the said land, MCS shall pay a cash consideration of RM91,679,338 based on a payment schedule agreed upon between the parties.

ADDITIONAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Utilisation of Proceeds

There was no new proceeds raised during the financial year ended 31 March 2019.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors or their affiliated companies by Matrix for the financial year ended 31 March 2019 as shown below:-

	The Group RM	The Company RM
Audit Fees	610,000	70,000
Non-Audit Fees *	187,000	53,000

** Non- audit fees comprise taxation services, review of Statement on Risk Management and Internal Control and limited review services.*

Information on Warrants 2015/2020

Information on Warrants 2015/2020 during the financial year ended 31 March 2019

Total No. of Warrants	Total No. of Warrants Converted	Total No. of Unexercised Warrants
90,198,383	26,263,097	63,935,286

Material Contracts Involving Directors and Substantial Shareholders

Matrix and its subsidiary companies have not entered into any material contracts outside the ordinary course of business, involving Directors and substantial shareholders for the financial year ended 31 March 2019.

LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

PROPERTIES OWNED BY OUR GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2019 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse	186,802	5 July 2013

DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2019 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold / Perpetuity			187,175	11 August 2011
(i)	Lot No. PT 6714-6730, 10919-10985, 10987-11081, 11146-11281,12667, 12739-12774,12788-12836, 12869-12925,12955-12984, 13014-13043 and 13065-13094, Bandar Sri Sendayan, Seremban, Negeri Sembilan		147.7	On-going and/or future mixed residential and commercial development		
(ii)	Lot No. PT 7148-7194 and 7196-7209, Bandar Sri Sendayan, Seremban, Negeri Sembilan		4.9	Future commercial development		
(iii)	Lot No. PT 4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan		18.4	On-going commercial development		
(iv)	Lot No. PT 13882-13893, 6140-6172 and 12671, Bandar Sri Sendayan, Seremban, Negeri Sembilan		42.9	Future mixed commercial and industrial development		
(v)	Lot No. PT 6337 and 11633, Bandar Sri Sendayan, Seremban, Negeri Sembilan		16.4	On-going industrial development		
(vi)	Lot No. PT 6394, 11651-11660, 11663-11680, 12678, 12682, 12685 and 12690, Bandar Sri Sendayan, Seremban, Negeri Sembilan		81.7	On-going industrial and commercial development		

LIST OF PROPERTIES (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2019 (RM'000)	Date of acquisition
(vii)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		
(viii)	Lot No. PT 10717-10865, 12655-12658, 12660 and 12679, Bandar Sri Sendayan, Seremban, Negeri Sembilan		55.26	Future mixed commercial development		
(ix)	Lot No. PT 10282-10532 and 10564-10672 Bandar Sri Sendayan, Seremban, Negeri Sembilan		45.0	On-going residential development		
2.	PT24225-27856, Mukim Labu, Seremban, Negeri Sembilan	Freehold / Perpetuity	294.6	Future mixed residential and commercial development	91,050	31 October 2013
3.	PT 159 Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	Future mixed residential and commercial development	79,267	24 December 2013
4.	PTD25635-26918, Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	194.4	On-going and/or Future residential development	107,231	28 November 2013
5.	HS(D) 176671, PT17805, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	60,698	10 April 2014
6.	Geran No. 110843, Lot 16378, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	Future industrial development	104,607	13 February 2015
7.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.76	Future residential development	115,239	4 January 2016
8.	Lot No. PT5400, 5407-5410, 5412-5414, 5416, 5418-5427, 26307, and 26311-26312, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	115.6	Future industrial development	43,452	Between 18 June 2014 and 26 May 2016
9.	650 & 660 Somerton Road, Greenvale 3059 Victoria Australia	Freehold	9.67	On-going residential development	33,521	12 November 2018
10.	333 St Kilda Road, St Kilda 3182 Victoria Australia	Freehold	0.63	Existing budget hotel for future commercial and residential development	49,757	7 December 2018

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2019

Issued Share Capital : 786,809,487 ordinary shares
Class of Shares : Ordinary shares
Voting Right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Shareholdings	%
Less Than 100 shares	608	28,517	0.00
100 To 1,000 shares	1,286	785,434	0.10
1,001 To 10,000 shares	4,868	21,771,313	2.77
10,001 To 100,000 shares	2,074	59,078,341	7.51
100,001 To Less Than 5% of issued shares	397	462,065,117	58.73
5% and above of issued shares	4	243,080,765	30.89
Total	**9,237**	**786,809,487**	**100.00**

SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under Section 144 of the Companies Act 2016 ("the Act"), the following are the substantial shareholders of Matrix:-

Name of Substantial Shareholder	No. of Shares			
	Direct	%	Indirect	%
1. Dato' Lee Tian Hock	115,569,276	14.69	(i) 166,301,535	21.14
2. Shining Term Sdn Bhd	105,734,357	13.44	–	–
3. Datin Yong Chou Lian	2,343,968	0.30	(ii) 111,307,492	14.15
4. Employees Provident Fund Board	58,200,907	7.40	–	–

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a) Shining Term Sdn Bhd	105,734,357
b) Ambang Kuasa Sdn Bhd	32,699,185
c) Magnitude Point Sdn Bhd	19,950,890
d) Yakin Teladan Sdn Bhd	5,573,135
e) Datin Yong Chou Lian	2,343,968
Total	**166,301,535**

(ii) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.

a) Shining Term Sdn Bhd	105,734,357
b) Yakin Teladan Sdn Bhd	5,573,135
Total	**111,307,492**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JUNE 2019

DIRECTOR'S SHAREHOLDINGS

	No. of Shares			
Name of Director	Direct	%	Indirect	%
1. Dato' Haji Mohamad Haslah Bin Mohamad Amin	2,151,037	0.27	–	–
2. Dato' Lee Tian Hock	115,569,276	14.69	(i) 166,301,535	21.14
3. Ho Kong Soon	3,284,811	0.42	(ii) 29,162,043	3.71
4. Rezal Zain Bin Abdul Rashid	954,687	0.12	–	–
5. Dato' Logendran A/L K Narayanasamy	1,543,437	0.20	–	–
6. Dato' Firdaus Muhammad Rom Bin Harun	–	–	–	–
7. Dato' (Ir.) Batumalai A/L Ramasamy	587,915	0.07	(iii) 11,375	0.001
8. Dato' Hon Choon Kim	462,500	0.06	(iv) 17,500	0.002
9. Dato' Hajah Kalsom Binti Khalid	201,300	0.03	–	–

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a) Shining Term Sdn Bhd	105,734,357
b) Ambang Kuasa Sdn Bhd	32,699,185
c) Magnitude Point Sdn Bhd	19,950,890
d) Yakin Teladan Sdn Bhd	5,573,135
e) Datin Yong Chou Lian	2,343,968
Total	**166,301,535**

(ii) Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59(11)(c) of the Act.

a) Supreme Interest Sdn Bhd	28,855,793
b) Alice Tan Khiam Chow	306,250
Total	**29,162,043**

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

a) Dr. Santha A/P Sockalingam	4,375
b) Dr. Navin Kumar A/L Batumalai	2,000
c) Rishni A/P Batumalai	5,000
Total	**11,375**

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

a) Datin Lee Siow Kian @ Lee Siew Kian	8,750
b) Hon Woei Tatt	8,750
Total	**17,500**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JUNE 2019

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Tian Hock*	94,333,333	11.99
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Shining Term Sdn. Bhd.*	60,000,000	7.63
3.	Shining Term Sdn. Bhd.	45,734,357	5.81
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	43,013,075	5.47
5.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd For PT Fin Centerindo Dua*	34,000,000	4.32
6.	Ambang Kuasa Sdn. Bhd.	32,699,185	4.16
7.	Supreme Interest Sdn. Bhd.	28,855,793	3.67
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN for AIA Bhd.*	24,822,457	3.15
9.	Lee Tian Hock	21,235,943	2.70
10.	Magnitude Point Sdn. Bhd.	19,950,890	2.54
11.	Target Venue Sdn. Bhd.	12,449,543	1.58
12.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	11,057,487	1.41
13.	Fine Approach Sdn. Bhd.	10,000,000	1.27
14.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB For Takafulink Dana Ekuiti*	8,653,450	1.10
15.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Citibank New York (Norges Bank 14)*	7,783,521	0.99
16.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB For Prulink Dana Unggul*	6,757,891	0.86
17.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lee Tian Hock (E-SRB/PDN)*	6,250,000	0.79
18.	Kumpulan Wang Persaraan (Diperbadankan)	6,161,683	0.78
19.	Meridian Effect Sdn. Bhd.	5,990,850	0.76
20.	Yakin Teladan Sdn. Bhd.	5,573,135	0.71
21.	Amanah Raya Berhad *Kumpulan Wang Bersama Syariah*	5,000,083	0.64
22.	Maybank Nominees (Tempatan) Sdn. Bhd. *Bank Kerjasama Rakyat (M) Berhad (412803)*	5,000,000	0.64
23.	Yong Soi Mee	4,700,000	0.60
24.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Affin Hwang Aiiman Growth Fund (4207)*	4,326,677	0.55
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (ARIM)*	4,249,916	0.54
26.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham*	4,095,853	0.52
27.	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	3,945,737	0.50
28.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (AFF HWG6939-403)*	3,742,875	0.48
29.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (F Templeton)*	3,641,425	0.46
30.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund*	3,524,571	0.45
	Total	**527,549,730**	**67.07**

ANALYSIS OF WARRANT HOLDINGS

AS AT 30 JUNE 2019

No. of Unconverted Warrants : 63,935,286
Exercise Price : RM1.92 per warrant
Warrants Issued Date : 21 July 2015
Expiry Date : 20 July 2020

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	Warrant Holdings	%
Less Than 100 warrants	593	24,387	0.04
100 To 1,000 warrants	1,301	570,684	0.89
1,001 To 10,000 warrants	1,055	3,195,860	5.00
10,001 To 100,000 warrants	389	13,236,231	20.70
100,001 To Less Than 5% of issued warrants	97	34,708,431	54.29
5% and above of issued warrants	3	12,199,693	19.08
Total	**3,438**	**63,935,286**	**100.00**

DIRECTOR'S WARRANT HOLDINGS

Name of Director	No. of Warrants			
	Direct	%	Indirect	%
1. Dato' Haji Mohamad Haslah Bin Mohamad Amin	165,625	0.26	–	–
2. Dato' Lee Tian Hock	260,342	0.41	(i) 8,503,643	13.30
3. Ho Kong Soon	803,215	1.26	(ii) 4,166,006	6.52
4. Rezal Zain Bin Abdul Rashid	87,499	0.14	–	–
5. Dato' Logendran A/L K Narayanasamy	86,562	0.14	–	–
6. Dato' Firdaus Muhammad Rom Bin Harun	10,416	0.02	–	–
7. Dato' (Ir.) Batumalai A/L Ramasamy	100,000	0.16	(iii) 3,750	0.006
8. Dato' Hon Choon Kim	–	–	(iv) 2,500	0.004
9. Dato' Hajah Kalsom Binti Khalid	–	–	–	–

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 30 JUNE 2019

Notes:

(i) Deemed interested by virtue of his direct warrant holdings in Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the warrant holdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a)	Ambang Kuasa Sdn Bhd	4,671,312
b)	Magnitude Point Sdn Bhd	2,850,127
c)	Yakin Teladan Sdn Bhd	647,352
d)	Datin Yong Chou Lian	334,852
Total		**8,503,643**

(ii) Deemed interested by virtue of his direct warrant holdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the warrant holdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59(11)(c) of the Act.

a)	Supreme Interest Sdn Bhd	4,122,256
b)	Alice Tan Khiam Chow	43,750
Total		**4,166,006**

(iii) Deemed interested of warrants held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Dr. Santha A/P Sockalingam	625
b)	Dr. Navin Kumar A/L Batumalai	3,125
Total		**3,750**

(iv) Deemed interested of warrants held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

a)	Datin Lee Siow Kian @ Lee Siew Kian	1,250
b)	Hon Woei Tatt	1,250
Total		**2,500**

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 30 JUNE 2019

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Warrant holders	No. of Warrants Held	%
1.	Ambang Kuasa Sdn. Bhd.	4,671,312	7.31
2.	Supreme Interest Sdn. Bhd.	4,122,256	6.45
3.	Ho Siew Heng	3,406,125	5.33
4.	Magnitude Point Sdn. Bhd.	2,850,127	4.46
5.	Target Venue Sdn. Bhd.	1,778,506	2.78
6.	Wong Ah Kum	1,300,000	2.03
7.	Lam Ying Choi	1,270,000	1.99
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN for AIA Bhd.*	1,218,884	1.91
9.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Teck Chye*	1,004,500	1.57
10.	Meridian Effect Sdn. Bhd.	855,836	1.34
11.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Pang Chow Wah*	813,853	1.27
12.	Ho Kong Soon	803,215	1.26
13.	Fine Approach Sdn. Bhd.	775,000	1.21
14.	Dan Yoke Pyng	772,925	1.21
15.	P & L Nichi Trade Sdn. Bhd.	750,000	1.17
16.	Low Ying Hoe	663,700	1.04
17.	Yakin Teladan Sdn. Bhd.	647,352	1.01
18.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Mooi Kim (RH3 Margin)*	596,900	0.93
19.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Susy Ding*	593,400	0.93
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Rakuten Trade Sdn Bhd For Ng Wai Lock*	563,500	0.88
21.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Foo Sang @ Wong Chin Lim*	563,375	0.88
22.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Kin Lip*	541,666	0.85
23.	Khoo Chai Pek	500,000	0.78
24.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Moses Dason A/L M Swamidass*	500,000	0.78
25.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Tan Ka-Shing (8101381)*	447,000	0.70
26.	Khoo Chai Heng	440,000	0.69
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ting Siew Pin (CEB)*	439,968	0.69
28.	Ter Leong Swe	434,750	0.68
29.	Yong Siew Ngee	433,750	0.68
30.	Au Shiun Chour	399,000	0.62
	Total	**34,156,900**	**53.43**

RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")

(PURSUANT TO PARAGRAPH 10.09(2)(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

In addition to Note 39 - Related Party Disclosures in the Audited Financial Statements for the financial year ended 31 March 2019, the disclosure of the breakdown of the aggregate value of RRPTs incurred during FY2019 are as below:-

No.	Related Parties	Relationship with MCHB Group	Type of RRPT	Actual Aggregate Value as at 31 March 2019 (RM)
1.	Y&Y Mix Sdn Bhd	Datin Yong Chou Lian, who is a substantial shareholder of Y&Y Mix Sdn Bhd, is a shareholder of the Company 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 Ing Kiat, Yong Ah Chek and Yong Hwah Kiat who are substantial shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law to Dato' Lee Tian Hock.	Supply ready mix concrete to Matrix Excelcon Sdn Bhd and Matrix IBS Sdn Bhd	22,757,020.00
2.	T&T Cahaya Murni Sdn Bhd	Tung Kwi Hoiu and Tung Kew Tiong, who are substantial shareholders and directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a director of Matrix Excelbuilder Sdn Bhd (formerly known as Pembinaan Juwasan Sdn Bhd), Matrix Excelcon Sdn Bhd and Matrix Exceltrading Sdn Bhd.	Supply of cements, ceiling, steel bar, steel mesh ceramic tiles, reinforced concrete piles, plywood to Matrix Excelcon Sdn Bhd	27,117,840.32
3.	Y&N Hardware Trading	Nyo Eng Kiak, who is the joint-owner of Y&N Hardware Trading, is the brother-in-law of Dato' Lee Tian Hock.	Provision of transport services to Matrix Excelcon Sdn Bhd	NIL
4.	Takrif Maksimum Sdn Bhd	Dato' Lee Tian Hock who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is a substantial shareholder of the Company and its Group Executive Deputy Chairman. Datin Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Lee Tian Hock.	Rental of retail space to BSS Development Sdn Bhd to be utilised as its sales gallery	60,000.00
5.	Shafikzaman & Partner Sdn Bhd	Lim Sher Reen, who is a director and substantial shareholder of Shafikzaman & Partner Sdn Bhd, is the daughter of Dato' Lim Kiu Hock, the then director of several subsidiary companies in MCHB.	Provision of lead architect and architectural consultancy services to BSS Development Sdn Bhd	530,000.00

RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") (CONT'D)

(PURSUANT TO PARAGRAPH 10.09(2)(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

No.	Related Parties	Relationship with MCHB Group	Type of RRPT	Actual Aggregate Value as at 31 March 2019 (RM)
6.	GXM Pty Ltd	Lee Jon Wee who is a sole director and sole shareholder of GXM Pty Ltd, is also the director of Matrix Concepts (Australia) Pty Ltd, Matrix Development (Australia) Pty Ltd, Matrix Greenvale (Australia) Pty Ltd and Matrix 333 St Kilda (Australia) Pty Ltd.	Development and management of projects, management, sales and marketing services	597,850.00
7.	Sunmix Concrete Product Sdn Bhd	Yong Ing Kiat and Soo Li Peng, who are substantial shareholders and directors of Sunmix Concrete Product Sdn Bhd, are the brother and sister-in-law of Dato' Lee Tian Hock.	Provision of transport services to Matrix Excelcon Sdn Bhd	NIL
8.	Reka Homes, RekaLight Sdn Bhd and Reka International Industries (M) Sdn Bhd (collectively, **"Reka Group"**)	Dato' Logendran A/L K Narayanasamy who is a director and substantial shareholder of Reka Group, is also the Non-Independent Non-Executive Director of MCHB and the director of several subsidiary companies of MCHB.	Supply and deliver light fittings and accessories, fittings for buildings fixture and furniture to the Group	537,263.88
9.	Yong Moi Noi	Yong Moi Noi is the sister-in-law of Dato' Lee Tian Hock.	Agency services for the sourcing and purchase of sales, marketing materials or collaterals, corporate gift and decoration items to the Group	512,282.64
10.	Ratusan Aman Jati Sdn Bhd	Tan Seng Heng and Low Kim Fong are the directors and shareholders of Ratusan Aman Jati Sdn Bhd. They are also the brother and sister-in-law of Mr Lee Tian Onn, who in turn is the brother of Dato' Lee Tian Hock.	Rental of retail space to Matrix Concepts Sdn Bhd for the purpose of operating as an office	180,000.00
11.	Lee Geok Hoon and Cheong Yong Chieh	Lee Geok Hoon and Cheong Yong Chieh are the sister and brother-in-law of Dato' Lee Tian Hock.	Rental of retail space to Matrix Excelcon Sdn Bhd for the purpose of operating as an office	43,200.00
12.	Pasar Mini G.V.	Tan Ah Bah, Tan Mei Yoong, Tan Mei Chien and Tan Mei Siang are the partners of Pasar Mini G.V. They are the brother-in-law and nieces of Datin Yong Chou Lian. Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.	Supply of food/groceries to d'Tempat Country Club	321,366.58

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("22nd AGM") of Matrix Concepts Holdings Berhad ("MCHB" or "the Company") will be held at **Halia Room, d'Tempat Country Club, PT 12653, Jalan Pusat Dagangan Sendayan 1, 71950 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia on Wednesday, 21 August 2019 at 10.30 a.m.** for the transaction of the following business:

AGENDA

AS ORDINARY BUSINESS

1. TO RECEIVE the audited financial statements for the financial year ended 31 March 2019 and the Directors' and Auditors' reports thereon.

2. TO APPROVE the following payments to Directors:-

    a) Directors' Fees of RM384,000 for the financial year ended 31 March 2019 (2018: RM354,000). **Ordinary Resolution 1**
    b) Directors' Benefits of up to RM430,000 from the date of this 22nd AGM until the next Annual General Meeting ("AGM") of the Company to be held in the year 2020. **Ordinary Resolution 2**

3. TO RE-ELECT the following Directors retiring in accordance with Clause 103 of the Company's Constitution:-

    a) Mr Ho Kong Soon **Ordinary Resolution 3**
    b) Dato' Logendran A/L K Narayanasamy **Ordinary Resolution 4**
    c) Dato' (Ir.) Batumalai A/L Ramasamy **Ordinary Resolution 5**

4. TO RE-APPOINT Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia) (LLP0018817-LCA & AF 1018) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

TO CONSIDER AND IF THOUGHT FIT, to pass the following as Ordinary Resolutions:-

5. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 7**
   "**THAT**, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant authorities, the Directors be and hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next AGM of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. **Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 8**

"**THAT** approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 16 August 2018 and new shareholders' mandate pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.1.4 and 2.1.5 in the Circular to Shareholders dated 23 July 2019, with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries' for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the 22nd AGM at which such mandate will lapse, unless by an ordinary resolution passed at an AGM whereby the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

7. TO TRANSACT any other business of which due notice shall have been given.

By Order Of The Board

LOO KAH BOON (MAICSA 0784630)
Group Company Secretary
23 July 2019
Negeri Sembilan

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

(i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his place. A proxy may, but need not be, a member of the Company. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 22nd 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 shareholdings to be represented by each proxy.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(iii) Where a member of the Company is an exempt nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus account it holds. An exempt authorised nominee with more than one (1) Securities Account must submit a separate instrument of proxy for each securities account.

(iv) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Company's Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(v) In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 August 2019 shall be entitled to attend, speak and vote at the 22nd AGM.

(vi) All the resolutions as set out in the notice of 22nd AGM will be put to vote by poll.

Explanatory Notes on Item 1, 2(b) and 4 of the Agenda and Special Business.

Ordinary Business:-

1. **Item 1 of the Agenda – Audited Financial Statements**
This item 1 of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. **Item 2(b) of the Agenda – Payment of Directors' Benefits**
The Company is seeking shareholders' approval pursuant to Section 230(1) of the Companies Act 2016 for the payment of the Directors' benefits incurred or to be incurred from the date of the 22nd AGM until the next annual general meeting of the Company to be held in the year 2020.

The Directors' benefits payable to the Directors comprise meeting allowances, club memberships and leave passages. If the Proposed Resolution 2 is passed at the 22nd AGM, the payment of the Directors' benefits will be made by the Company as and when incurred. The Board is of the view that it is fair and equitable for the Directors to be paid as and when incurred, given that the Directors have duly discharged their responsibilities and provided their services to the Company for the said period.

3. **Item 4 of the Agenda – Reappointment of Auditors**
The Board had approved the recommendation by the Audit Committee on the re-appointment of Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia) (LLP0018817- LCA & AF 1018) as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs. Crowe Malaysia PLT (formerly known as Crowe Malaysia) (LLP0018817- LCA & AF 1018) has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Special Business:-

4. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**
The proposed Ordinary Resolution 7 is primarily to give authority to the Board of Directors to allot and issue up to 10% of the total number of issued shares at any time in their absolute discretion and for such purpose as they consider would be in the best interest of the Company without convening a general meeting. This authority, if granted, is a renewal of the earlier mandate granted at the Twenty First Annual General Meeting held on 16 August 2018 and unless revoked or varied at a general meeting, shall expire at the Twenty-Third Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when the needs may arise during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total, 10% of the total number of issued shares of the Company for the time being, for such purpose.

5. **Recurrent Related Party Transactions**
The proposed Ordinary Resolution 8 is to seek a renewal of shareholders' mandate and new shareholders' mandate to allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. For further information, please refer to the Circular to Shareholders dated 23 July 2019 accompanying the Company's Annual Report 2019.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Directors who are standing for re-election at the 22nd AGM of Matrix Concepts Holdings Berhad are as follow:

    a) Mr Ho Kong Soon

    b) Dato' Logendran A/L K Narayanasamy

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

2. The profiles of the Directors who are standing for re-election are set out on page 40, 42 and 44 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 240 of this Annual Report.

4. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

    The shareholders had at the Twenty First Annual General Meeting held on 16 August 2018, granted the authority to the Directors of the Company for the issuance of shares up to 10% of the total number of issued shares of the Company and such authority shall expire at the conclusion of the 22nd AGM. Details of the said authority are further explained in the Explanatory Notes attached with the Notice of 22nd AGM on page 247 of this Annual Report. The Board of Directors intends to seek a renewal of the said authority.

    On 12 March 2019, the Company announced the proposed placement involving the issuance of up to 75.0 million new ordinary shares comprising approximately 10% of the total number of issued shares of the Company ("Proposed Placement").

    During the validity period of the said authority up to date of the Notice of 22nd AGM, there were two tranches arising from the Proposed Placement of 34.0 million new ordinary shares issued to Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd For PT Fin Centerindo Dua, details as follows:-

Tranche	Date	No. of Shares Issued
First tranche	8 May 2019	21 million
Second tranche	23 May 2019	13 million
Total no. of shares issued		34 million

PROXY FORM

MATRIX CONCEPTS HOLDINGS BERHAD
(Company No.: 414615-U)
(Incorporated in Malaysia)

No. of Shares	CDS Account No.

(Before completing this form please refer to the notes below)

*I/*We ____
(Full name in Block Letters)

NRIC/Passport No./Company No. ____

of ____
(Full address)

____

being a member/members of Matrix Concepts Holdings Berhad ("Matrix" or "the Company") hereby appoint the following person(s):-

Name of Proxy / NRIC No.	No. of shares to be represented by proxy
1.	
2.	

or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Twenty-Second Annual General Meeting ("22nd AGM") of the Company to be held on Wednesday, 21 August 2019 at Halia Room, d'Tempat Country Club, PT 12653, Jalan Pusat Dagangan Sendayan 1, 71950 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, Malaysia at 10.30 a.m. and at any adjournment thereof.

Ordinary Business				
Item	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and the Auditors thereon			
		Ordinary Resolution	**For**	**Against**
2.	a) To approve the payment of Directors' Fees	1		
	b) To approve the payment of Directors' Benefits	2		
3.	a) To re-elect Mr Ho Kong Soon as Director of the Company	3		
	b) To re-elect Dato' Logendran A/L K Narayanasamy as Director of the Company	4		
	c) To re-elect Dato' (Ir.) Batumalai A/L Ramasamy as Director of the Company	5		
4.	To re-appoint Auditors	6		
Special Business				
5.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	7		
6.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

As witness my hand this ____________________ day of ____________________________ 2019

____
Signature/Common Seal of Shareholder(s)

E-Mail address: ____________________

Contact No.: ____________________

Notes:

(i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his place. A proxy may, but need not be, a member of the Company. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the 22nd 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 shareholdings to be represented by each proxy.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(iii) Where a member of the Company is an exempt nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus account it holds. An exempt authorised nominee with more than one (1) Securities Account must submit a separate instrument of proxy for each securities account.

(iv) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Company's Registered Office, Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(v) In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 August 2019 shall be entitled to attend, speak and vote at the 22nd AGM.

FOLD HERE

AFFIX STAMP

The Group Company Secretary

MATRIX CONCEPTS HOLDINGS BERHAD (414615-U)
Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan Darul Khusus, Malaysia

FOLD HERE

MATRIX CONCEPTS HOLDINGS BERHAD 414615-U

Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia.
T: +606 764 2688 F: +606 764 6288

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